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World-Class, Lean Performance Tutorials and Case Studies - Tutorial 10
The "System" - and Personnel Performance

System
This word is rapidly becoming most used in the business world - often abused and misused.
Sentences like "*the system is down*" and "*today the system is a bit slow*" and "*the system does not allow this*...." are heard more and more frequently: in a bank, at airport check-in, in industry.
It would appear that transactions, operations, activities, even entire organisations rotate around and depend on a "*system*". It would also appear that people (personnel) operating or working with the "*system*" are not capable of doing anything at all when the "*system*" does not function as it should. Not only: many seem to be happy there is a problem with the "*system*", because this grants them an unexpected break....

The matter requires further investigations.
By "*system*" I do not refer only to *IT Systems*, so powerful but also so "delicate", so "fragile".
There are other "*systems*" that have nothing to do with technology: *Organisational Systems*.
Every business, every organisation - private or public - works with a "*system*": made up of policies, rules, procedures, job descriptions, and the like - and also bureaucracy.
People (personnel) operate according to what the "*system*" demands and expects from them.
For instance, if a frontline employee receives a customer's complaint he/she cannot deal with, the complaint is "*escalated*" to upper levels, because that's what the "system" caters for.

So, do we perhaps have two "*systems*", one purely "*technological*" (IT) and the other "*organisational*"?
No. There is only one: the former is produced by the latter. The "*system*" governs everything.

Why do we need a "*system*"? Simply because we don't have sufficient confidence in people, employees. If there is a system in place, with its rules and procedures, everyone in an organisation will (or should) know what to do, under any circumstance. Behaviours are predefined - responses and reactions are pre-baked - to the extent that in very formal and rigid "*traditional systems*", personnel are not even expected to take initiatives of any sort ("*the system is slow/down*....").

A "*system*" requires people with a certain specialisation and ample skills within that area of specialisation. Just have a look at personnel recruitment adverts: that's what the "system" wants.
Just look at what happens in South Africa nowadays: the focus is on single-skill, single-specialisation. Why? Because that is easily produced and then easily managed.
The priciple is exasperated to extreme levels: newcomers to the work market are strongly invited to get a "single-skill" specialisation, as door-opener to finding a job. So today people can (and should) get a "certificate" of qualification in bricklaying, plastering, tiling, painting (yes, painting!), and so on....
This is what the "*system*" wants and caters for: personnel with a single-skill ability. The principle behind this scheme is "*job creation*" - which is positive. Unfortunately, there is an enormous difference between "job creation" and "wealth creation". The latter may produce the former, but not vice-versa!
Decades ago we were trying hard to produce "artisans", capable of carrying out in a satisfactory manner different tasks in multi-skill mode - today we try to produce painters.....

The net conclusion is that **people perform just as the system expects them to perform**. Employees' level of performance can never (with just few exceptions) exceed the "ceiling" set by the "*system*". This is a theorem.

There are exceptions, though: when a "*system*" is not totally inflexible and a degree of freedom is left to personnel, initiatives are taken and employees' performance can become higher, even exceptional. As an extreme example, just think of heroic acts implemented by firemen during a blaze fighting mission...
But exceptions are only exceptions. The general rule is that people perform at the level the system allows them to act by.

It would appear there is a vicious circle: yes, there is one.

A "***traditional system***" is funded on: people with single-skill, specialised, dedicated to a task, single-function, limited responsibilities (only within the "task"), top-driven and governed, top-controlled, sufficiently motivated (to perform the assigned task), and, generally, poorly job-satisfied. People performance is limited. The organisation's performance is also limited (<u>cannot exceed the level set by the "*system*"</u>!). Most businesses, private and public organisations, enterprises of any sort, operate and function in this way, rotating around a vicious spiral.

What is the way out?

Lean. **Lean Management** is the only way out.

Lean principles (maximum output value to customers - minimal/zero waste in those processes producing value), the core of the *Second Industrial Revolution*, are based on totally different concepts than those that created "*systems*": people multi-skill, multi-function, inserted into and acting in a "*process*", fully responsible for the process' output value, highly self-motivated, enthusiastic about the initiatives they can take to improve their processes day-after-day, thrilled by the creative thinking they are expected to produce regularly, and, generally, highly job-satisfied.

The "*system*" gradually becomes more flexible, definitely less bureaucratic, lean-organised (but never chaotic), less wasteful, highly reactive to the needs/expectations of customers, faster in generating results, dynamic, open to change, targeting at continuous improvement.

A positive circle, a formula for long-term success.

Based on people (not on rules), based on confidence that <u>people can and will perform if an area of purpose is given to them</u>.