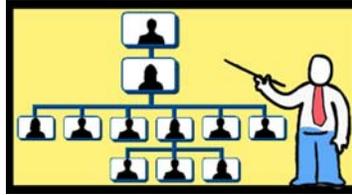


Some Thoughts About Organizations ¹

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Over many years, I've assisted a variety of organizations, bringing people together in a spirit of mutual trust, cooperation, and constructive problem solving. Large corporations. Small family-owned businesses. Profit and non-profit organizations. Organizations in both the private and public sectors.

When I look back over those years, I realize that my work has been guided by six very important assumptions about organizations. These assumptions influence the choices I make and the strategies I use. I see them as a strong foundation for a healthy and successful organization operating in the 21st century.

1. The Real Bottom Line Of Any Organization Is The Creation Of Customer Value ²

Any successful business pays close attention to the bottom line. Unfortunately, too many companies put too much focus on the financial bottom line. They put only a secondary focus on the real bottom line: *Creating Customer Value*. A business creates customer value when it delivers customer-valued services and customer-valued products to every customer.

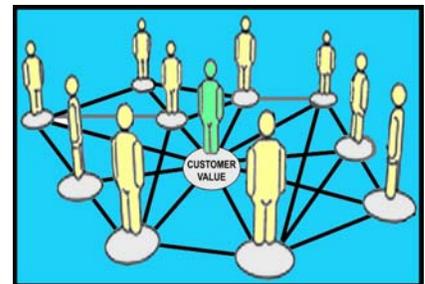


An inordinate focus on the financial bottom line often gets in the way of creating maximum customer value. Why? Because, constantly pushing people to cut expenses and find new ways of getting more money out of customers leads employees to make some customer-unfriendly decisions. Decisions throughout the company end up being based on short-term, rather than long-term thinking.

On the other hand, when companies put their primary focus on creating customer value, they inevitably experience a better financial bottom line. Customers come back. Customers recommend the company to other customers. The company's reputation in the community then draws still more customers.

2. Individual Employees Are The Most Important Resource Of Any Organization ³

A myopic focus on the financial bottom line also leads companies to pay less attention to the drivers of the real bottom line: *Individual Employees*. Individual employees get the work done that is needed to create customer value. Individual employees are the company's most valuable resource. The fact is, every employee, like a piece in a puzzle, plays a role in creating customer value, whether is a visionary CEO who leads the organization in new directions or the janitor who maintains a clean and inviting workplace.



When properly qualified, well trained employees do what it takes to accomplish their work in a trusting, collaborative, and facilitative work environment, they are more likely to approach what they do with an eye toward continuous improvement and an awareness of their contribution to creating customer value.

The long-term result: more satisfied customers and higher profitability.

¹ From: http://www.arniedahlke.com/120430_Assumptions_About_Organizations.pdf

² For more discussion of the real bottom line, see: http://www.arniedahlke.com/110530_Grow_the_Real_Bottom_Line.pdf

³ For a related discussion about people working together, see: http://www.arniedahlke.com/100214_Nuture_Your_Relationships.pdf

3. Every Individual Employee Is Unique ⁴



One of the biggest mistakes managers make is to treat all employees as if they were all cut out of the same mold. This is short-sighted management.

Researchers have found that some people are naturally optimistic—hard-wired for happiness. Others are pessimistic—genetically predisposed to see the gloomy side of things. Some people have a hard-wired temperament of introversion—they are shy in social situations. Others are born with an outgoing, extroverted temperament and are comfortable in social situations. It's as if we all enter life through a different physiological window. And then, we are modified and shaped by our life experiences

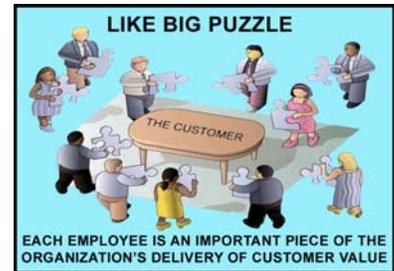
as we move into adulthood.

In the end, *we all are unique*. What inspires or motivates one person may not work for another. The best managers are the ones most attuned to the uniqueness of each employee, who then coach and mentor them to bring out their best.

4. People In Organizations Act Interdependently To Satisfy Customers ⁵

Every employee from top management to front-line service and sales personnel, must be guided by a customer-driven mindset, a motivation to *satisfy customers*.

To help create that mindset, I have often asked employees to think about others in their organization as a customer. For example, a Salesman turns in his sales report to the Business Office. People in the Business Office are his customers. HR delivers a training session to a group of employees. Those employees are HR's customers. And, so on.



They soon realize that everything they do is in the service of a customer. The more they develop this customer-driven mindset, the more likely they will produce quality work. In the end, they all become more aware that each of them plays a role in creating customer value—some directly and some more indirectly.

5. Managers Are The Key Sculptors Of An Organizational Culture ⁶



Managers set the framework for the *organizational culture*—the way people think, act, and feel as they work in the organization. I'm not just talking about middle managers. I'm talking about every level of management to the very top. How they deal with people sets the tone of relationships and the boundaries of decision-making, which, in turn, impacts on the extent to which employees feel in control of what they do, and, thus, their performance and job satisfaction. Their behaviors have a significant influence on the shaping of the organizational culture.

In the past, managers were authoritarian, top-down directors of employees, making sure that jobs got done. The 21st century manager is a facilitator—the primary job of today's managers is to do whatever they can to bring out the best in their employees. Their role is to coach, teach, and support their employees.

6. Empowerment Is the Cornerstone Of A Productive Organizational Culture ⁷

People want to be in control of their lives. The more they feel they are in control, the happier they are. When people are given the authority and the decision-making freedom to get their work done the way they want to get it done, they feel more in control of their work lives.



This calls for managers to manage people by results, not job descriptions by giving them mutually agreed, clear expectations of desired results and turning them loose. That's *empowerment*. Further, when mistakes are seen as opportunities to learn instead of opportunities to punish, empowerment is reinforced. Empowered employees, more in control of their work will be more productive.

— Keep These Six Assumptions In Mind When Thinking About Your Own Organization! —

⁴ For more discussion of treating employees uniquely, see: http://www.arniedahlke.com/100630_Connect_Everyone_With_A_Wall_Of_Pride.pdf

⁵ For more discussion of customer-driven mindset, see: http://www.arniedahlke.com/100519_Develop_A_Customer-Driven_Mindset.pdf

⁶ For more discussion of 21st century management, see: http://www.arniedahlke.com/090731_Now_Is_The_Time_To_Coach.pdf

⁷ For more discussion of empowerment, see: http://www.arniedahlke.com/090715_Harness_The_Power_Of_Empowerment.pdf