



MOTIVATION, CHILDHOOD AND BUSINESS CHANGE



by **BRUCE NAGY**

Abstract: *Japan has always remained as one of the best process improvement cultures in the world, constantly boasting of their employees' 'Kaizen' capability to cut costs and improve quality beyond American know-how. This is a study attempting to understand how differences between Japanese and American childhood motivational conditioning affect US employee behavior regarding continuous process improvement. The study reveals that childhood motivational differences may be the key to explaining how to successfully adapt the 'Kaizen' methodology within a US business culture. The study further demonstrates that a simple technique called reshaping may be the bridge to unleashing American know-how to competitively cut costs and improve quality throughout an organization. Various size US projects and business reengineering processes were used to prove that the reshaping technique facilitated the employees' ability to significantly improve both business efficiency and productivity. The study concludes showing how reshaping effectively implements the 'Kaizen' principles and creates competitive improvement results from within a US employee based culture.*



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Bruce Nagy, President
Catalyst Technologies Division
Process D, Incorporated

Introduction

This is an overview paper describing the results of over seventeen years of study regarding how motivation based on childhood conditioning influences employees in the areas of process change and project management. The paper suggests how differences between US and Japanese childhood affect employee's ability to innovate and offer continuous process improvements. It is based on studying both government and private sector programs, projects and business ventures. The initial development of concepts discussed in this paper evolved over seven years. An additional two years of analysis, on a part time basis, took place in Yokosuka and Yokohama Japan. An additional eight years was used, in the US, to verify and validate conclusions and test various hypotheses.

Let me begin with a common example involving change within an organization. A close friend, who was a senior manager at a Fortune 500 company, was undergoing a business process change. Notice that I stated that he was undergoing the change, not his business. It is an important distinction. A business does not undergo change. Employees and managers undergo change, which result in a modified business model. The change may involve new machinery or technology, yet it is people who go through change. My friend's Fortune 500 company was incorporating an industry standard which positioned his company to acquire new business and be more competitive. The previous statement is a common goal involving Business Process Reengineering. Yet, this goal for implementing a standard within an organization is misleading and could actually hinder the company's growth.

Let me clarify. A company complies to a standard to better match experience and motivation to their employees, thereby improving reliability and quality, which would result in acquiring new business and becoming more competitive. If you feel that complying to a standard does not involve a better match of experience and motivation to your employees, but instead primarily focuses on standardizing processes for quality purposes, you are confused between having a business undergo change and having your employees undergo change. Remember the distinction. If standardization does not increase the match between experience and motivation to their jobs, then how do you think quality and reliability will be achieved? If experience is poorly matched and employees are demotivated, do you believe that business quality and reliability will increase?

For clarification, when I refer to standards, the most common examples being ISO 9000 and CMMI Levels 1 through 5, I'm discussing a particular form of Business Process Reengineering. As expected, my friend had a series of tasks he needed to perform as part of his participation in the change process. I asked him how things were going. His response was quite typical based on my seventeen years of study. "We are required to



follow a process that doesn't take into account the person!" he exclaimed. "It's as if they expect us to be robots, follow and do, without any emotion." He continued, "It's not realistic."

Well, it seems like, creating documentation and procedure definitions have an emotional impact on business culture. The question is, are you changing your business to have a positive impact on the employees who will in the long term make your organization successful? If you answer yes, then the next question is, how are you doing it consistently? Our studies indicated that when positive motivational factors were incorporated consistently within the process of business change, the employees reflected consistent positive traits throughout the reengineering cycle. This finding is not a surprise when relating change and growth to childhood conditioning. Many studies can support the fact that the environment in which we are raised significantly impacts our behavior and achievements. This paper is about making business changes, from standards certification to more drastic forms of Business Process Reengineering, through consistent use of motivation as a key management tool.

Change and Behavior

During the seventeen years of research, we reviewed a significant number of articles, books and journals on the subject of motivation. Having taken many categorization roads, our research eventually led to the sociology and psychology of childhood conditioning. From this research, we found that five distinct categorization pairs can be used to reflect the motivational needs of employees when involved with change. The five pairs can be derived from the influence and conditioning we received by our parents from birth to adulthood.

If you ever had to raise a baby, you conditioned the baby to learn through positive and negative reinforcement. Yet, the majority of behavioral training intent for a baby stemmed from positive motivational tactics (even if "no" was used often). For example, giving approval or recognition for accomplishing a task like stacking blocks. Some babies need comfort or security associated with their environment in order to take risks and grow, like their first steps. Remember the words, "come to Daddy," while Mom was holding the baby. Based on volumes of research involving Special Education for toddlers within the US, the key teaching tool from 18 months old to kindergarten is playing and providing new experiences to discover. Therefore, providing a fun or even adventurous experience allows a baby to evolve according to US standards for education. After a certain age, new motivational needs are introduced. The child may be trained to be ambitious and focus on accomplishments. Chores or other tasks may be exchanged for allowance or other financial considerations. From the time a baby is born, until he or she leaves home, five distinctive motivational pairs are consistently reinforced to provide us with incentives to change, grow-up and become adults:

- Acceptance/Recognition
- Ambition/Accomplishments
- Comfort/Security
- Adventure/Fun
- Money/Finance



For 15 to 20 years, we have been conditioned to change based on a combination of five motivational pairs, with money having the least time associated with our conditioning. Baby's first steps normally aren't rewarded with money. And when we want people in an organization to change their behavior, we forget how humans are conditioned and just say, "it's good for business and they are collecting a paycheck." And then the change agent wonders, why do these people resist change so much, "I don't." Change agent, it's your job! So is what I am about to state: If your employee has about two decades of conditioning stating that motivation is a factor in change, doesn't it make sense to take advantage of that conditioning for the benefit of the company? And if you think child conditioning isn't significantly affecting the way they are viewing change and behaving, guess again!

Creating a Safe Business Environment for Change

Whether a change agent is requesting an employee to be innovative in discovering and suggesting business improvements or you are asking an employee to follow someone else's innovation or business process reengineering architecture, motivation and lack of it will become major factors in your success. Is it safe for your employee to change or innovate? A safe environment means that there is some type of motivation associated with the act of change or the offering of improvement. On the other hand, there are demotivational incentives that come in direct contrast to facilitating change.

If an employee has to change work environments, motivation will be based on his or her expectation as to the outcome of the change. In the case of an employee receiving acceptance/recognition from his work environment, the expectation may be that he or she will be receiving separation/rejection with the changes to his peer group or manager. Therefore, for every positive motivation that was conditioned by childhood, there is also a negative experience that is a demotivator to your employee. The motivation pair along with the demotivator pair is listed below:

- Acceptance/Recognition - Separation/Rejection
- Ambition/Accomplishment - Stagnation/Failure
- Comfort/Security - Discomfort/Insecurity
- Adventure/Fun - Repetition/Boredom
- Money/Finances - Debt/Poverty

As you might have guessed, these demotivational pairs also have a conditioned affect stemming from childhood to adulthood. As an example, the demotivational pair of separation/rejection may have come about from the most innocent of acts as in teaching the baby how to sleep in a crib in a location that unknowingly scared the baby. Other activities might have included a child continuously moving from location to location, or both family members working and leaving the baby with someone less familiar or trusted. Each demotivational pair again can be traced from our earliest learning and growth experiences. In interviewing a variety of managers when undergoing change, many felt as if employees, including fellow managers, were acting childlike when associated with the transition. Some managers, leading the change, felt as if they were parents. In deed, these dynamics stem from childhood conditioning, with cause and



effect relationships already predetermined. An internal dialogue you might expect to hear from an employee regarding his concerns that could demotivate and hinder business change are:

- Will I get along with a new group or manager?
- Will my job change to something I don't like doing?
- How will this change affect my career path?
- Will I be staying in the company or leaving?
- Will this change affect my promotion?

Without addressing these questions and others like them, the change agent isn't using the employees conditioning to the advantage of the company: Delay, resistance, cost overruns, schedule slips, lack of innovation and customer dissatisfaction may result as critical side-effects from the change. Bottom-line: whatever business change you make, by not addressing motivation, you may be initiating a behavior that supports to some degree business separation, stagnation and insecurity, at the least.

Motivation does not only affect the employees, but also your customer. There was a medium size company of about 5000 employees. They had a variety of customers that they technically serviced. The company decided to change. They wanted to reduce their capital expenditures. So, they made some drastic organizational structure changes. They eliminated positions and combined functional groups. They made these changes without focusing on their clients, specifically their customer's experiences regarding business separation, stagnation and insecurity. One customer didn't like the reorganization because his account manager changed. Another customer wanted the company to address some of his issues and felt that they were taking one step backward. Another company, recognizing that his account manager was uneasy with the change, also became uneasy and chose another company that he considered more stable. If you want to achieve a customer-focused environment, how change affects your clients' motivation should be a primary agenda item to resolve. And, your employees, whether conscious or unconscious, will tell a story to your customer. Customers are getting more demanding, which means companies need to change with greater focus on market Return on Investment.

Kaizen and Motivation

A very well known Japanese strategy for continuous improvement is a technique termed "Kaizen," meaning improvement. It is designed to establish behavior in its employees regarding making constant efficiency improvements to the assembly line for car manufacturing. The interesting aspect of 'Kaizen' is that it incorporates the motivational dynamics of Japanese culture into the business process of making change. Although discussing the motivational makeup of an average Japanese employee is out of the scope of this paper, it is worth noting that much of Japanese motivational conditioning stems around the art of writing Kanji characters from early childhood. It is a process of continuous improvement, which requires repetition, detail and persistence. In the evolvment of their writing skills, early on, there are three main pairs of motivational factors involved:



- Acceptance/Recognition
- Ambition/Accomplishments
- Comfort/Security

Notice that adventurer is not the motivational incentive for writing Kanji. It has been noted that Japanese employees are better at 'Kaizen' yet aren't as effective at innovation as compared to American employees. It all stems from their motivational conditioning at childhood. If adventure was provided as the primary conditioning for child's development, then innovation, a form of adventure, would naturally be easier to obtain in adulthood.

In fact, older Japanese culture focused on tedious repetition in the development of their writing skills. If you remember, repetition and adventure are opposites in terms of motivational expectations. Although not researched with the same detail, our studies assumed Money/Finance motivational factors had the shortest conditioning periods within the Japanese culture; this being similar to US culture. It was very evident that Japanese culture allowed for high quality on the assembly line, while attempting to follow similar techniques in the US did not work as effectively. Cultural differences involving motivation lies in the 'Kaizen' process itself. 'Kaizen' works because the motivational behavior of Japanese workers is incorporated in its process. It follows repetition, detail and persistence. Overall, Americans, through cultural conditioning, avoid tedious repetition, yet excel at adventurous discovery.

Japanese car manufacturers use the 'Kaizen' technique, including such well-known companies as Toyota. Whenever a new assembly line is introduced to a team, the line is not optimized. Instead, the team's initial job is to optimize it. Normally assembly lines in Japan need to run above 80% efficiency. A new line is created at about 65% intentionally. The team starts to improve the "low hanging fruit" areas. They learn dynamics of communication and gain the knowledge that they can make a difference as a team. Automated tools are introduced, like Statistical Process Control, to give the team the ability to objectively measure and make reliable assembly line optimization decisions. Within six months, the line is running at 85% to 90% efficiency, above the company's goal of 80%. This is the Kaizen approach, continuous small improvements. And again, with regard to childhood behavior in writing Kanji characters, motivational incentives mapped very well into this process.

We discovered three main keys to creating an effective business change process. First, management must allow their team to make incremental changes that will meet business process reengineering goals. Second, the team must be provided with tools to make accurate reliable decisions regarding change. Third, motivational incentives of the team must map directly into the process involving change. Without using motivational incentives, a business change process can create the opposite of 'Kaizen' in terms of behavior that supports constant improvement of the company.

Without taking into account motivation of your employees, which 'Kaizen' culturally did for the Japanese worker, you are basically training your company not to make improvements on their own. Instead, you are providing an environment where separation, stagnation and insecurity can behaviorally be dynamically infused within your company culture. This is the exact opposite result achieved through 'Kaizen'.



Using Reshaping as the Remedy

Childhood conditioning is certainly part of the equation involved with change, as our study suggests. We progressed the study, during the last ten years, by developing a reliable procedure for integrating motivation into business change and growth. This procedure is designed for a team to balance an equation that incorporates the business processes and the motivational pairs discussed in this paper. Using this procedure, a change agent can take advantage of childhood conditioning as a catalyst to consistently change employee behavior to conform to new business process or project objectives. Specifically, the business process being introduced can be tailored to better match experience and motivation of their employees, thereby improving reliability and quality, which would result in acquiring new business and becoming more competitive. That's the 'Kaizen' method, modified to meet a diversified cultural make-up and childhood conditioning background.

The way to integrate motivational needs into the business reengineering process is based on the method called reshaping. Reshaping is a process using both experience and motivation to integrate employee needs, while enhancing the quality of the reengineering effort. This form of reshaping conforms to the 'Kaizen' methodology. Let me briefly explain some fundamental aspects of the process. As I explain each step, please notice that these activities parallel the 'Kaizen' methodology.

First, milestones for the company need to be well defined. That means milestones need to be measurable, tangible achievements, which are bound by cost and time constraints, as well as any business and customer requirements, including quality and technical considerations. Second, management needs to set up some fundamental tasks or process activities that can be used to complete the milestones within the constraints and considerations defined. Third, the team must be allowed to measure their experience and motivation against each task defined to identify the productivity and efficiency baseline. Details of techniques and tools used to measure motivation and experience rapidly and reliably can found in a separate document based on the five motivational pairs introduced in this paper.

Four, after a productivity baseline is defined, the team, using the motivational and experience measurement tools (similar to Statistical Process Control techniques), look to the "low hanging fruit" to make changes and improve productivity. They develop the social dynamics of making small, constant improvements to the already existing business process reengineering practices. Using this approach, not only do the employees contribute to the process of change, but they also become more accountable for the business outcome. If I participate in the solution, I also participate in being accountable for the outcome. Is this also a childhood conditioning process? You bet! Ever tell your parents, "I'm doing it my way," opposite of your Mother or Father's point of view, and not be held accountable?



Eleven Stages of Emotional Change

In our studies, we have attempted to categorize various stages of emotional changes employees experience while involved in business process reengineering activities within an organization. These stages surfaced and were resolved, without exception, through the consistent use of the reshaping procedure. These stages reveal themselves throughout the various phases of the Business Process Reengineering life cycle. The stages, identified below, revealed and resolved themselves consistently when we used the reshaping process. We applied the reshaping solution in a variety of companies, including various size company projects, programs and processes, including organizations as large as Department of Defense or Hughes Corporation, or as small as Scour Inc. (a dot com company that was rated second in file sharing with Napster).

To date, we have categorized eleven emotionally based stages that a change agent needs to facilitate with the organization's employees to arrive at the final desired stage associated with business change accomplishments. If employees get 'stuck' in the early stages, business change can be inefficient, costly and unhealthy to the overall growth of the company. And again, without the motivational incentives integrated into the business change process using a reshaping procedure, employees may experience separation, stagnation and insecurity. Why is change so difficult for organizational personnel to facilitate? Based on our experience, it is because of the emotional and motivational dynamics that need to be addressed during the process of business change. All eleven stages of emotional changes employees experience are described below and, per our studies, are normally experienced in the order shown:

1. **Perceptions:** Employee perception of the change and its effects on his business environment. The change agent needs to accurately and positively communicate the business process reengineering goals and how these goals are necessary to perpetuate the company's health.
2. **Desires:** Personal desires associated with the employee's motivational needs involved with business change are part of the natural progression for a secure employee. "How can I take advantage of this opportunity?" may be an unspoken agenda. The change agent needs to identify opportunities within the change process for company personnel.
3. **Being Unconditional:** An employee needs to suspend his or her own agenda in order for the company to present the reasons for business change. The change agent must provide the motivational incentives that will cause an employee to give his or her organization a chance to make a case for change, before reacting negatively.
4. **Looking for Honesty:** An employee wants to believe in his or her company as being fair and supportive. The change agent needs to be honest with the employee regarding how this business change affects his or her work environment, using consideration and respect.
5. **Accepting Direction:** The employee receives and accepts the effects that the business change will have on his or her environment. Acceptance does not mean agreement. It means that the employee no longer resists the new



- business direction and accepts the consequences of the change. A change agent needs to facilitate the acceptance by the employee regarding the business change.
6. **Overcoming Rejection:** As implied, the employee needs to recognize his or her ability to overcome any business changes that appear to have negative consequences. Again, the role of the change agent is to recognize this stage in his business's progression, and support employees in getting to the next stage of emotional change.
 7. **Open Communication:** At this stage, communication as to the experience and expression are vital. The change agent needs to be open to the communication and the employee needs to feel safe to express negative apprehensions. All employee concerns need to be addressed. Stages 1 through 6 may be cyclic during the process of change.
 8. **Personal Word Power:** In this context, personal word power are those things we say to ourselves regarding our ability to overcome challenges. It is an indicator of our belief in what we can and cannot do. Words can be the enemy or the ally during the business process reengineering life cycle. We discovered that affirmations are effective techniques for growth involving personal change. The change agent needs to facilitate his or her organization in believing in themselves, regardless of the change in business environment. There are many workshops and techniques offered to create these types of affirmations and basic belief systems. In our studies, we developed our own processes with significant results. It was noted to be a powerful, useful experience for all employee participants. More importantly, it facilitated the employees to transition to the next stage.
 9. **Vulnerability and Risking:** During the process of business change, the likelihood is that employees will need to demonstrate vulnerability and risk associated with their new or modified environment. Negative feedback is almost a standard precondition to improvement. By default, you can only make something better if something is not good enough. Someone in your organization will be considering that last statement consciously or subconsciously. The change agent needs to have prepared his or her employees in advance to manage this emotional state and transition into the next stage involving action.
 10. **The Adventures of Doing:** When your employees have transitioned through stage 9, they are ready for the adventure of completing documentation, defining new procedures and changing their business environment. If all the previous nine stages were effectively addressed, then this stage for the employee becomes a process of demonstrating integrity and respect for the company. Well, if all nine previous stages were effectively addressed, integrity and respect were the principle ingredients experienced by employees of the company during the business process reengineering cycle. "What goes around comes around." That includes the good stuff too.
 11. **A Bigger Picture:** Once change is accomplished, the final stage is to educate the employee as to the values currently received from the new business model. That includes the employees' personal motivational achievements. This is the



final phase of marketing the business change and it is just as crucial as it was in Stage 1. People need to believe that their hard work paid off. The change agent is responsible for making the employees know that this business change made the company healthier and everyone in it.

Note that in order to facilitate an employee to effectively get through some of the stages, we found it necessary to incorporate other social methods in addition to the reshaping procedure, such as imagery, strategy and communication techniques.

We leave the reengineering of these observed eleven stages to map against childhood conditioning and behavioral adaptation as an exercise for you to complete. To facilitate the completion of this exercise, imagine telling your fourteen year old (if you had one) that you need to move to another state because you just got a new, better job. What do you think the stages of his or her reaction might be? Would you be able to facilitate your teen to get past the Desires stage and move into the Being Unconditional stage? How would you facilitate getting to the last stage, i.e., having your teen understand a bigger picture?

1. Perceptions
2. Desires
3. Being Unconditional
4. Looking for Honesty
5. Accepting Direction
6. Overcoming Rejection
7. Open Communication
8. Personal Word Power
9. Vulnerability and Risking
10. The Adventures of Doing
11. A Bigger Picture

If you feel using a teen was a biased example, try putting yourself in the situation where you need to replace your toddler's favorite toy because the dog used it as a substitute chewing bone. "Our training by our parents to be socially acceptable is complete when we achieve adulthood; and as an adult, I can frankly state that I'm spending the rest of my life recovering from my own social acceptability," Mark Twain.

Reshaping Results

Reshaping is a powerful technique for creating 'Kaizen' and it has significant effects on your organization. Reshaping can be used to better match experience and motivational needs of the employees to the processes, procedures or project plans being implemented. Our study shows that using this reshaping procedure can initially make some employees insecure about their jobs. When investigated, results revealed that reshaping eliminated employees' excuses to perform efficiently and productively. We also noted that this was a healthy sign of growth for the company.



After the employees recognized they could produce as expected, their self-confidence and self-esteem increased, as measured by their ability to risk and succeed more than before the change. Risk and success were measured using a variation of earned value.

We also noted that some managers were initially concerned with giving their employees this type of capability to make improvements. Using proven experience and motivation metrics, the manager basically provided a structure that if achieved, allowed a team to make productivity and efficiency decisions without the further consent of the manager. In essence, the manager had given pre-approved consent by stating goals to achieve. If the goals could be achieved with greater efficiency and reliability as baselined in the reshaping procedure, then he or she would allow the team to make the improvement to the process. This approach follows the intent of the 'Kaizen' methodology.

Once the manager recognized that the team was actually making improvements, his or her time was significantly freed. Sometimes the manager reported having multiple days freed during the week, to focus on new business or maintaining existing customers. The team, using experience and motivation metrics, experienced being empowered with making changes to a process, without fear of rejection. Employees enjoyed greater teamwork and support, and were accountable for the results involving customer satisfaction, service/product quality, time-to-market and cost-to-produce.

At this point, it should be noted that we grouped organizations into two types based on their sales profile: (1) Established companies- defined as those organizations with existing, successful sales records, including Department of Defense's sales record with Congress and (2) Start-up companies- defined as a small business in need of sales or funding, the most common example being a dot com.

For established companies, the "low hanging fruit" that employees initially addressed focused mainly on raising motivation and only slightly on experience issues. Significantly, over 90% of the initial areas of team resolution with business process reengineering activities involved increasing employee motivation. This statistic reflects the results of our motivational study regarding US childhood conditioning involving established companies. The initial 90% increase in motivation incentives, the teams' "low hanging fruit," resulted in over 25% increase in productivity and over 7% increase in efficiency. Employees reshaping the business's reengineering processes caused these improvements. These initial changes, the "low hanging fruit" all happened within the first six months of using the reshaping procedure. In some organizations, further improvements exceeded management's process improvement goals. Again, these results reflected a trend for established companies and organizations that we studied, like Department of Defense or Hughes Corporation.

We observed that Start-up companies did initially use the reshaping procedure to focus on solving issues related to modifying the business process or project tasks to better match their experience and skills in order to improve efficiency and reliability. However, Start-up companies did, within six months to a year, use the reshaping procedure to deal with motivational issues regarding funding support and/or rapid business growth/change.

Whether working for an established company or a Start-up, managers and employees



found that reshaping process was an effective way to make process improvements. Established companies quickly benefited from the motivational improvements created, significantly increasing their productivity and efficiency. For Start-up companies, the reshaping procedures proved effective and at times vital to company retention and success. In all situations, 'Kaizen' was achieved, consistently, within US culturally based organizations, from Department of Defense, including Fortune 500 companies, to Internet Start-ups.

Final Comments

Our studies showed that businesses were not "fixed" using motivational metrics. They were just more productive and efficient, and change occurred in significantly less time. Finally, when given the chance, with the right tools and procedures involving reshaping, it was the employees that made a significant difference in the productivity, efficiency and health of their organization.

About the Author



Bruce Nagy brings the benefits of over 22 years of experience in senior management positions, including CEO/President, COO, CTO and VP Engineering. Some DoD groups have rated his organizational technology as one of the top three in the country. The Project Management Institute, an international organization, is currently showcasing a series of papers written by Mr. Nagy discussing how to integrate business needs into an organizational structure using motivation metrics. Having created dozens of intellectual property ranging from advanced Internet technology to organizational development, Mr. Nagy has the ability to translate business vision into realizable, strategic initiatives that create viable results.

Respected for his strategic approach and creative problem solving, Mr. Nagy has demonstrated the ability to effectively integrate advanced technology, operations knowledge, and market savvy into practical business know-how. A variety of Fortune 1000 companies, including Lockheed Martin, Hughes and the Naval Research Laboratory in Washington, D.C., have benefited from Mr. Nagy's expertise, direction and productivity results. As a respected business executive, he has been a guest lecturer and provided workshops on "forward thinking" organizational principals for a variety of businesses, including Toyota, Lockheed Sanders, Hewlett Packard, SPAWARS, Titan and Unocal Corporation.

Through consistent use of his project management technology, Mr. Nagy has supported project teams within such organizations as Rockwell Collins, UNISYS, CSC, SAIC, and the Naval Surface Warfare Center in increasing productivity. Mr. Nagy maintains a long-standing record of consistently producing deliverables on time and within budget. He meets market time demands and achieves P&L milestones. Bruce Nagy holds four technical degrees, including an MSEE and BSEE, and has authored a variety of patents and copyrights in areas including communication technology and organizational development.