Private, public, and voluntary organisations all provide services we either like to consume or require to lead a fulfilling and healthy life. As such, well-functioning service organisations are central to a productive and positive society.

A central premise of this book is that, over time, customers come to negatively view service organisations. We have found, time and again, the failure to bring people together to achieve the purpose the organisation has been set up to accomplish is the reason customers of service organisations hold this negative view.

This book is about establishing leadership designed to liberate people and organisations from stultifying systems and structures. It is about eliminating the waste caused by unclear objectives, arbitrary use of power, and the excessive levels of activity and effort found in many organisations.

In short, we help progressive leaders understand and treat systemic causes of poor customer and employee experiences, unproductive activity, and unnecessary operational expense. What results is a productive and positively viewed organisation, that is better for customers, better for the organisation, and better for you and your colleagues.

We offer guidance, using award-winning practical methods and leadership tools based upon a coherent and integrated theory of organisational behaviour underpinned by over 25 years of research and application in the field.

The purpose of this book is to help you, as a progressive leader, to positively change your service organisation for the benefit of all.

David Joyce has worked in senior roles in a variety of organisations from startups through to multinationals. As the author of *Theories of Work: How we design and manage work* and through his blog, which has been ranked as one of the world's top 100 organisational change blogs, David has become a thought-leader and well-known international public speaker.

Tim Banner has consulted extensively in the public and private sectors in Australia and New Zealand, helping people to lead change in a range of organisations from local government to large multinationals. Previously, Tim spent 20 years in the UK within the Financial Services Industry.

Reconceive

New thinking for progressive leaders to create productive, positively viewed service organisations

DAVID JOYCE | TIM BANNER

DAVID JOYCE   TIM BANNER

LM

WHAT OTHERS ARE SAYING

❝ This is a thinking thing. It starts with unlearning. Everything you currently think you know, just park it, reserve judgement, and unpack those myths and unpack your assumptions. Once your thinking changes, even a little bit, there is a point of no return. There reaches a point where you actually can't go back. It is completely transformational, both personally and also for your organisation.

Renato Mota, Chief Executive Officer, Insignia Financial

❝ In an age where service is quickly becoming the only differentiator amongst competitors, reconceiving service, leadership, and culture drives advocacy by delivering what actually matters to a customer. By designing and managing work in a truly customer-centric way, it challenges the way an organisation works, including leadership and culture, at all levels. Reconceive taught me to unlearn the way I had worked for nearly two decades. The things I was recognised and rewarded for as a leader in the past were challenged. Once you unlearn, you cannot go back.

Anna Leibel, Non-Executive Director Ambulance Victoria, Non-Executive Director Alfred Health, Director, Secure Board

❝ How does real transformation happen? It happens by thinking about the purpose of a business from the perspective of its customers, then working on ensuring that all activity, processes, thinking, and ultimately leadership is focused on meeting that purpose. It goes to the very roots of the organisation and its leadership and their principles and thinking. It's inspiring to see the outcomes and their effect on customers, employees and the organisation itself – they are actually transformative.

Andrew Todd, Chief Technology Officer, Iress

❝ Through reconceiving work, leadership and culture, our people are redesigning their own work. Their methods are being liberated, and with incredible results in terms of increased value for actual court users. They are really thinking about the people who are coming through our court who really need to resolve a matter. They are seriously energised. You're teaching people to think differently. Once the staff get into this, they love it. The judges are engaged and happy; the results really resonate with them. We have seen incredible results: time saved, convenience, usability, and registry staff focused on getting an outcome with court users rather than transacting for an output.

Fiona Chamberlain, Chief Operating Officer, Court Services Victoria

❝ I like the way this approach teaches our people to study the work, use better measurement, and identify and reduce failure demand as a priority. It starts with a better understanding rather than rushing off to implement even more technology which all too often only adds to the problem. I am keen to encourage this way of understanding and improving work. It's an important evolution to improving customer value and teaches us all a lot about how our organisations work today and how that current approach is often unhelpful.

Patrick Eltridge, Chief Operations Officer, Nationwide Building Society, Non Executive Director, NHS Digital

❝ This is about gaining a different perspective and a way of looking at things. It's a mindset, method, and way of thinking rather than a handbook. As a progressive leader, this resonated immediately: the need to completely rethink how you do things rather than tinker around the edges. There's real merit in thinking differently in terms of value to the customer and how you actually design your organisational systems to deliver

that value. Thinking differently about service, leadership and culture helped me drive service improvement and lower costs, and at the same time, bring more meaning and colour to the working lives of my team. What more could I ask for? This has built my capability as a leader.

Steven Leach, General Manager Operations, Vision Super

❝ This challenges old-world thinking and allows us as leaders to truly empower our people to drive new and better ways to deliver what matters to customers, by encouraging challenges to current organisational systems and rules and by providing role clarity and leadership that truly supports the team to drive changes that make a difference. It shakes the foundations of management thinking, which drives effective leadership. This has helped me to deliver improved service for our customers at lower cost and improved satisfaction within the operation.

Joe Zahra, General Manager, Operations, UniSuper

❝ This approach has helped us look at the way we do IT and re-orientate it back to the customer. In doing so, we have been able to strip away all of the waste, theatre, rituals and internally focused, opinion-based decision making from our work.

Rob Butera, Head of Investment Infrastructure Engineering, Iress

INTRODUCTION

CONTEXT

Private, public, and voluntary organisations all provide services we either like to consume or require to lead a fulfilling and healthy life. As such, well-functioning service organisations are central to a productive and positive society. This has been a major motivation for us to write this book, as we have repeatedly seen the human and economic toll created by unproductive service organisations.

Upon studying the way services are delivered in hundreds of service organisations in the private sector, public sector, and voluntary organisations, everywhere we look, we find frustrated customers. They are frustrated by being subjected to endless waiting times on hold, being put in a queue, and long delays; being forced to interact with chatbots, apps, and websites and not being able to talk to a fellow human being because the organisation has 'gone digital'; the disappointment when something doesn't happen on time or doesn't happen at all; the despondency when being transferred or redirected to someone else or somewhere else; their raised expectations when they actually talk to the 'right' person, then having those expectations squashed when the 'right' person cannot solve their problem or lacks the authority to help; confusing correspondence, baffling instructions, and incomprehensible forms; and other internal organisational failures.

A central premise of this book is that, over time, customers come to negatively view service organisations. We have found, time and again, the failure to bring people together to achieve the purpose the organisation has been set up to accomplish is the reason customers of service organisations hold this negative view. It is not the fault of the person at the other end of the phone, email, chat window, or text message, or the fault of the person customers

talk to face to face in a store, or the technician who turns up at their premises to fix, maintain, or install something, or the fault of people supporting their colleagues who serve customers, such as back-office operations, technology departments, finance, or HR. These people are trying their hardest and doing the best they can, despite the odds being stacked against them. What is encouraging is that every person we meet in a service organisation is invariably well-intended and highly motivated to deliver their best possible work, but in our experience, their efforts are undermined by the way their organisations have been set up and organised.

Conventional service organisation designs cause poor customer and employee experiences and unnecessary operational expense. They invite customers and employees to cut corners, working around 'red tape' so they can get things done. The result is an obstructive and clumsy design that wastes time and energy and frustrates customers and employees alike. Regrettably, this has manifested itself in poor service delivery, higher costs, and the creation of mental health and well-being issues for employees working within service organisations.

Our experience has shown us that customers of any service organisation want their circumstances, needs and issues to be understood, and their specific requests resolved easily and quickly. They want value out of their interactions and time spent dealing with their service organisations.

As for employees, what they want is to work in organisations where they will be engaged in their work, where relationships are cultivated, supported and valued, where their work has meaning and purpose and results in a sense of achievement, where their personal goals are supported with a clear career direction, where there is a culture of trust and flexible work models, and where they can learn new skills to further their career.[1]

We believe that the needs of the customer and employee as expressed above should underpin the intention or purpose of the

---

1 '9 things employees expect in a workplace in 2021', Helen Tobler, SEEK Employer, Mar. 2021.

organisation. If these needs are met, then the result is a positively viewed and productive organisation.

Of course, an organisation's board of directors also has a 'need'. That is to ensure there are systems enacting the board's policies. It is, therefore, critical that organisational systems are in place to maintain purpose, so the organisation continues to be productive and positively viewed. Designing organisational systems that integrate the needs of customers, employees and boards, is the work undertaken by the leadership within the organisation. The board holds the Chief Executive (CEO) to account for the quality of their work. Further, the CEO needs to ensure that the organisation achieves its intent (purpose) in a way that is acceptable to society at large. Clearly, in the majority of organisations, the leadership responsibility does not just fall solely on the CEO's shoulders, but they are ultimately responsible for the way the organisation is structured and led. Put simply, how positive the organisation is viewed and how productive it is will depend on the quality of the leadership work.

In this book, we provide numerous examples where the purpose of an organisation has been unintentionally undermined by misinformed leadership, resulting in a negative experience for customers, employees, and board members. Our experience shows that leadership capability directly impacts the quality of services provided to customers, the work completed by employees, and how successful an organisation is in achieving purpose. We believe that leaders have been stymied, let down by a lack of coherent theory, practical methods, and leadership tools relating to structuring and leading an organisation.

There is a plethora of examples, beyond those in this book, written by journalists, researchers, analysts and experts about service organisations creating bad customer experiences and poor work environments. Bad customer and employee experiences result in problems like high costs, loss of income, damage to the brand, and high levels of absenteeism and presenteeism. The impact of negative experiences in the workplace is well documented and known to lead to high levels of employee stress and anxiety.

According to Safe Work Australia, 'Work-related mental health conditions (also known as psychological injuries) have become a major concern in Australian workplaces due to the negative impact on individual employees, and the costs associated with the long periods away from work that are typical of these claims.'[2] Safe Work Australia attributes the following factors as adversely affecting workplace mental health and well-being: poor support; poor workplace relationships; low role clarity, low recognition and reward, and poor organisational change management.[3]

Thankfully, more attention is being paid to mental health and well-being in the workplace, although we argue that reported problems are symptoms of a deeper cause. It's like seeking treatment from a doctor – a person sees a doctor because they are manifesting symptoms that indicate a problem, but if the doctor only treats the symptoms, the underlying problem can remain untreated and will continue to worsen until such time as the deeper cause is found and treated.

In our experience, the 'treatment' of an organisation exhibiting such symptoms tends to concentrate on an individual action such as charismatic leadership, coaching, resilience/mindset training, and employee engagement programs. While these tactical approaches can be helpful in coping with the immediate situation, we believe that a different approach can help address the systemic causes found in the way workplaces are structured and led.

This book is about establishing leadership designed to liberate people and organisations from stultifying systems and structures. It is about eliminating the waste caused by unclear objectives, arbitrary use of power, and the excessive levels of activity and effort (much of it unproductive) found in many organisations. In short, we help progressive leaders understand and treat systemic causes of poor customer and employee experiences, unproductive activity, and unnecessary operational expense. What results is a

---

2   'Mental health in the workplace', Safe Work Australia.

3   'Work-related psychological health and safety – A systematic approach to meeting your duties – National guidance material', Safe Work Australia, Jan 2019.

productive and positively viewed organisation, that is better for customers, better for the organisation, and better for you and your colleagues.

As you read through this book, some of what you read may sound like interesting theory, but our advice is that it is always important to ask: *would it work for you*? You may also think that if this theory is so good, why isn't everyone already doing this? The answer to that is straightforward – it requires leaders to question and challenge underlying assumptions and beliefs about human behaviour and how organisations should be led and organised.

As we describe in the book, one extremely effective way for a leader to understand and test their own assumptions and beliefs is to look at their organisation from a customer's perspective – spending a few hours seeing for themselves what happens where customers interact with the organisation, then repeating this process but doing so from an employee's perspective. Leaders are astonished when they realise the money wasted and damage inadvertently inflicted on their customers and brand. They see first-hand how the systems designed into the organisation drive unexpected behaviour, cause immense frustration, create excessive levels of non-productive activity and effort (cost), and hamstring their colleagues from working effectively. The good news is that they also quickly see the opportunity for improvement, with stunning cost reductions and exceptional service delivery improvements suddenly made visible. In this book, you will hear other progressive leaders recount their experience of this experiential learning and the amazing results they have achieved.

PURPOSE

The purpose of this book is to help you, as a progressive leader, to positively change your service organisation for the benefit of all. The book is presented in two parts.

Part one is a collection of thought-provoking articles and essays on where the purpose of an organisation has been unintentionally

undermined by misinformed leadership and unproductive organisation, resulting in negative experiences for customers and employees.

Each of these articles and essays may challenge your current view. The issues we highlight, may resonate or disturb. You are not alone. Progressive leaders are often frustrated by the organisational status quo and the consequences that result, a frustration that is compounded further by the inability of traditional change approaches, fads, and magic cures to create positively viewed and productive organisations that deliver lasting improvements in service delivery, leadership, and culture.

The second part of this book offers a unique approach for creating an organisation that is positively viewed by customers and employees, and how to help people come together to productively achieve the purpose the organisation has been set up to accomplish. We describe the practical methods and leadership tools for transforming your organisation to give every customer exceptional service at less cost to the organisation, building leadership capability to enable people to work more productively and create lasting positive change in people's behaviour and organisational culture. The award-winning practical methods and leadership tools that we describe in part two are based upon a coherent and integrated theory of organisational behaviour about how to lead and organise service organisations, underpinned by over 25 years of research and application in the field.

So often, in books and journals on organisational theory, we see extensive use of jargon, but without any clear definition of the terms used. Critical terms such as leader, manager, culture, authority, and even work itself are not defined but simply used, assuming a shared understanding of the definition. A **good** organisational theory uses defined terms and specifies the relationships between and among them so that clear formulations can be made and tested. To this end, we have included a glossary of terms at the end of this book.

Progressive leaders find that creating a positively viewed and productive service organisation through reconceiving and

reconceptualising service delivery, leadership and culture, is hugely rewarding work. Many of these leaders have stated that once their thinking changed, it was transformational, both personally, and for their organisation, and that they will never go back to their old way of thinking. They explain how increasing their capability as a leader has been instrumental in furthering their career.

Progressive leaders in private sector organisations have been able to vastly improve customer satisfaction, retention, and sales; reduce operational expense; and improve employee engagement through creating a productive organisation that allows people to work productively to their potential. In the public sector and voluntary organisations, progressive leaders have created far simpler and better experiences for each person using a service (often at a time of great need) and, at the same time, achieve far more under constrained budgets whilst creating a more productive and sustainable work environment.

It is our aim with this book to help you, as a progressive leader, to positively change your service organisation for the benefit of all and that you are able to realise the following outcomes for you, your colleagues, your organisation, and your customers:

- A true understanding of what creates value for your customers, through learning their circumstances, needs, and issues

- Deliver exceptional services by servicing your customers through the most effective means, wherever they interact with the organisation

- Vastly improved customer satisfaction, by getting it right for your customers the first time, through designing services that are adaptable and responsive

- Colleagues who are enabled to work more productively through working in a far better and more efficient organisational design

- Reduced operational expense and increased capacity after removing failure demand and unproductive activity (cost)

- Achieve more under constrained budgets

- Managers at all levels are able, and seen, to add value to their team members

- Technology that complements human activity, enhances cognitive processes, automates simple and repetitive tasks, and further improves productive work

- Social cohesion that enables people to work productively to their potential

- Clarity for everyone about what they do, how well they are working, as an individual and as part of a team, and how they work together

- Structures that recognise work complexity to ensure everyone works on the right work, has the right authority, the right capability, and demonstrates positive behaviour

- All working relationships, hierarchical and lateral, are clearly understood and productive

- A continual and systematic understanding of shared mythologies underpinning existing organisational culture through understanding how people experience their work, their leaders, their colleagues, and the organisation

- Formation of a productive culture at all levels, through every single interaction

- Leading measures that help leaders understand how well work achieves the purpose the organisation has been set up to accomplish

- Leaders that consistently use positive leadership behaviour and symbolism to create, maintain, and improve the culture of a group of people so that they achieve objectives and continue to do so over time

- Proof of economic benefit

This unique approach to transforming an organisation is receiving recognition more broadly within the service industry, with one of our clients, WorkCover Queensland, winning the 'Australian Service Excellence Award: Customer Service Project of the Year' for continuous improvement from the Customer Service Institute of Australia (CSIA).

As a progressive leader, we hope that you find this book both stimulating and thought provoking, and that by reading the book, you are inspired to make a difference in your organisation and to society at large.