



# Like A Swiss Watch

## The Key to Running An Efficient Operation

By Kevin Scheid



A lean operation that works like a Swiss watch is something all good managers aspire to achieve within their organization. Improving internal business processes by eliminating waste and inefficiency has always been viewed as a key to improving ministry effectiveness, and thereby, providing greater ministry value to ones donors.

Yet, as we all know, one of the surest way to crush initiative and decrease job satisfaction is to introduce bureaucratic procedures, processes and policies. But this raises an important question, “Are more satisfied employees and more efficient business processes mutually exclusive?”

Giving employees the autonomy to take initiative is not only motivating, it creates a satisfying environment which is more productive, efficient and effective. All good managers aspire to have what this employee from Coalition for Christian Outreach said when asked what makes this organization a great place to work:

“The greatest thing for me about working with the CCO is the freedom I have to develop my ministry according to the needs of my students—not according to some mandated stereotype developed by organizational leadership. I’m treated with respect and dignity by senior management.”

So where do we look for improvements: in our processes or in our people? We must first examine how improvements are realized in the present information age. According to management research, two areas account for most of the productivity improvements: technology advances and better human resources management. People provide the motivation, vision, initiative and innovation, while technology allows routines tasks to be done faster, better and cheaper.

Both these aspects are important, but the real key to operational gains is an engaged and motivated workforce with a high level of job satisfaction. Whether an organization is attempting to become more innovative, improve internal operating processes, or provide better customer care, employees are the key.

So rigid bureaucratic processes may be appropriate for

areas where technology can most easily be applied, but how about applying processes to the human side of the equation as well? In fact, numerous studies and extensive popular literature, such as the book, *In Search of Excellence*, by Peters and Waterman, support this hypothesis.

Peters and Waterman claim that improved organizational performance and employee satisfaction come from autonomous employees and loose chains of command. A 1995 study by Findley and Martin, titled *Organization Structure and Job Satisfaction*, sheds more focused insight into this issue. They conclude: “Employees are more satisfied if their jobs have variety and afford them discretion in their decisions; but job ambiguity, where employees feel their authority and duties are not precisely defined, has a negative impact on job satisfaction.” While incorporating more rigid systems to eliminate job ambiguity may be good, taking away discretion and variety is bad.

Let’s take a closer look at the relationship of job satisfaction and internal processes by considering the approach detailed in *The Balanced Scorecard*, by Robert S. Kaplan and David Norton. They identify three internal business processes essential to an organization: innovation, operations and customer care. From their writing, we learn that job satisfaction is essential for improvement in all three areas.



So what are the factors that influence *job satisfaction*, and how can an organization improve performance in those areas? To better understand how to create an environment for job satisfaction, let’s clarify what we mean. The term is often used

interchangeably with engaged or motivated employees. This relationship may best be explained by the following diagram:

This diagram illustrates that a workplace environment which creates job satisfaction leads to motivated employees, who become engaged employees, who then experience a higher level of job satisfaction, and the cycle continues to build.

So how does all this modern management theory apply to improving processes in Christian organizations? The parable of the good steward in Luke 16:1-9 provides a good model, where the steward is praised by the master for acting shrewdly in preparing for the future. In the same way, Christian managers should act shrewdly, using all available resources and tools, including modern management, to further the

Kingdom of God.

To gain insight into how to apply modern management to Christian organizations, we need to examine the results of the *Best Christian Places to Work* survey. This survey—the only survey we know of that measures exclusively Christian workplaces—reflects the attitudes and perceptions of over 15,000 employees with a statistically significant and high level of confidence.<sup>1</sup> Using advancements from the Balanced Scorecard's model, the survey provides greater depth and empirical data concerning satisfaction levels.

The survey shows that the 40 Christian organizations with higher satisfaction ratings appear to be more effective and efficient, showing better performance in revenue growth, operating margin and voluntary turnover (see chart on *Financial Performance: Finalist Vs. Non-Finalists* on page 12).

These results are consistent with



## Financial Performance: Finalists Vs. Non-Finalists

| Performance Category | Top 40 Finalists | 45 Non-Finalists |
|----------------------|------------------|------------------|
| Revenue Growth       | 5.93%            | 1.76%            |
| Operating Margin     | 6.02%            | 4.48%            |
| Voluntary Turnover   | 7.82%            | 9.98%            |

*Note: Based on data from the 2003 Best Christian Places to Work survey. Revenue growth was the annualized three-year average and operating margin was the annualized four-year average.*

numerous management studies, showing a positive relationship between job satisfaction and results. The key to improving operational processes and ministry results in an organization is its people, and their positive contribution is directly related to how you manage and motivate them.

The positive treatment of employees is an essential element of a Christian organization's mission, regardless of their stated mission. Christ's admonition, "to love your neighbor as yourself,"<sup>2</sup> certainly applies to the relationship between management and employees.

We now know the importance of achieving high job satisfaction in our

people if we're going to build an efficient and effective organization. But this still begs the question: How can we simultaneously increase the efficiency of internal processes while building job satisfaction within a Christian organization? The key is in the manager's hands. The importance of job satisfaction is fairly easy to explain, but the more difficult and challenging part is the managerial skill required to pull this off.

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