



Discontinuous Improvement

By: Sheila Julien, Senior Associate

More than a few companies have tried Six Sigma. Others have attempted Lean or Lean Six Sigma. Quite a number have introduced Continuous Improvement. A great many companies tried TQM. Some have made attempts at Business Process Re-engineering or other variously named methods of systematically improving the flow of work.

No matter what you call it or which specific methods predominate, almost all of these initiatives aimed at gaining greater efficiency, quality, speed, and/or customer delight have two important things in common:

- They generally produce some improvements, and
- Then they peter out.

So much opportunity can be found, just by systematically studying the work flow, gathering the data, and applying basic improvement tools or techniques that it is hard to fail to make some gains. Once an organization is trained in systematic process improvement and sees some successes, one might expect the system of improvement to be self-sustaining and even accelerating – as it has been at Toyota. But more often, it behaves like one of those self-extinguishing cigarettes which snuffs itself out after 5 minutes of inattention. It turns out that making some improvements is the easy part; making them continuous is the hard part.

Initial improvements are often the low-hanging fruit, accomplished without making any fundamental changes in anyone's lives. But low hanging fruit is quickly plucked. Pretty soon, the next best opportunity will encroach on someone's turf. It may challenge someone's conventional wisdom or seem to threaten someone's job security. Or the search for better ways may just come to seem unnecessary, because the organization is doing well enough and it is easier and less risky to keep things the same. Without active effective leadership, the attempt to become a continuously improving organization will likely falter.

For an organization to go through a cultural change so that this becomes the new way of working, not a 'program' but simply 'the right way to manage', we need to pay close attention to the 'soft' part of the improvement model to smooth the path, remove the obstacles, and continue to lead, communicate, and motivate both emotionally and intellectually. Following are common causes of discontinuous improvement.

***“The hard stuff is easy,
the soft stuff is hard,
and the soft stuff is
more important than
the hard stuff”***

I. Neglecting Alignment

Every one of us has our own personal goals and objectives in addition to the goals and objectives of our organization as a whole and our job in particular. When these get out of alignment, progress will stop. For example, a natural and intended outcome of most process improvement is the ability to do more with less – often with less people-time. Instantly, we have a conflict between the organization's goals for cost saving and people's need for income retention. And processes cannot be effectively improved or improvements effectively sustained without the support of the people doing the work. Not coincidentally, the company with the longest history of a continuously improving culture, Toyota Motors, promises employees a very high level of job security.

The leadership must think several moves ahead to both maintain alignment and to capture financial gains from productivity improvements. The choice of where to focus improvement efforts is probably the most critical. The following are likely to be the best opportunities:



- Aim improvement methods to address the constraint to sales. At any given time, each organization always has one thing constraining sales—leads, sales capacity, sales methods, product/service design, the pricing process, service levels, the ability to execute at high quality or competitive price. Using improvement methodologies to find and address that constraint will enable the continuous improvement efforts to proceed profitably without creating misalignments that stonewall improvements.
- Improve productivity in the parts of the organization with too much work, in order to eliminate the need to hire.
- Improve productivity in an area where people have the skills that, if freed up, could be transferred to departments with too much work or that have had attrition.
- Improve non-people costs, such as energy, scrap, paper waste ('if you want to find the waste, find the paper'), and work with suppliers to identify ways to reduce costs.

Without a clear-eyed assessment of conflicts between the organization's vision and goals and the employees' needs and values followed by steps to reconcile these, your improvement system will become discontinuous.

II. Insufficient Communication

Leadership must continue to communicate at every possible opportunity and every possible way why continuous improvement must become part of the organization's DNA. The vision must be clear and simple, and throughout the organization, people in leadership positions should constantly communicate the importance of continuous improvement and the progress to date. Successes must be widely shared, learnings must be plowed back into the organization to accelerate results, and new opportunities to become better at improving should be identified and clearly communicated. New employees must hear the why, the how, the history, and the vision of what's next.

A strategic and measurable goal that everyone can focus on improving can make the vision real. For example, one manufacturer identified their constraint to sales was production downtime. They could sell everything they could produce and more. The entire plant understood and rallied around that goal – the Materials Department focused on preventing part shortages, Manufacturing reduced setup times, Maintenance focused on causes of equipment malfunctions. Everyone understood and bought into this goal because the leadership had clearly communicated why it was critically important and what had to be done in easily measurable terms.

Communication about the continuous improvement goals must be woven into performance discussions, newsletters, quarterly reviews, annual meetings, Q&A sessions, senior management meetings, and casual conversations. John Kotter, author of *Leading Change*, estimates that most leaders of change under communicate by a factor of ten.

Effective communication pays off. As long as the goals are aligned with individual needs, people will rally to the cause, even making small sacrifices to help achieve the goal. When Toyota faced a cost crisis due to the 1973 oil crisis, the president made a call for more ways to make improvements. Toyota's ideas system was already very good – with an average of two implemented improvement ideas per employee per year. Within two months, the average soared to twelve ideas per employee per year.

III. Delegating Leadership

Continuous improvement is about the right way to manage and must be fully embraced by every line manager. Delegating the effort to a Quality Manager, HR leader, strategic planning manager, or other staff person, is very likely to lead the effort to fizzle. Kotter uses the term 'guiding coalition' to describe a powerful and strategic group that works together to bring about the desired change. We sometimes call it a steering committee, but the requirements are the same: the team must be committed to the achievement of a continuously improving culture. It should include a majority of the most powerful people in the organization and may also include some people who may not be a part of senior management.



This group, Kotter maintains, must be led by the chairman, president, or division manager - whoever is at the head of the organizational unit that is trying to implement the change. Kotter observes, "No matter how capable or dedicated the staff head, groups without strong line leadership never achieve the power that is required."

IV. Failure to Remove Obstacles to Continuous Improvement

Communication and alignment are essential but they are never really sufficient. People also need the training and skill development to follow the organization's improvement methodology. Lack of training will prevent people from progressing very far.

But personnel policies or practices can also easily obstruct productivity improvements. Sometimes jobs are defined so narrowly that managers cannot easily move people around to take advantage of productivity improvements. When managers are rewarded financially or in organizational prestige based on the number of people who report to them rather than how efficiently and effectively they operate, managers have powerful disincentives to increase productivity and move their people to where they would add more value.

Often organizations lack an effective mechanism to match up the skills and capability that one department has in excess resources with the needs of another department with a need for resources. To move resources effectively to their point of maximum value, you must develop a system of information about the skills and capabilities of your workforce. Who possesses what skills? Who's good at math? Computers? Customer service? Selling? Equipment maintenance? Attention to detail? Knowledge of the whole person will enable an organization to move freed up resources to where they can contribute the most value rather than laying off the excess people and snuffing out motivation for further improvements.

Hiring practices can also hamper the ability to move people from position to position as improvements are made. If narrowly-skilled people are hired, when their jobs are streamlined, it may be difficult to find another place where they can truly add value. Continuously improving organizations seek out people who have flexible skills and abilities so they can continue to add value when needs change.

One of the most challenging barriers to remove is that of an important individual in the organization who is simply not on board. The individual may feel uncomfortable or threatened by the new way of working and leading; or may simply not agree with one or more key principles of a continuously improving organization, such as the import of what the customer values, or the way to treat employees, or the imperative of constantly improving the work, or using facts and data instead of just opinion. When someone in a position of influence is not on board, he or she creates a misalignment between what people hear and what they see. Actions speak louder than words, so if the misalignment is not corrected, the situation has the potential to bring the CI journey to a close.

No one but the leadership of the organization can remove the barriers to effective continuous improvement. Careful monitoring of progress to identify and remove barriers is essential to achieving a culture of continuous improvement.

V. Lack of Quick Successes

Early successes are the nourishment required to keep improvements going. If improvements are too slow, people get discouraged. People begin to adjust the pace of their effort to the slow pace of results.

To ensure that you get quick results, scope initiatives carefully to get results in 3-6 months, sooner if possible. And each improvement project must be given the resources and management attention it needs to succeed. Spreading improvement resources too thinly over several projects will delay results, slow momentum, ultimately get less done, and lead to discontinuous improvement.



VI. Letting up on the Gas

If the leadership creates and communicates alignment and removes the obstacles, improvements will undoubtedly be achieved. But success carries with it the seeds of failure: the greater the success, the less urgency is felt for further improvements.

Without a continued level of urgency, momentum toward improvement will disappear. People will be pleased with the level of performance they have achieved and turn their attention to other things. But to achieve a continuously improving culture, you must never rest. The leaders must continue to reward success, and identify bigger problems or opportunities. They must continue to strengthen the organization in continuous improvement and begin promoting based on skill at improving the work.

As Toyota has demonstrated over the past fifty years, continuous improvement is a long journey. A tremendous amount of learning takes place by everyone involved. But like any creative human endeavor, it is messy at times, with many opportunities for delays or wrong turns.

Nonetheless, if the leader maintains a constant vigilance over alignment, an early pursuit of quick wins, a determination to identify and remove obstacles, and constant, vivid and effective communication of the vision, strategy, successes, and next opportunities, improvements can continue forever.