



Understanding the Barriers to Continuous Improvement

ASQ 701

November 13, 2007



The Dilemma

Most companies say they are
“doing continuous improvement”

But, most continuous
improvement efforts fail to meet
expectations.

Especially over time.

Why?

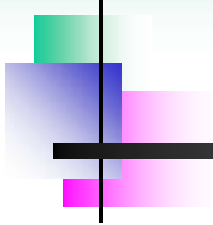


They failed to understand, and address the barriers to continuous improvement that affected *their* organization

Why do Continuous Improvement?



- Proactive reasons
 - Necessary for our vision of the future
 - It is how we will become/remain competitive
- Reactive reasons
 - Important customer(s) says we have to
 - Parent company says we have
 - (But it is not our idea, and we don't want to)



There are *far* more failures in reactive implementations, than in proactive implementations

“Nobody’s going to tell me what to do”
“It’s not my/our idea!”

ISO 9001



Reactive

- 1 project over 3 years
- Reduce 50% late deliveries to 48%
- “Is that enough to keep our certificate?”

Proactive

- 15 projects over 3 years
- Dramatic improvement in customer satisfaction
- “Certificate is not the goal!”

Lean Manufacturing

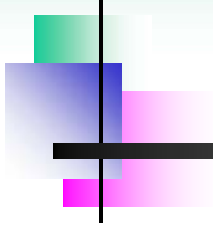


Reactive

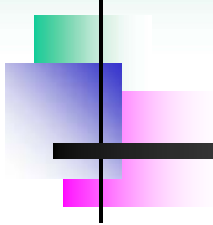
- Painted some lines on the floor, made some shadow boxes
- Better at sweeping and cleaning
- Customers can't tell anything is different

Proactive

- Eight kaizen events in last 24 months
- Lead time reduced 25% across the board
- 12 Kaizens planned for next 24 months
- Customers are commenting on better performance



“Survival is not compulsory”
Deming



All improvement of a lasting nature occurs as the result of a project.

Joseph Juran



13.5 Barriers to Continuous Improvement

Barrier #1

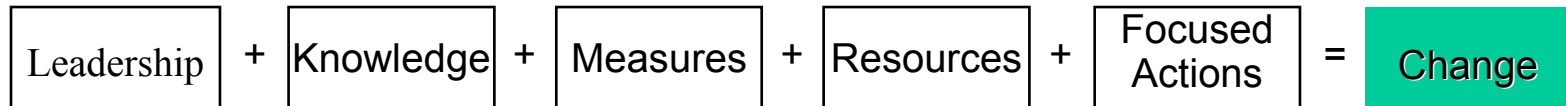


Meaningful improvement means change

- Change to processes
- Change to work environment
- Change to departments
- Change to job descriptions
- But change to **something, somewhere** in the organization

Have to understand what change requires

What Effective Change Requires



Leadership



- Where are we going, specifically
- Why is it important, specifically
- Employees will want to know:
 - What will you expect from me?
 - What's in it for me? (WII-FM)
- Communicate, communicate, communicate!

Knowledge



- Needed skills
- Training
- World class organizations budget for training, typically 20-40 hours per employee, every year
- How will you know that the skills transfer and training have been adequate?

Measures



- Where are we at now?
- Where do we want to be?
- When do we want to be there?
- How can we tell if we are making progress?

Resources

- Time
- World class companies BUDGET time for CI projects
 - 1% of hours, 100 employees, means 160 hours per months on CI
 - 0.5% of hours, 100 employees, means 80 hours per months on CI
 - 0.25% of hours, 100 employees, means 40 hours per months on CI
- **There is NEVER a good time to do CI**

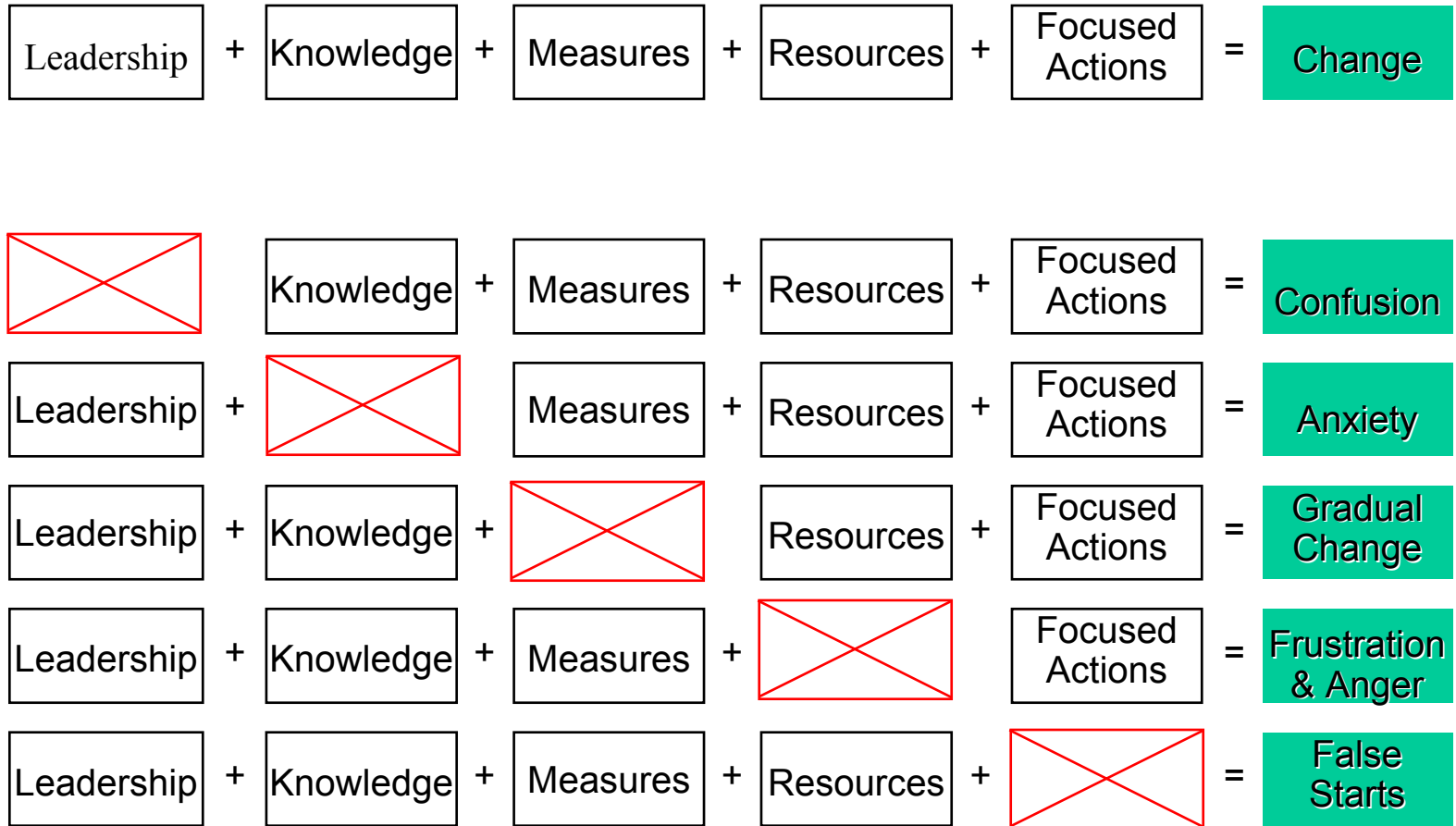
Focused Action

- SPECIFICALLY: What needs to be done?
- What needs to be done
 - Month 1
 - Month 2
 - Month 3
 - Etc.

Someone needs to do some planning!

Someone needs to monitor that the plan is being followed

What Effective Change Requires



Need to Consider....



Someone in the organization is invested in the current situation. They created it, or they benefit from it. They will resist “losing” their “investment”

So, anticipate this!

Understanding Change



Making change happen is a lot like changing a diaper:

- Involves some crying
- We want someone else to do it
- Some mess involved



What Darwin Really Said...

“It is not the strongest of the species that survive, nor the most intelligent, but the ones *most responsive to change.*”

Charles Darwin

Why People Resist Change

- There is a basic human need to be right.
On a primal level:
Being right = surviving
Being wrong = being dead
- To accept change means to accept that you might have been wrong
- If one is surviving now, then what one is doing now is right, to change means to risk being wrong, and not surviving.

Why Employees Resist Change



Each person has a different capacity or willingness to accept change based on;

1. Personality - especially; the strength of the “I am right” characteristic
2. Past experiences with change
3. Degree of perceived “loss”
4. Level of change the person is currently experiencing.

Why Employees Resist Change

1. Personality

Most companies employ a few workers and/or managers that could be called concrete-heads.

Their belief is that survival depends on resisting any change. They have the ability to single-handedly kill a change initiative.



Why Employees Resist Change

2. Past Experience With Change

Even if your employees have never been laid off due to some “re-engineering” project or another, they may know someone who has. The here and now is comfortable, the future is unknowable, frightening. Employees can be expected to embrace a change initiative *only to the extent that they trust you.*



Why Employees Resist Change



Mine!

3. Degree of Perceived “Loss”

Your employees have built empires within the company. The change may signify a loss of one or more things:

- status
- close working relationships with particular employees
- recognition for past work
- experience level

Why Employees Resist Change

4. Level of change the person is currently experiencing

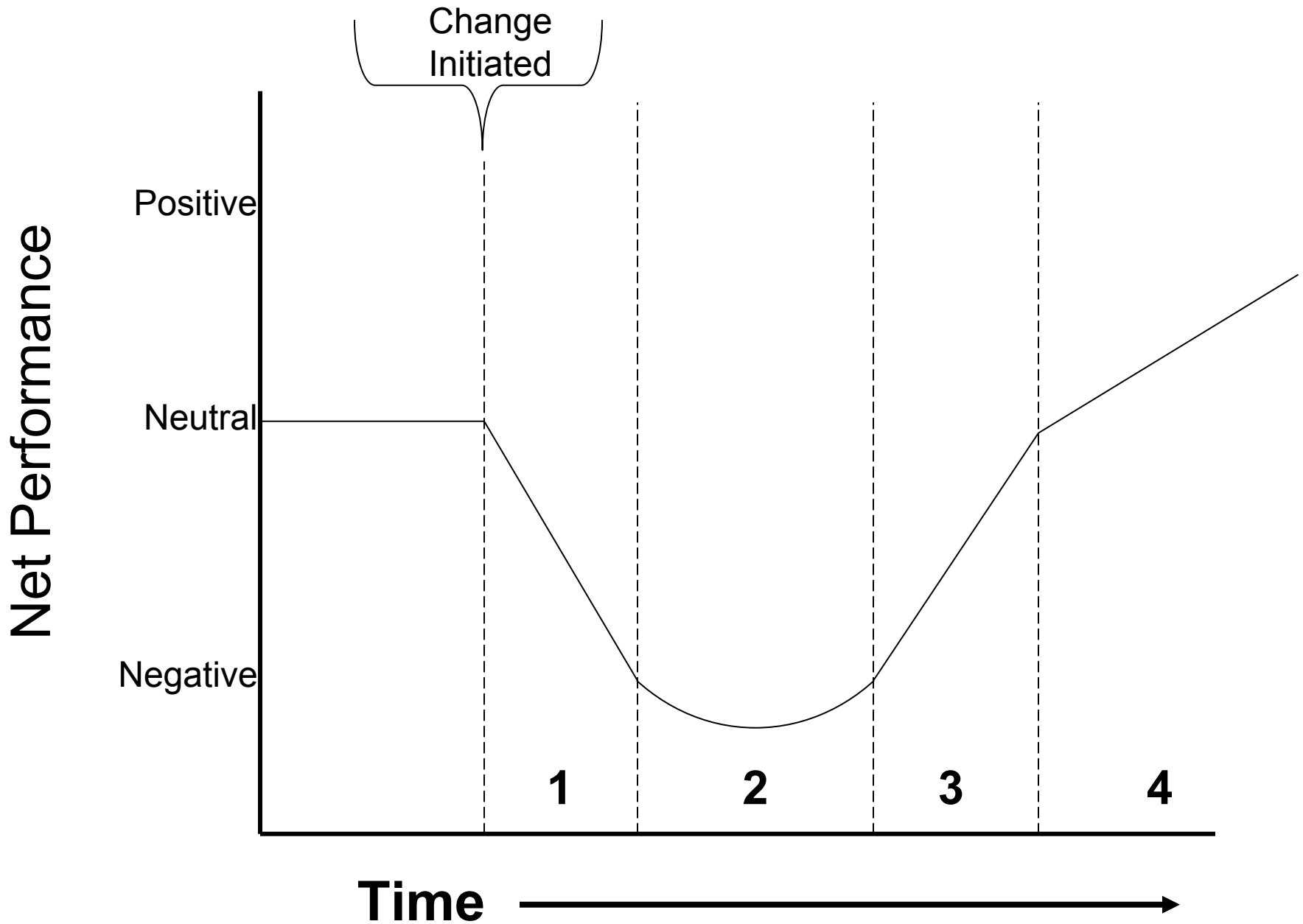
Three general classifications of change are;

- Global change
technology, politics, inflation, etc.
- Organizational change
initiatives and changes in the workplace
- Personal Change
relationships at work and home, finances, health,
bad hair days, etc.



Barrier 2

Failure to Understand
How Change Happens



Source: Jerry Jellison – Managing the Dynamics of Change

Change is Announced

Net Performance

Positive

Neutral

Negative

Status Quo

Responses:

- Why do I have to change?
- If its not broken, why change it?
- This is a mistake because...
- What does this mean for me?
- “Am I going to lose my job?”
- “I don’t like it. Things work fine as they are.”
- “Look what happened last time.”

Fear

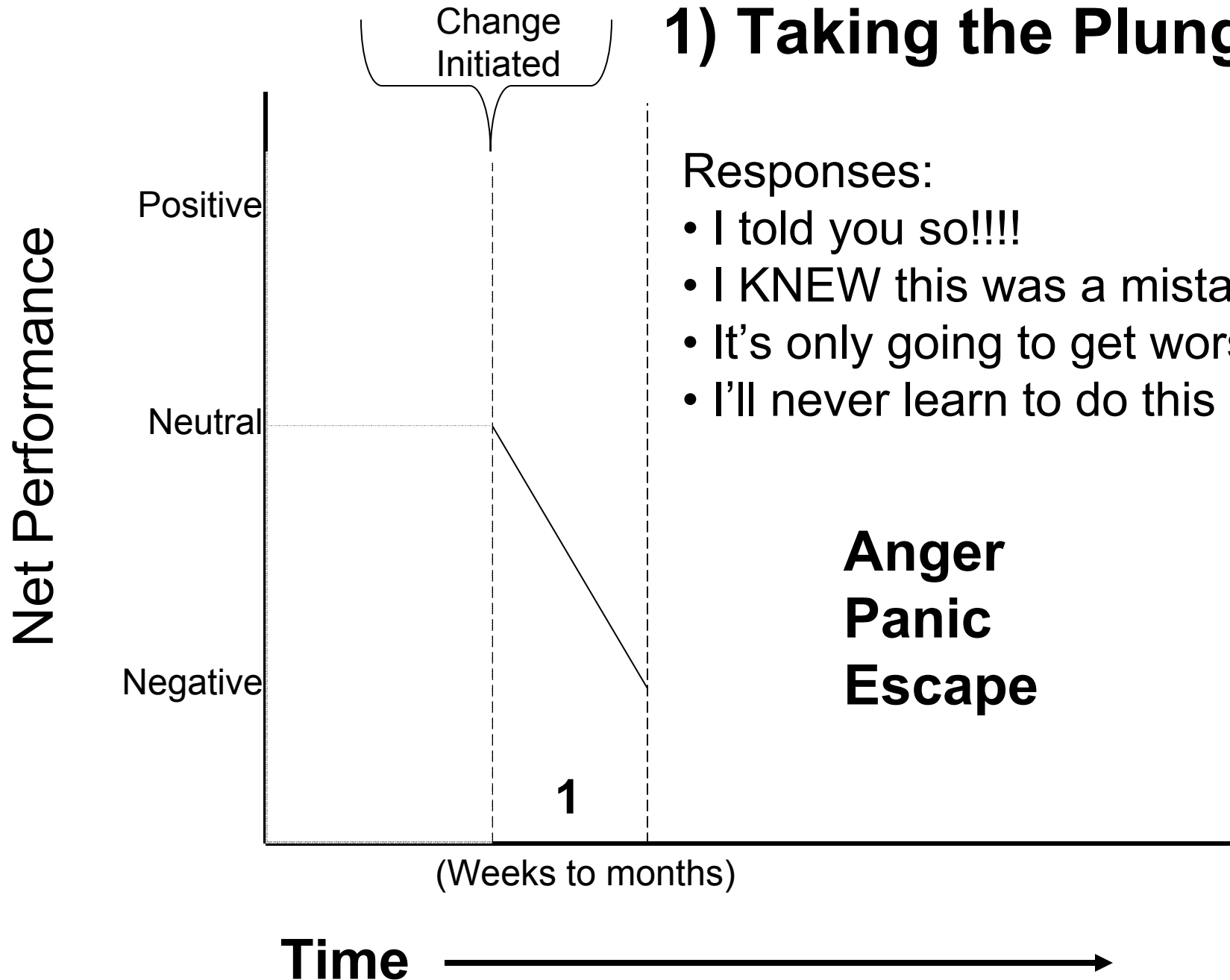
Anger

Dread

Time



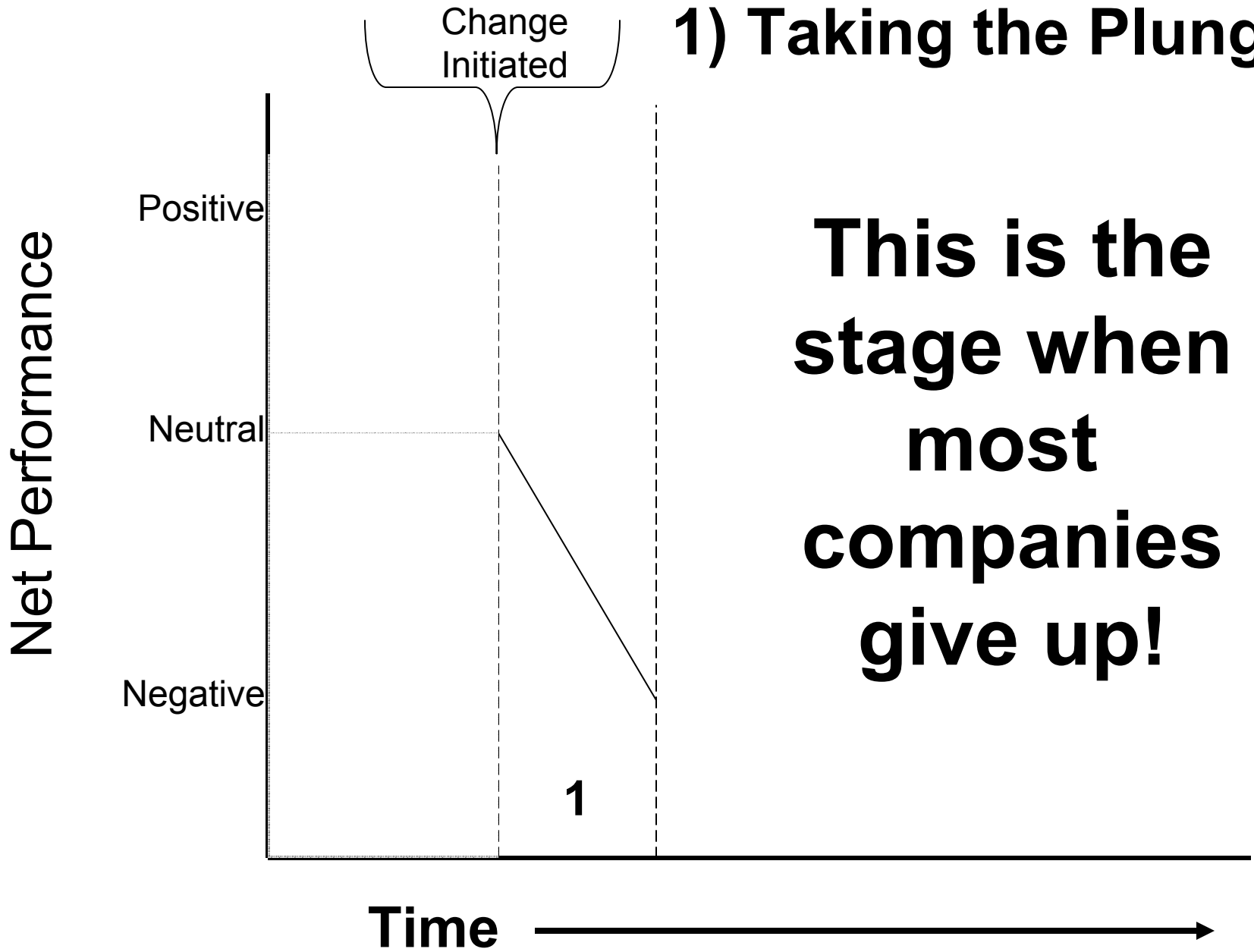
1) Taking the Plunge



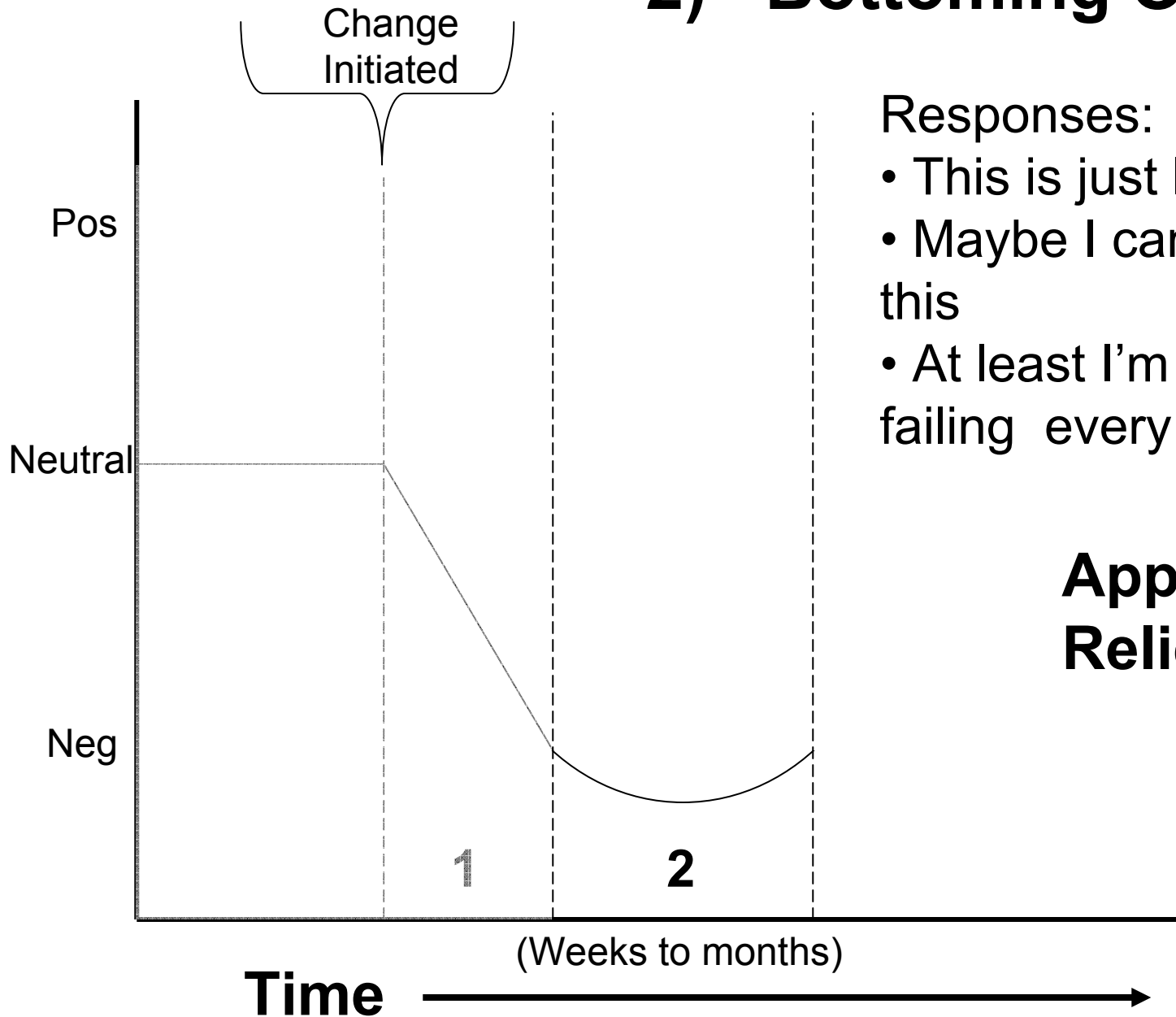
Responses:

- I told you so!!!!
- I KNEW this was a mistake!!!!
- It's only going to get worse
- I'll never learn to do this

1) Taking the Plunge



2) Bottoming Out

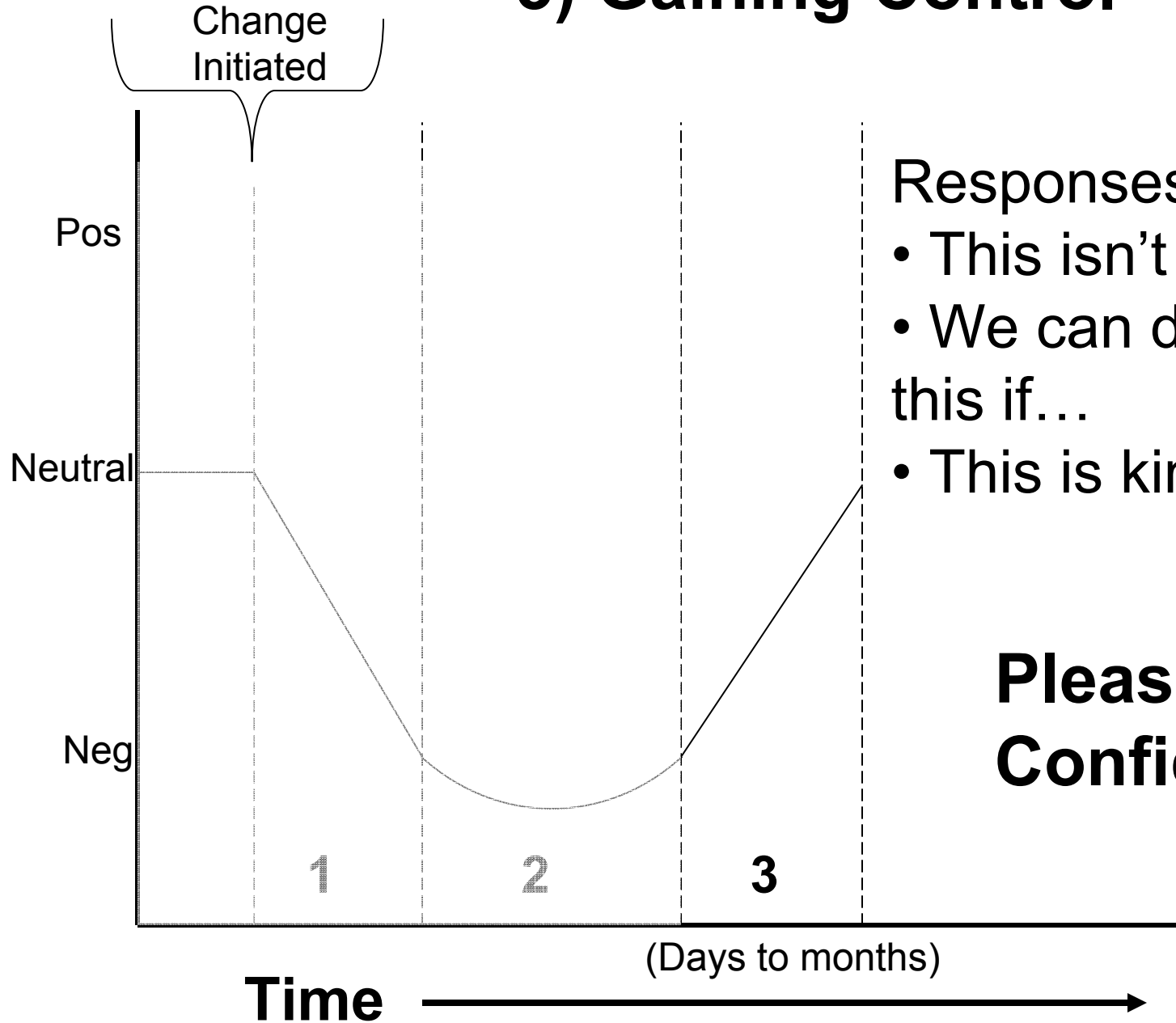


Responses:

- This is just luck
- Maybe I can do this
- At least I'm not failing every time

**Apprehension
Relief**

3) Gaining Control

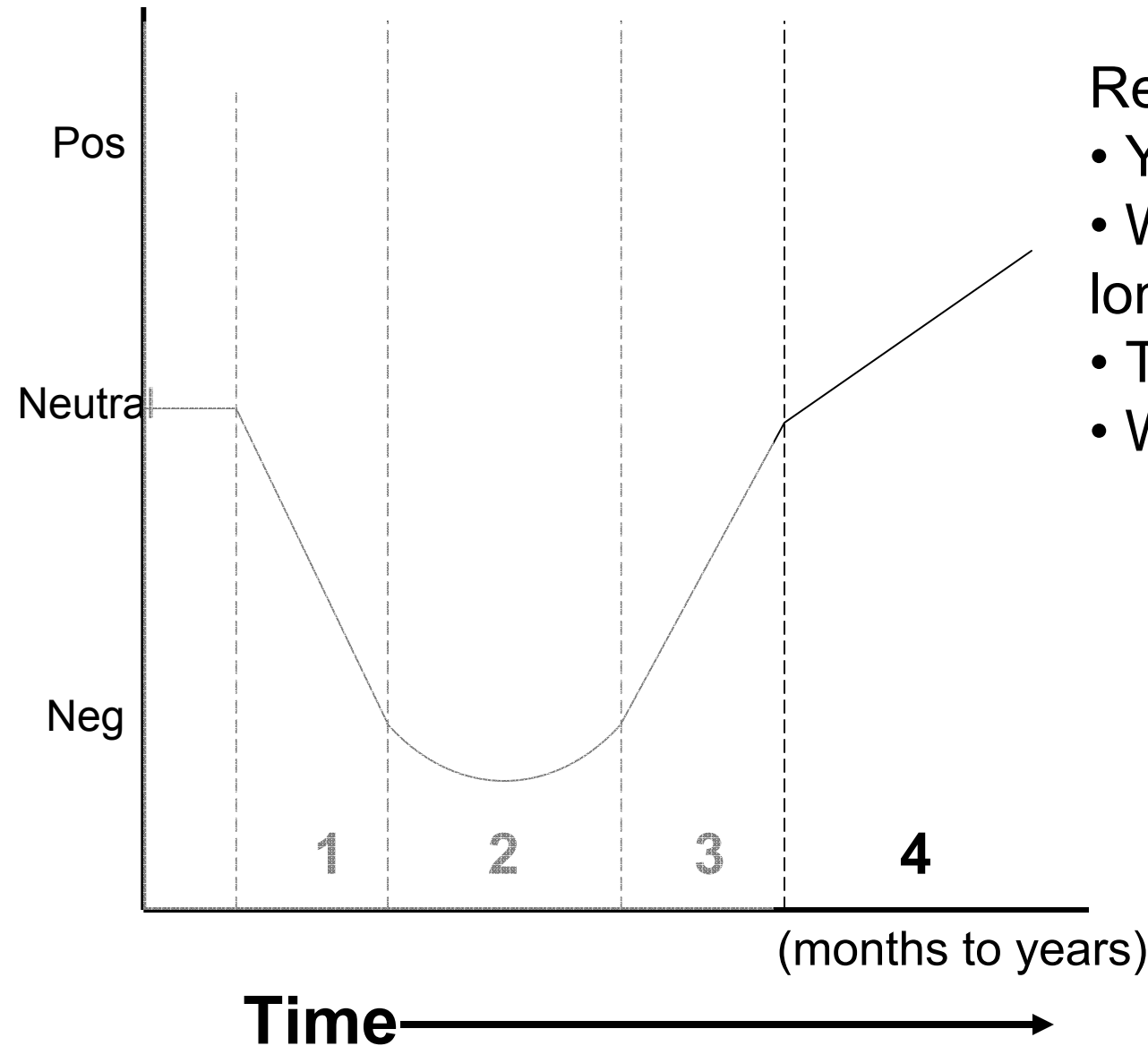


Responses:

- This isn't so bad
- We can deal with this if...
- This is kind of fun

**Pleasure
Confidence**

4) Mastery



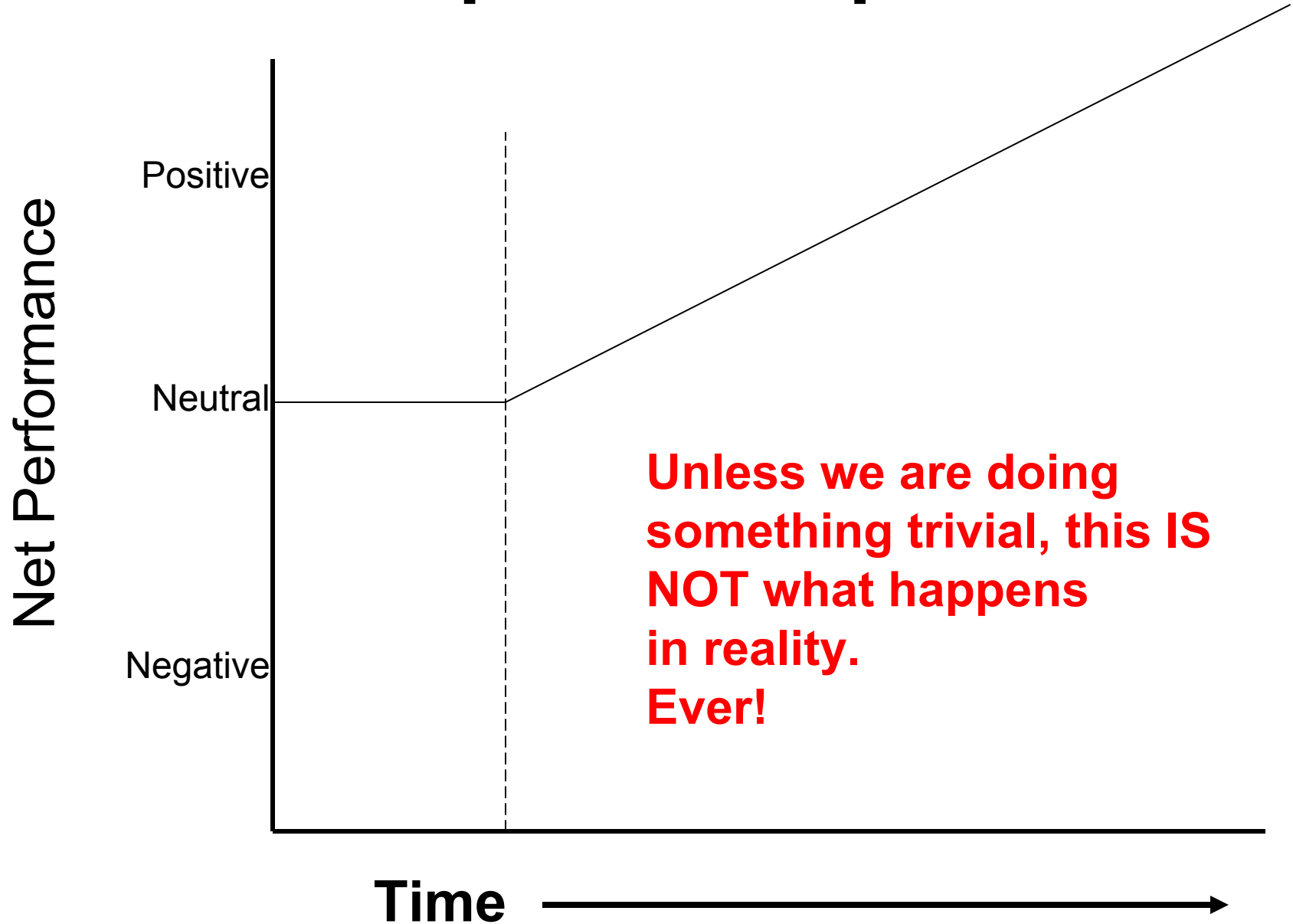
Responses:

- Yes!
- Why did we wait so long?
- This is great!
- What's next?

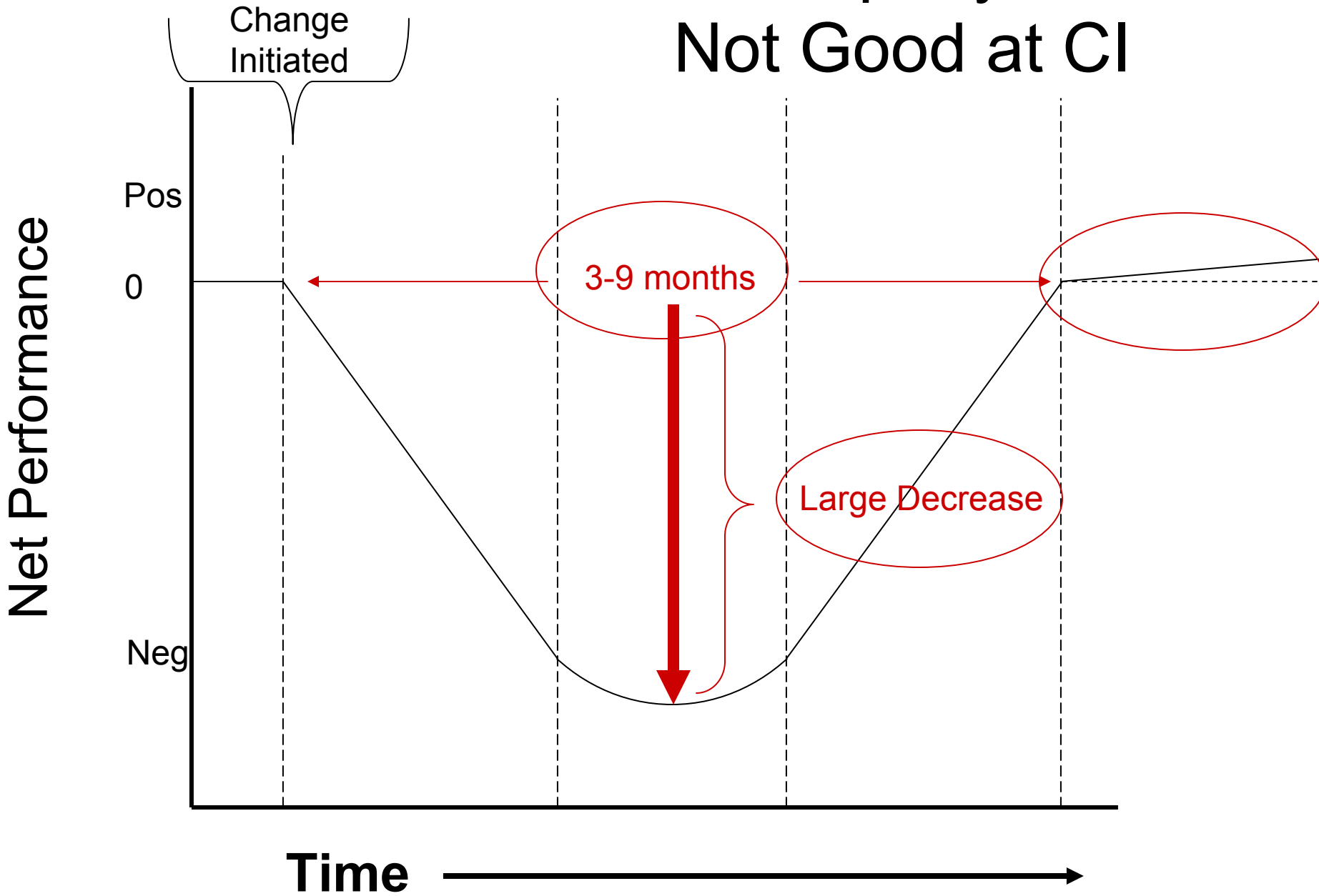
Joy

Validation

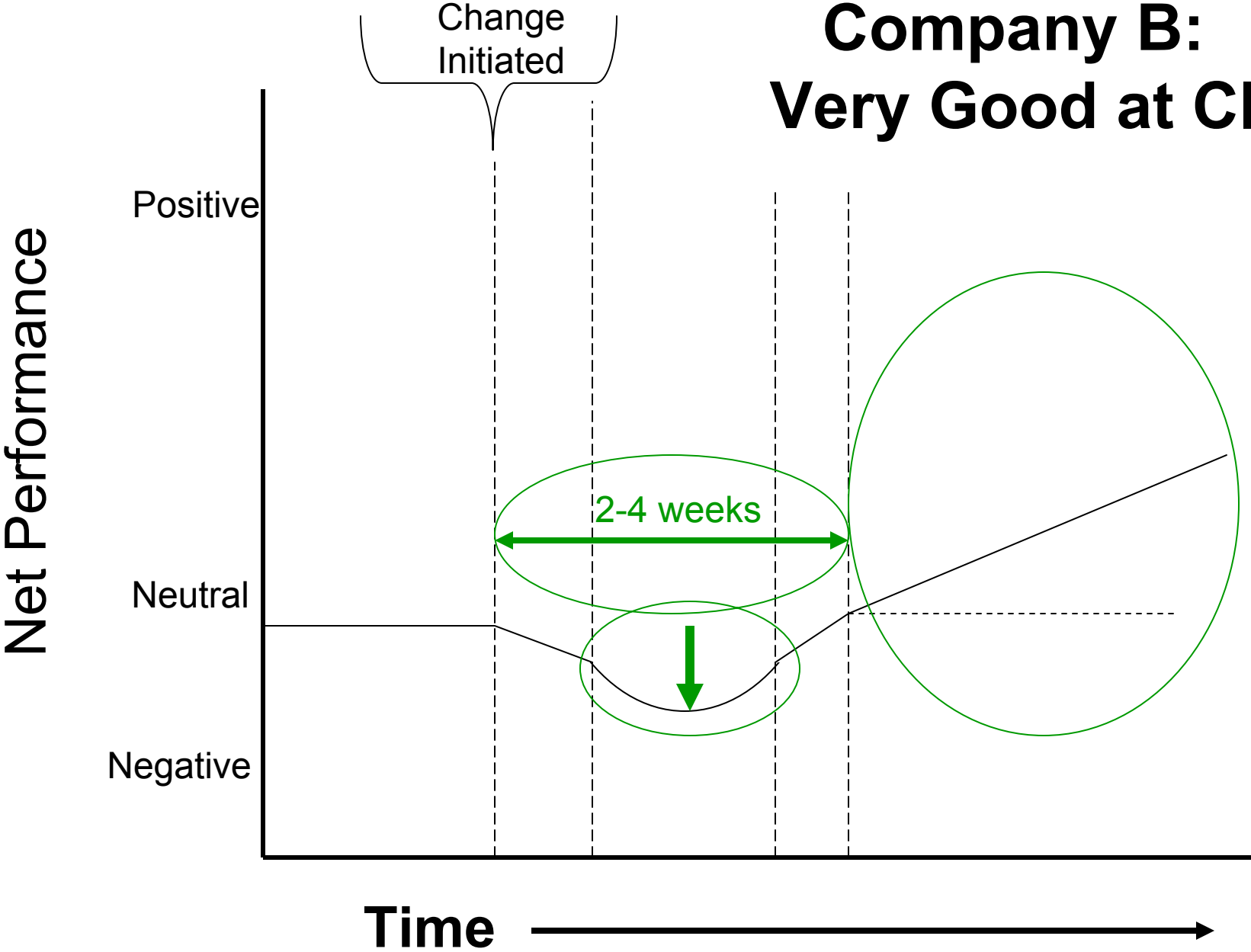
What Companies Hope For



Company A: Not Good at CI



Company B: Very Good at CI



Barrier #3

Conflict

- **Improvement requires creativity.**
- **Creativity requires conflict.**
- Conflict around ideas is good, conflict around personalities is destructive. This requires attention and has to be actively managed.
- Most people are conflict avoiders.
 - “Don’t rock the boat”
 - “You’re not being a team player”

Barrier #3



Conflict

- People need to *learn* how to deal with conflict *constructively*
- What is the “*conversational capacity*” of your organization?
- What is the ability to deal with touchy or difficult topics?

Barrier #4

Lack of Management Commitment

- Management does not see CI as a critical management process (no budget)
- It's an optional “Add-On”, if it works, great, but they are not depending on it
- Sales and production are the “Key” processes which get all the attention
- CI projects get “postponed” when things get busy, or when they get slow

Barrier # 5



Lack of Management Support

- Too many managers believe “support” is giving “rah-rah” speeches
- Too many managers UNWILLING to ask the CI team “What do you need from me to ensure project success?”, and then provide it

Barrier #6



Management ADD

Shiny Object Syndrome

Flavor of the Month Syndrome

(Start Many – Finish None)

**Management Has No Clear Vision
Hoping for the “Magic Bullet”**

Barrier #7



Resistance from Middle Management

- CI projects involves more people in decision making
- CI typically means changing things that middle managers have created
- Most middle managers see CI as a challenge to their authority

Barrier #8



Lack of Trust

- Does management deserve to be trusted?
- Are there skeletons in the “management closet?”
- Sometimes the trust issues have to be addressed before CI can happen

Barrier #9



Organization Culture does not support CI

- Low/no trust environment
- Poor communications
- Rather blame than search for cause of failures
- Low cooperation between departments
- Teamwork not valued, too many independent players

What is a Workplace Culture?

Workplace culture is a way of describing how a group of people *work* together.

- Workplace culture includes;
 - clothes you wear
 - attitudes and rules of behavior
 - ideals and values
 - communication and more.
- The culture is learned in everyday working.
- **If management doesn't create the desired culture, one will develop anyway.**



Workplace Attitudes

Attitudes are shaped by one's past experiences.

- If management does not follow through on promises, the employees will have no faith in them.
- If management looks for someone to blame, the employees will fear them.
- If management does not trust the employees, the employees will not trust the management.
- If management does not value the employees, employees will not value their job.



Key Workplace Attitudes for A Continuous Improvement Culture

Belonging (member of team)

Fearlessness (trust in management)

Pride in work

Customer focus

Flexibility

Capability



Workplace Ideals and Values

Whatever management rewards, management will get.

- Reward “yes men” and you will get obedience, but no creativity.
- Reward squeaky wheels, soon all the wheels will squeak.
- Reward those that would climb on the backs of others to reach the top, and you will have “politics” instead of production.



Cultural Hurdles

Culture of Blame – Finger pointing vs. understanding process problems

Culture of Mistrust - Fear can paralyze employees, make them unwilling to “stick their necks out”

Culture of Hierarchical Dividing Lines - Unless employees are invested in the success or failure of the company, its survival is “management’s problem.”

Can Workplace Culture Change?

- Cultures are not static, they are constantly changing.
- The leaders of an organization set the tone for the culture.
- Change requires a strong commitment and daily follow through on the part of top management.
- When the leaders change their behavior and attitudes, the rest of the organization will follow.

Barrier #10



We are already successful

- “If it not broken, why mess with it?”
- “ Everybody knows we’re number 1, so leave it alone”
- “Our profit numbers are good, why risk a good thing?”

Barrier #11



Ego/turf battles

- Process owners may see a CI project as a way of saying “You have failed”, or “You are wrong”, and take it personally
- Department “A” unwilling to do 10 minutes extra work to save department “B” an hour

Barrier #12

Previous failures

- Real failures
 - Not every project will succeed. Even Toyota is *only* successful ~90% of the time
 - *Will management tolerate less than complete success?*
 - There is something to be learned from failures!
- Imagined failures
 - Poor communications can result in successful projects twisted into failures by the concrete heads

Barrier # 13

People Issues

- Indiscriminate hiring practices
 - Hiring for knowledge, but not for ability to “play well with others”
- Socially corrosive employees
 - (over 100 books like “Dealing with Jerks at Work”)

Most CI project failures are the result of “people problems” not a lack of knowledge of CI tools

This is a failure of leadership!

Barrier #13.5



Jargon/Vocabulary

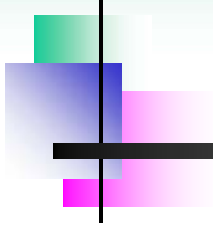
Will need to explain

- Kaizen blitz
- Process capability
- DOE, PFMEA, QFD, etc

to the “outsiders” if you want them to participate. (Create a dictionary)



Final Thoughts

- 
-
- The barriers are mostly people issues, not technical issues
 - The barriers don't go away if ignored
 - Companies that were successful with CI addressed their particular “barriers” head on, including terminating the roadblock employees.
 - One person can derail a whole initiative



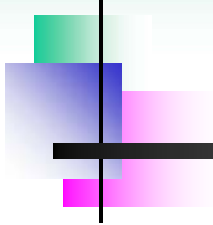
Consider early in a continuous improvement project, asking key players:

“What is going to cause this project to fail?”

Then deal with it.



Questions?



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