

How to build a culture of continuous improvement

By David Hand

Most businesses have ongoing pressure to improve their customer service or profitability. The competition never sleeps and never stands still. So if you are not improving, then you are going backwards. Occasionally, businesses have the need for significant and radical change but even in an environment of step change, an organisation that has the ability to continuously improve its operating performance has a significant advantage over its competition.

“Kaizen” is a process improvement concept often referred to by its Japanese name, which literally means “Change for better” and is applied widely in business as continuous improvement. Because it is a concept that mostly focuses on process re-engineering, it is not the whole answer. An enormous influencing factor on gaining improved performance is not just the process itself but the way that process is managed. If you hope to have a culture that delivers continuous improvement, the management culture you have is far more important than the process itself. This is because the right continuous improvement culture will in itself drive process improvement but the opposite is not true. You can have great processes but not be able to succeed with them. The following factors are in my view, elements that make up a culture with a robust ability to continuously improve.

1. Have a clear view of what operational excellence is and be able to measure it.

Though ideas in a “suggestion box” format are handy, you are far more likely to see what needs to improve if you know what success looks like and are able to measure it. Generally, you should define success in terms of quality, cost and customer service. If you are already there, it’s worth reviewing whether or not your true skill is managing the expectations of your customers and stakeholders. Whatever situation you are in, a culture of continuous improvement will have a clear, measurable idea of where it needs to be and how far off performance is today.

2. Get rid of blame.

It is most likely that if there is a gap between where you want to be and where you are now, people will get uncomfortable. One of the most deadening forces at work to stop continuous improvement is one where people are afraid of the gap between the goal and the current state. You must eliminate this fear. After all, most operating problems are no individual’s fault but more likely to be a lack of foresight, poor communication, poor training, changing customer demands or changing competition. So if your response to an operating problem is to counsel the

person responsible, your business will put far more energy into shifting blame than it will to fixing the problem. “How can we fix it?” will lose every time to “It wasn’t my fault”

3. Actively manage your process.

An operating problem will be far more disruptive, more costly and affect customers more if it comes and finds you rather than you going out finding it. What this means is going and having a look as a routine activity. As Japanese words are in vogue these days, business professionals describe this as “Gemba” or “go to the real place”. As with Kaizen, most practitioners will use this to focus on process, having regular looks at processes to see if they can work better. This is fine, provided it fits into a management behavioural model that drives active management.

4. Use a management operating system (MOS).

Though this often refers to the management tools of forecasting, planning, scheduling, executing and reviewing work done, the power of the management operating system is the behavioural model it supports. Adopting the lean behaviours of, “Plan, Do, Check, Act” as a normal everyday practice in your business, particularly amongst front line managers and team leaders will deliver a powerful culture focused on operational excellence and improvement.

5. Train your front line managers.

Any fool can have a good day. But a manager who knows what they set out to do, knows how they actually did and has some suggestions about what to do to fix the gap has a valuable skill that should be nurtured, rewarded and extended.