



Characteristics of Successful Improvement Initiatives

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EXECUTIVE SUMMARY

Change isn't a choice in organizational life; it's a way of life. In response to the challenge for organizational change and improvement, enterprises have initiated wide-ranging practices to drive change from the top down and the bottom up. What factors are associated with successful change? Here are a baker's dozen.

There is strong consensus that the current U.S. business environment is experiencing an unprecedented rate of change, and nowhere is this more true than in the manufacturing sector. Change is no longer a choice in

organizational life; it is now a way of organizational life.

A highly competitive environment places heavy pressure on managers at all levels to be more proficient at leading change and more responsive

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at driving performance improvement. Managers must maintain and continuously improve performance or be subject to corporate takeover, organizational extinction, or executive dismissal. Many managers do not have



A BAKER'S DOZEN

To explore the factors associated with successful change efforts, 181 senior-level executives in heavy manufacturing were asked, "Based on your experience with the successful improvement initiative identified, what were the specific factors that you believed were critical to the success of this endeavor?"

Their answers are ranked below, followed by the percentage of responses for each factor.

1. Participation, teamwork, and ownership.....	81.9%
2. Clear focus, direction, and goals.....	72.3%
3. Trustworthy leadership.....	65.4%
4. Speed and a sense of urgency.....	59.1%
5. Ongoing measurement, feedback, and adjustment.....	54.9%
6. Clearly defined improvement process or plan.....	42.5%
7. Follow-up and accountability.....	35.9%
8. Effective training or education.....	31.1%
9. Accurate data and effective analysis.....	29.2%
10. Clearly defined roles and strong execution.....	26.3%
11. Rewarding progress and celebrating success.....	24.8%
12. The right people.....	23.7%
13. Real commitment to improve or change.....	21.9%

the expertise or capability to manage change under increasingly complex conditions in which the old ways of thinking and solving problems rarely work. Increased competition has brought to the forefront the importance of rapid organizational change and real improvement.

In response to the challenge for organizational change and improvement, enterprises have initiated wide-ranging practices to drive change from the top down and the bottom up. These improvement strategies include restructuring, work force development, re-engineering and process redesign, continuous improvement, Six-Sigma, lean manufacturing, kaizen initiatives, customer relationship management programs, and a wide range of organizational improvement processes that have evolved from the total quality

movement of the past several decades. Organizations are reaching for and experimenting with any process, practice, strategy, or initiative that they believe will help improve their organizational performance. Managers are given the dubious task of embracing and endorsing these organizational directives and doing what is right. Quite often these two responsibilities are not the same.

Organizations spend large amounts of financial, personnel, and emotional resources in their efforts to improve. Yet research shows that most change initiatives fall far short of their desired outcomes. What factors make an improvement effort successful in an organization's attempt to achieve better performance?

The academic community has created numerous theories and models that can be used to explain what

constitutes an effective improvement initiative. However, there is frequently a gap between academic and theoretical models of successful change and the harsh realities of the ever-changing, unforgiving, and political organizational landscape. The purpose of our research project was to solicit input from top managers to describe successful improvement efforts with which they had firsthand. The intent is not to establish the next organizational impulse but to educate and equip managers with the necessary talent for rapid and real organizational change.

To explore the factors that are associated with successful change efforts, we solicited input from 181 senior-level executives in the heavy manufacturing industry who could identify a successful change initiative with which they had firsthand experience. These managers were asked, "Based on your experience with the successful improvement initiative identified, what were the specific factors that you believed were critical to the success of this endeavor?"

Each of the resulting key factors for successful organizational change must be viewed as part of a whole in attempting to understand the core attributes of successful improvement. Many of these factors are highly interrelated.

Key factor 1: Participation, teamwork, and ownership

Improvement requires change, and change requires the free flow of information, effective analysis and problem solving, habit breaking and habit making, and commitment. When any improvement effort is infused with active participation, that improvement effort stands a much greater chance of success.

The successful improvement efforts described by respondents targeted

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the full range of organizational performance variables, including improving customer service, growing revenue, reducing costs, improving efficiency, reducing lead-time, product and process innovation, and enhancing quality. To this end, successful change efforts are built on the foundation that the people who must implement and live with the change must drive the change process. And yet, consider how often organizations attempt to implement improvement with one-way communication, top-down mandates, e-mails, new policies and procedure statements, and edicts that frequently have little effect in producing the changes that are necessary for improvement. Managers insisting on successful improvement efforts will look for creative opportunities to make people a large part of the improvement equation so that they are active participants rather than causal observers.

Bottom line: In most improvement efforts there is no substitute for having the people who must drive the change participating, working together and taking ownership of the change process.

Key factor 2: **Clear focus, direction, and goals**

Executives in this study used action-oriented words such as “targeted,” “focused,” “precision,” “properly aimed,” and “directed” to describe successful improvement initiatives. Managers made it clear that for an improvement effort to attain desired results, the effort must start with a clear focus on the end result that is desired. Once this focus is created and participants have a clear sense of direction so that goals can be established, their improvement activities can then be linked with the specific actions and behaviors that are necessary to drive improvement. Once this direction is established, goals and metrics can be created to measure

and track improvement to determine if change activities are having the desired results.

Bottom line: For a change initiative to be successful, all change efforts need to focus clearly on a desired outcomes that can be measured.

Key factor 3: **Trustworthy leadership**

A key component for any successful improvement initiative is effective leadership that is intimately involved in all facets of the improvement initiative. Trustworthy leadership is exemplified by leaders who display both the professional competency necessary to lead the change process and the character and integrity necessary to lead people at a personal level. The findings of this study suggest that successful change is difficult at best without managers enacting their role as trustworthy leaders. Effective leadership in successful change initiatives sets clear direction, creates teamwork, plans, communicates, motivates, provides feedback, and summarily creates accountability and ownership among the people responsible for making change happen. At the same time leaders are honest in their exchanges with workers, workers are confident that leaders can be trusted.

A sure-fire way for a change initiative to falter or fail is for a manager to abdicate responsibility and authority with a workgroup and place the change initiative in the hands of an unqualified subordinate, an outside consultant, or an internal facilitator. In times of change, workers want their leaders to lead by example rather than stand on the sidelines and watch others do the heavy lifting. During these periods of change, doubt, anxiety, frustration and fear can easily become part of the organization's culture. Employees want the guidance and direction of a leader they can trust to ameliorate their concerns so

they can stay focused on making the change process happen.

Bottom line: Without effective, serious, and trustworthy leadership, change efforts will not provide a maximum return on investment.

Key factor 4: **Speed and a sense of urgency**

Creating a sense of urgency causes workers to believe in the importance of the improvement initiative. Speed must be tempered with proper planning, good analysis, effective decision making, proper resource deployment, and effective training. It is interesting to note, however, that busy executives and employees frequently wait until the last minute to complete improvement activities and assignments. In the words of one of the participants in this study, “When people are given two months to complete an assignment that will help drive an improvement process, they frequently complete it the day before it is due ... so why don't we get serious and cut down on the amount of time they have to do the work.” This thinking was echoed by many participants as successful improvement initiatives create momentum and bring with them a sense of urgency for improving results. Managers and people in general have an intuitive practice of filling the time available with the activities of a change initiative. Quite often these change initiatives are targeted with open-ended timeframes. Real improvement is achieved in a valid and established timeframe.

Bottom line: Improvement efforts create a sense of urgency, momentum, and the realization that things must happen sooner rather than later.

Key factor 5: **Ongoing measurement, feedback, and adjustment**

One of the cornerstones of successful improvement initiatives is clearly defined metrics to measure perfor-

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mance. Once these metrics are in place, ongoing measurement is necessary to track progress. Successful improvement initiatives track performance on a regular basis and relay this information back to the parties involved in the improvement process. This information should be fed back to the employees on an ongoing basis with an emphasis on balanced feedback — feedback that is positive when warranted but also feedback that suggests performance is unsatisfactory when that is the case. Adjustments to performance must be made when performance is found to be lacking. Managers made it clear that if measurement is not effective or accurate, the improvement process will be stifled. When measurement information is collected, it must be fed back to the parties engaged in the improvement process whether it is good or bad news. Withholding performance feedback can have the effect of disengaging workers, causing workers to lose confidence in each other and management, and can cause people to shoot in the dark in terms of making adjustments.

Executives stated that successful improvement initiatives needed adjustments quickly to maintain the momentum of the improvement effort. Adjustments are a critical component of the successful change process, and people must understand the need and consequences of these adjustments to achieve the proper results.

Bottom line: Effective improvement efforts require continuously measuring and tracking progress, providing ongoing balanced feedback and making rapid adjustments to stay on course.

Key factor 6: **Clearly defined improvement process or plan**

For an improvement process to be successful, there must be a balance between rigor and flexibility. A rigorous improvement process is one that

has a clearly defined plan for achieving better results. A flexible improvement process is needed to accommodate bumps in the road. An important component of successful improvement initiatives is that they have a clearly defined plan of attack for improving the desired outcome. It is important that this plan is understood by all parties involved. One executive in this study said, “It is just like a quarterback calling a play in a football game in that everyone knows what is to happen next and they have a clearly defined role in the process.” Effective improvement activities make it clear what is happening, why it is happening, how it is happening, and who is involved. It is the responsibility of the manager to ensure that all members of the change initiative understand their role, their teammates’ roles, and the next series of events that the team is expected to perform.

Bottom line: For improvement efforts to be successful, people need a clearly defined game plan and process for change.

Key factor 7: **Follow-up and accountability**

In many organizations, change efforts come and go with little or no effect because there is little or no follow-up or accountability attached to that effort. Conversely, successful change initiatives bring with them the sense that this process is to be taken seriously. Without follow-up and accountability for implementing changes, improvement efforts will falter because people at all levels will conclude that the process does not have to be taken seriously. Practices such as measurement and feedback can be successfully used by leaders to ensure follow-up and to create accountability for desired actions. Without accountability at an individual, group, and organizational level, real change becomes difficult at best.

Bottom line: Improvement efforts

must have follow-up and accountability to be taken seriously by all concerned parties if they are to be successful.

Key factor 8: **Effective training or education**

When decisions have been made concerning what must be done differently for a change effort to succeed, training and education are important components in providing employees and managers the tools and information they need to enact the behaviors necessary for success. If an organization is serious about its personnel behaving differently to support an organizational change, then they should consider training concerning the specific skills and behaviors that will be necessary to support the change. Organizations are frequently reluctant to spend money on training because of the cost. A frequently heard comment in organizational circles is “What if we train them and they leave?” But the bigger question is what if you don’t train them and they stay? Nowhere is this truer than when change is required because training sends the additional message that this initiative is a serious proposition.

Bottom line: People who are being asked to do things differently to enact change must be trained with the skills and educated to create the thinking necessary to support the improvement effort.

Key factor 9: **Accurate data and effective analysis**

To improve organizational performance on a given variable requires possessing accurate data and conducting effective analysis to understand the factors that affect current and future performance. Successful improvement initiatives ensure that improvement efforts are data-driven and that analysis is both thorough and effective. People want decision making to be based on solid informa-

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tion as opposed to instinct or gut feeling. Effective data collection and analysis should be part of an organization's improvement process that everyone knows and understands. This analytical process must be tempered with the realities of imperfect information and the avoidance of the paralysis-by-analysis syndrome in which organizations wrongly believe that lengthy analysis can lead to perfect decision making.

Bottom line: Effective decision making and problem solving required for improvement require accurate data and meaningful analysis.

Key factor 10:
Clearly defined roles and strong execution

It has been said that all effective change becomes personal at some point. Nowhere is this more true than in

clearly defining the roles of people participating in the change process. When change is needed, leaders must clarify the roles, goals, and job responsibilities of each and every person engaged in the process. When individual employees have clearly defined roles during the change process and accountability for their roles, things will happen more quickly. When it is time to execute the change, employees need to have a complete understanding of what it is they must do differently on a daily basis. Executives described in solid detail the importance of getting individual employees to behave differently to support the change, be it large or small. Without individual employees clearly understanding their roles and being held accountable for different actions and behaviors, real change does not take place. When real change does not take place, improvement does not

happen.

Bottom line: For improvement plans to turn into actual improvement, individual roles must be clearly defined and action must be taken to implement needed changes.

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Key factor 11:
Rewarding progress and celebrating success

Successful change efforts are frequently accompanied by large doses of positive feedback and encouragement along the road to improvement. Positive feedback can be a powerful motivator to encourage improved performance at an individual and a workgroup level as a change process unfolds. It is important for leaders to reward and celebrate incremental change and progress to encourage good performance and motivate workers to even higher levels.



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In the words of one executive, “The one thing that made a big difference in my experience with successful improvement efforts was the fact that we learned how to celebrate our successes and to encourage each other during every step of the improvement process.” Change can be a stressful time for managers and employees alike, but rewarding progress toward a goal and celebrating success can go a long way in creating both the momentum for long-term improvement and the reinforcement necessary to support long-term improvement.

Bottom line: For real change to take place, people need to be rewarded for improvement and celebrated for their success both individually and collectively.

Key factor 12: The right people

In sports, people frequently talk about the importance of having the right players in the game and on the field. This same line of thinking should be applied to the change process in organizational settings. Participants in this study talked about the importance of getting the right people in the game.

It is important that every step of the improvement process be properly staffed with the right people and the right number of people to get the needed results while not wasting precious human resources. Different stages of the improvement process require different skill sets among participants and managers. Managers must be judicious in delegating improvement responsibilities to the right people at the right place and at the right time of the improvement process to maximize the likelihood of success.

Bottom line: Real improvement is a people-driven process and requires that the right people be put in positions to drive improvement through both formal and informal activity.

Key factor 13: Real commitment to improve or change

The final key factor identified by participants was the issue of ongoing support and commitment to the changes necessary to create improvement. It is one thing to start an improvement initiative, it is another to provide follow-up and accountability for the improvement. In addition, ongoing support and the commitment necessary to sustain an improvement initiative must be provided on a long-term basis. This finding is directly linked to the issue of follow-up and accountability but speaks to the long-term commitment that is required of top management to keep an improvement initiative in the forefront of organizational action. This issue makes it clear that top managers must demonstrate their ongoing support and commitment to any organizational improvement effort that is to be taken seriously over time. A top manager’s key role in the change process is to provide ongoing support and to serve as a cheerleader to remind participants of their commitment to this effort. Without this critical activity on the part of managers, real improvement can be stalemated.

Bottom line: Improvement efforts must receive continuing support and commitment.

A call to action

In conclusion, all of the drivers of successful change initiatives identified by the executives in this study fall into the category of controllable factors that leaders can, should, and must address if they are serious about keeping their organizations and careers moving forward.

Determining which success factors are important for successful change in a sterile or static environment is easy. Being able to implement them consistently in the heat of battle, however, may prove significantly more difficult. Daily, the trappings of the business

world present a series of unknowns that require proactive, quick responses.

Analogies of teams in the workplace are plentiful. Teams should be designed and developed to respond to unknown and changing business situations in a fast, orderly, and successful fashion. Emergency medical response units and certain military teams are able to handle chaotic developments while remaining focused and composed.

Accordingly, it is imperative that all managers who hope to be successful in both leading their organization and building a solid career must incorporate the following key imperatives drawn from these findings:

Get personally involved as a leader. Managers no longer have the luxury of managing from the sidelines. They must be intimately involved in leading the change process.

Get the team involved. Managers must provide the focus, goals, and direction, ensuring that every team member understands his or her role in the change process.

Plan, but move quickly. All findings indicate that change will continue to accelerate. Leaders must move faster than followers.

Know the score. Managers must know where they are. Fact-based metrics will allow you to maintain focus and determine a specific course of action.

Celebrate, then close out the project. The end of a successful improvement initiative is the ideal time to let the entire team celebrate the successes of any change initiative. Praise, rewards for a job well done, and publicity.

As the demand for change increases, managers must seize the opportunity to lead change rapidly to score improvements for their organization. If you feel your change skills are not where they need to be, there is no time like now to put together a plan to change. Your future as a leader depends on it. ❖

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