The Definitive Guide to the Leadership Behaviors that Create a Culture of Continuous Improvement

KaiNexus

Readers' Choice

Leadership Behaviors
that Create a Culture of Continuous Improvement

State your belief	Explain why it matters	Be a servant leader	Participate in continuous improvement	Ask for improvement ideas
Don't make everything an event	Emphasize small ideas	Ask for more than just cost savings	Blame the process, not the people	Be transparent
Respond quickly to every idea	Find something to implement	Turn bad ideas into better ones	Help people see the bigger picture	Turn complaints into ideas
Coach, don't nitpick	Create time for improvement	Help share and spread ideas	Don't overdue the P in PDSA	Don't forget the SA in PDSA
Be prepared to fail	Be careful with rewards	Recognize people	Compile and celebrate results	Set GOALS, not quotas
Be careful with the tone you set	Put it in the system	Don't say "That's not a problem."	Encourage employees to think	Prioritize learning over $$$
Don't try to escalate everything	Don't accept "send a reminder "as a solution	Have a bias toward action you can undo	Emphasize small(est) tests of change	Go and see
Eliminate barriers	Spread out the work load	Embrace innovation and creation	Start before you're ready	Have fun!

State your belief in continuous improvement

What matters to you most at work? If you're like most people, what matters to you is what matters to your boss. Your own employees probably feel the same way; that's why it's important that you use your clout as a leader to promote the spread of continuous improvement.

Leaders must openly share their belief that:

1. Continuous improvement is everyone's job, every day.
2. Continuous improvement is an important part of the organization's future.
3. Everyone has valuable ideas to contribute to the improvement culture.
4. Both big projects and small improvements are required for successful continuous improvement.

Explain why continuous improvement matters

You can force people to participate in continuous improvement, but you're guaranteed to get better results if you approach people with respect and diplomacy. The best way to get everyone engaged in continuous improvement is to help them truly understand why this mission is critical. That way, you'll really earn their support.

Some concepts to highlight when discussing "Why" are:

1. Their jobs will become more enjoyable as they improve processes that bug them.
2. They'll be able to provide better goods and services to their customers.
3. The company will do better financially, which is ultimately good for everyone from investors to front-line employees.

Empower, but be a servant leader

Empowering your employees to make daily improvements on their own is a critical part of any culture of continuous improvement. You don't have the time (or desire) to micromanage every improvement, so it's important that people are able to improve on their own.

That being said, you can't just throw your staff out into the wild and hope they successfully improve their work; you need to be available to help them along the way. Balancing providing employees with enough autonomy and enough guidance is an art.

What does this look like in reality? Some examples:

1. Removing barriers
2. Helping employees navigate bureaucratic procedures
3. Keeping an eye on their improvement work to step in and redirect as necessary

Participate in continuous improvement yourself

Perhaps the most powerful message a leader can send employees to emphasize the importance of continuous improvement, is to actively and publicly participate in it themselves. The operative word here is publicly; the message is lost if no one knows what you're doing.

Here are a few methods you can use to lead by example:

1. If you make an improvement that applies to the work others do, share it with them.
2. If you've made a significant improvement to your own process, tell people about it – even if (especially if) you're embarrassed that you didn't improve it sooner.
3. When there's a meeting or announcement about the improvements people have made, try to include something you've done.

Ask for continuous improvement ideas

Okay, so this sounds painfully simple, but you'd be surprised how often leaders expect staff to come forward with opportunities for improvement without actually *asking* for them.

Asking for improvement ideas is the best way to get people to submit them. Even better is asking for opportunities for improvement that impact every area of the business, not just financials.

Here are a few ways to ask for ideas without nagging:

1. When someone complains about something, ask them to submit an idea to improve it.
2. When people are troubleshooting a problem, ask them to brainstorm some improvement ideas.
3. In particular, ask for ideas that improve their jobs and customer service.

Don't make every improvement be an event.

Does your organization primarily depend on projects or events like <u>Kaizen Events</u>, <u>Rapid Improvement Events</u>, or Kaizen Blitzes?

While top-down, large scale initiatives like these are critical components of a comprehensive improvement program, they are by definition intermittent. As such, it is important to not demand that every improvement be part of such an event.

Ideas that are small, low-cost, and low-risk can be identified by every employee, every day. When leaders empower people to constantly contribute ideas and make improvements as a part of their daily work, a true culture of continuous improvement is achieved.

Emphasize small ideas

This is a great tip for all leaders, but especially for those who are struggling to get people excited about continuous improvement.

Emphasize the value of small ideas, and encourage people to make little improvements that can be easily accomplished with tangible results. Some examples of what to ask for are:

- Solutions to problems that irritate the staff
- Improvements to customer experience
- Fixing a safety issue

These quick wins will soon get people to see the value of continuous improvement, understand their role in it, and support the bigger improvement projects that you'll want them to participate in later.

And you never know – maybe one of those small idea will wind up to have an unexpectedly far–reaching impact!

Ask for more than just cost savings

There is no question that cost savings is extremely important for all industries. Good leaders know, though, that isn't the topic that really engages staff.

Instead, leaders should ask for improvements in areas that employees are passionate and knowledgeable about, such as safety, quality, time savings, and customer and staff satisfaction.

Asking for improvement to these areas ultimately results in an improvement to the bottom line. Check out this free eBook for real data on the ROI of continuous improvement.

The ROI of Continuous Improvement

Get Instant Access

Blame the process, not the people

It's very common for people to be so afraid of the consequences of making errors that it becomes a habit for them to hide their mistakes. This practice is widely accepted by leaders, and considered the norm in most organizations.

As you can imagine, that doesn't lend itself to a culture of continuous improvement. In order to make things better, you first need people to tell you what's wrong! Strong leaders of continuous improvement assure people that they won't get in trouble for making mistakes.

Work on creating a culture in which everyone knows that mistakes will lead to an evaluation of the PROCESS that allowed that error to occur in the first place. That way, the process can be fixed and the error won't happen again.

Be transparent

What I'm going to say here may seem so obvious you'll wonder why I bothered…but you'd be surprised by how many leaders get this wrong.

Improvement ideas should not be secrets.

Transparency in every step of the improvement process is crucial to a culture of continuous improvement. Here are just a few benefits of such transparency:

1. Information is shared laterally across an organization.
2. When employees see their colleagues making meaningful improvements, they are more likely to engage in the continuous improvement culture themselves.
3. Spreading best practices throughout the organization gives each idea a much larger impact.
4. Showing people how successful their peers are at improving will inspire more people to get involved.

Respond quickly to every idea

A culture of continuous improvement is built upon the belief that people want to help their organizations improve. They give you their ideas because they care!

That attitude of caring, though, is a two way street. If they bring forward an idea and <u>don't hear from you about it for months</u>, you're sending the message that you don't care about or want their input.

Simply reaching out to the person who gave you the idea lets the person know that their voice was heard and that steps are being taken. Then the collaboration process can begin, as your staff work together to implement the improvement.

Making improvements takes time…but acknowledging the input of those who help you shouldn't. Respond to ideas, and people will start submitting more of them.

Find something to implement

If you're leading the continuous improvement efforts for your organization (or any part of it), at some point you've probably found yourself busier than a one legged cat in a sandbox as you try to sift through them.

At that point, it's only natural to want to weed through those ideas and toss out the ones that aren't going to result in an improvement for the organization. That way, you can focus your efforts on the good ideas that you actually want to see implemented – and your organization will improve more. Right?

WRONG.

Even though you might have the power to throw away (or delete or ignore) the opportunities for improvement that your staff find, you should never do it (unless the idea contains privileged information, or is otherwise inappropriate).

Turn bad ideas into better ones

Sometimes people identify a real problem, but the solution they come up with won't work. It could be too expensive, or completed impractical – or maybe it's simply a bad idea.

Do you shoot the idea down and forget about it?

If you paid any attention on the last page, you know the answer is NO.

Even if the solution isn't any good, you still need to acknowledge that the idea was grounded in the valid identification of a problem or opportunity for improvement. Instead of tossing that opportunity aside, the idea should be modified and improved.

Focus on the problem, instead of the bad solution. Ask constructive questions, encourage collaboration, and prompt critical thinking that will lead to a better solution.

Help people see the bigger picture

Sometimes, people submit suboptimal ideas that would make something better for their department, but not for the organization as a whole. Typically, people don't do that on purpose – they just don't see the bigger picture.

Leaders have the important responsibility of helping people see the bigger picture, including avoiding simply pushing problems from one department to another.

By spreading that vision, leaders can help staff come up with ideas that can resolve the problem - without creating new problems in other areas or down the line.

Turn complaints into ideas

The temptation to submit complaints in a culture that's moving toward continuous improvement is high. People have things that have been bugging them for a long time, and they're thrilled that they get to tell you about them.

Of course, this is problematic for leaders, who don't have time to shuffle through a pile of complaints that are out of the control of the people involved.

So what's a leader to do?

Share the complaints with the people who can address them. Ask the person who came up with the complaint to step back and think of what THEY can do to fix it

Turning a complaint into a suggestion that is within the proper scope of influence turns a negative, complaining environment into a more positive and constructive culture.

Coach, don't nitpick

You're a leader for a reason, whether that's because you're an expert at what you do or because you're good at inspiring others to succeed. As a leader, you're often in the position of being able to do whatever you think is best.

There will be times , though, when an employee pitches an idea to you and you think, "That's not what I would do." Sure, you could impose your will and get them to do what you would do…but that takes a lot of your time, and your staff aren't going to be happy about it.

If you want your employees to contribute, sometimes you have to take a step back and allow them to test their own ideas. Your way might be different, but that doesn't mean it's better.

(Of course, if you really think their way needs some guidance, you can definitely coach them constructively to help them arrive at a better idea).

Create time for improvement

When you're leading a culture of continuous improvement, the best way to engage your employees is to ask them for improvement ideas every chance you get.

The follow up for that, though, is that you must then give them time to test, implement, and evaluate their improvements, too.

At Toyota, for example, if an individual has an idea, they talk to their supervisor and may get overtime approved, if necessary, to work on the idea – this costs Toyota more money, but improves the business overall over the long term since it helps develop the employee and improve the business.

With small, low-cost, low-risk, daily improvements, you probably won't have to go so far as to authorize overtime like Toyota does – but you do need to make sure employees are empowered to build a little time for improvement into their daily work.

Help share and spread ideas

One of the easiest ways to grow your culture of continuous improvement is to share and spread ideas across the organization.

Sharing improvements has many benefits, including:

- Getting the most bang for your buck as more people implement ideas that have already been tested and evaluated elsewhere in the organization.
- Building enthusiasm among staff and leaders for the culture of continuous improvement.
- <u>Recognizing</u> the people who are making improvements.

Of course, you don't want to force people to implement improvements as you share them throughout the organization. Instead, you want to inspire them. Show people the problem and resolution, and let them choose to modify or implement these ideas in their own work areas.

Don't overdo the P in PDSA

When the improvements your staff are implementing are low-cost and low-risk, you don't need to do a ton of planning before making the change.

You don't need lots of planning:

- If the improvement can be easily undone.
- If only a single area is affected.
- When it's not time consuming or costly.
- When the risk for unintended consequences is low.

Needs lots of planning:
Knocking down a wall in a unit

Doesn't need much planning:
Moving a printer to a more centralized location

Don't forget the SA in PDSA

Another bad habit is to forget about the "Study" and "Adjust" part of PDSA. Those are important steps, too!

Just because an improvement has been implemented doesn't mean it's as good as it can possibly be. Any improvement has the potential to grow and evolve over time – that's one reason why we call it "continuous improvement."

Rather than making improvements and forgetting all about them, good leaders encourage people to evaluate the improvement in action to see if it's working as intended, and adjust the improvement if necessary.

Improvements should be a cyclical process rather than just a one-time change. Revisit old improvements periodically to check in and see how they're doing. Who knows – you just may find another opportunity for improvement.

Be prepared to fail

Part of being a leader is being prepared to fail; sometimes people will try things that either do not work out as expected or it works but with some unintended side effect.

We need to not view those outcomes as failures, but as learning opportunities and as a natural part of the Kaizen process.

It is often said that companies like Toyota have very few big failures because they have many small failures along the way. We have to remember to consider continuous improvement as tests of change and we're looking at opportunities to continually improve, rather than planning forever to come up with what we think is the perfect solution.
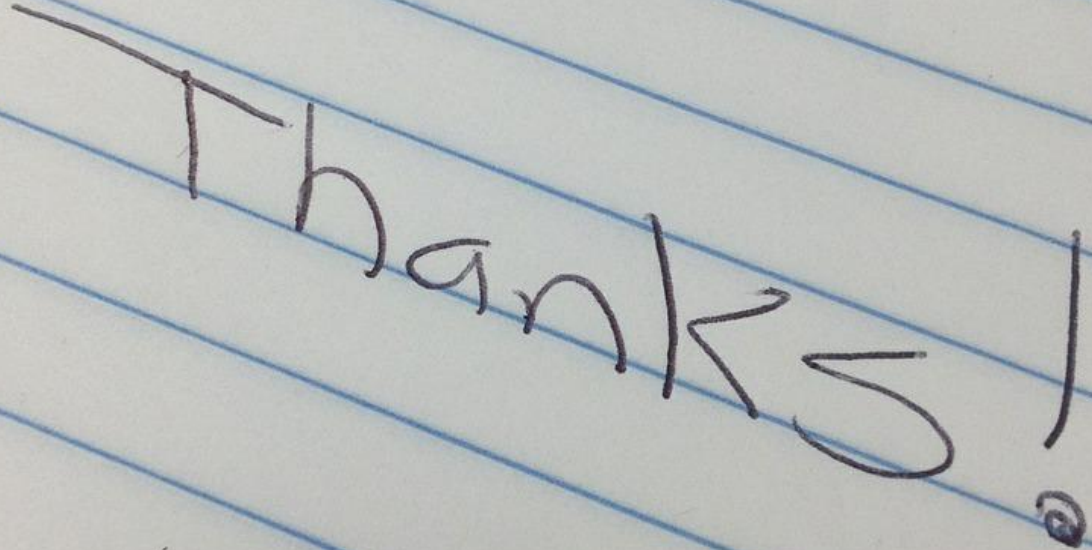
Be careful with rewards

Suggestion boxes are a pretty common model for improvement, but they don't work very well. One downside of the underline suggestion box system is that people are often promised financial rewards. Sure, sometimes extrinsic motivation works, but when it replaces intrinsic motivation, it can cause a lot of dysfunction in a culture of continuous improvement.

For example, one company promised a prize for the best suggestion submitted. An employee went to her supervisor to ask how many submissions there were that month to see if she should submit her suggestion then or wait for a month when she would have a better chance of winning.

Instead of offering rewards – financial or otherwise – for improvement, offer recognition for a job well done. Share the improvements and their impacts, and let people know that you value their contributions.

Recognize people for their contributions

Rather than offer rewards for ideas, give individuals recognition for the role they're playing in improving the organization, their jobs, and their service to the customers.

Here are some ideas of easy ways to recognize people:

1. Personally thank them for their submission.
2. Determine and share the impact of their ideas.
3. Give them a shout out in a meeting.
4. Give them a virtual badge in your continuous improvement software.

When people feel that sense of pride, see that they have improved things for their customers or patients, or made their own work easier, we can cut down on rewards and motivate them more effectively with recognition.

Compile the results – and celebrate them!

A leader should compile the results and celebrate them, both at the department level and at the organization level.

People want to know that their efforts had an concrete impact on the organization. Results we can measure that show that impact are quality and safety, staff and customer satisfaction, waiting times, delivery, performance, cost savings, and additional revenue.

When people have the opportunity to see and celebrate the results of their improvement work, they are connected with the overall goals of the organization itself. This is a great way to bring everyone's focus beyond their own work areas as they strive to improve the organization as a whole.

Set GOALS, not quotas

It's important to set goals, such as wanting everyone to come up with at least one improvement each month. However, it's critical that you don't let that goal become a quota or a target.

Why are quotas bad?

When you introduce a quota, your employees are no longer motivated by a desire to improve their organization, but by fear that they will be reprimanded if they fail to meet that target. So instead of your employees looking around and finding what really needs to be improved, you have people submitting the first idea that pops into their head and panicking over getting their improvement done in time.

That is not a healthy culture of continuous improvement. You want to engage your employees, and provide recognition and support. Setting goals gets everyone pulling in the same direction, without the negative pressures of quotas.

Be careful with the tone you set when asking for ideas

It's important to ask your employees for any ideas they may have about process improvement, but it is just as important to set the right tone when doing so.

If you walk up to an employee and say, "Tell me about an idea you have for an improvement," that employee is going to feel accosted and put on the spot. They probably won't have an answer, and will be left feeling wrong-footed and worrying that they are going to face repercussions.

A better approach would be to present yourself as open to any ideas, no matter the size or scale of the issue. Make sure your employees know that you are always willing to listen to – and act on – their ideas.

Put it in the system

One of the biggest roadblocks to process improvement is that ideas get forgotten before they ever get introduced. Don't let that happen. As soon as you have an idea, enter it into whatever improvement system you have.

Perhaps even more important than recording your own ideas, is recording your employees' ideas (or reminding them to do so). If an employee makes the effort to tell you an idea and you forget all about it, that sends the message that you don't care about their ideas. Once your employees start down that train of thought, they are much less likely to keep contributing.

To optimize this leadership behavior, consider using an improvement system that is totally transparent. If your employees can see their idea moving through the system and succeeding, they will be more eager to contribute later.

Check out this free eBook to learn more about continuous improvement software.

Don't say "That's not really a problem"

When someone comes forward with an opportunity for improvement, you should never disregard it or tell them that it isn't actually a problem. If they took the time out of their day to make the suggestion, it must be important to them, and that makes it a real problem. As front line employees, they have a different perspective than you do; good leaders understand that this difference is an asset to an improvement culture.

If you immediately disregard an employee's idea, they are less likely to offer another idea later on – they don't want to be a bother or get in trouble – and they can become disengaged. That disengagement can even spread to other people, because an employee whose idea was rejected is more likely to shoot down other people's suggestions.

Don't spread disengagement. Respect your employees' concerns and input.

Encourage employees to think

Leaders often think they have all the answers, but a *good* leader asks employees to think critically and come up with answers on their own. You can definitely coach them, but they should be able to develop their problem solving skills, research, and come up with a solution.

This applies to all aspects of your organization, but is key to creating a culture of continuous improvement. If an employee brings an issue to your attention, let them do their own research and solve the problem. If they care enough about it to bring it up, they probably have the enthusiasm to get it done.

And it certainly feels better to successfully complete a project that you came up with and planned, than to work on one that your boss delegated. The sense of pride that accompanies the resolution of this problem will encourage that employee to contribute more to the improvement efforts of your organization.

Prioritize learning over financial benefits

This is perhaps one of the most controversial of these leadership behaviors, at least in the western business mindset where we are taught that profit is the key.

In Japan, many hospitals and businesses state that their goals with continuous improvement are (in order):

1. Learning and personal development
2. Benefits – including, but not limited to, cost

There's a new trend in the United States that says people are motivated to go to work and do good work not by money, but by the desire to learn. When people feel like they are no longer learning anything, they tend to become disengaged and might even leave the organization.

Remember: if you invest in your employees, and they'll invest back in you.

Don't try to escalate everything

In a traditional suggestion box system, people tend to pass every idea – from managers and front line employees alike – up the organizational hierarchy for permission and help.

This model doesn't work.

Why? It doesn't work because it dumps too much work on higher level leaders. Sure, you probably need those leaders to weigh in on improvements that will cost the organization lots of money, require lots of staff time, or result in a big process change. But what percentage of ideas does that really encompass? My guess is that very few ideas actually require escalation.

Instead, try to keep decision making, research, and implementation in local teams whenever possible. You'll have more people making the decision and doing the work, which will lead to more improvement.

Don't accept "send a reminder email" as a "solution"

Let's say there's a problem in your organization, such as the staff not doing their hourly rounding. Your gut reaction is probably to just remind everybody of what they're supposed to be doing by sending an email or posting a memo. But this usually is not an effective way of solving that problem.

Look beyond the obvious problem, and start looking to the underlying causes. Why are your employees not doing this task? How can the system be improved so that the expected behavior is more likely to take place? Was their initial training lacking in some way?

Address the root cause of the problem, rather than focusing on the most obvious elements.
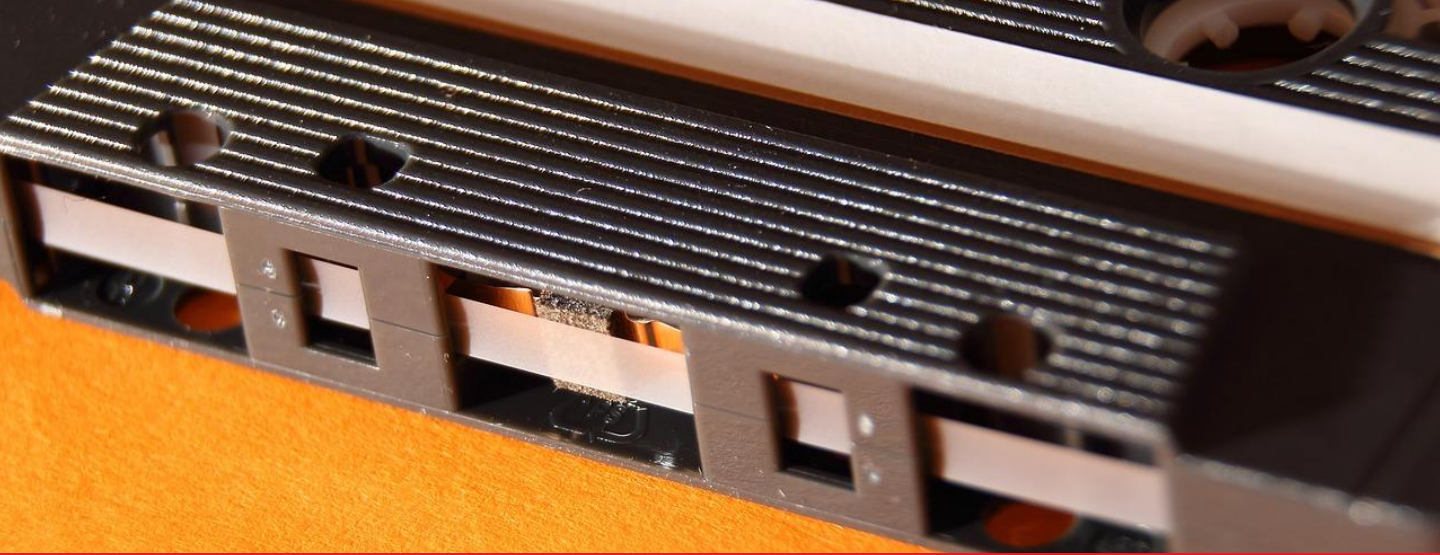
Have a bias toward action you can undo

You should be biased toward ideas that can be easily undone without negatively impacting the organization in any way.

For example, say someone wants to move a printer to a different desk in the same room. Moving a printer across the room is easily undone, so why not just do it?

These kinds of ideas require very little planning. There's no need to spend weeks running analyses on them because they are harmless. And if you skip the unnecessary analysis, the change can be implemented much faster. Employees will be excited that one of their ideas was accepted and implemented so quickly, and encouraged to participate more often.

If, however, the suggestion is to knock down a wall, you should definitely talk about, plan, and analyze that before making the change. There's no good way to undo something that big.

Emphasize trying small(est) tests of change

Sometimes organizations get a little too excited about making changes. It's important that you don't get carried away, and instead look for the smallest tests of change you can find.

For example, say someone had the idea of replacing all light bulbs with some fancy new ones that are meant to energize people. Your first instinct might be to place an order for however many hundreds or thousands of bulbs are needed to replace the existing ones. But what happens when the bulbs don't fit in your light fixtures, give people headaches, or give off too much heat to be safe? That's a costly mistake.

Instead, you should pick a test site – maybe just some meeting rooms or offices – and order only the bulbs needed for that site. If the improvement lives up to expectations, you can then place your larger order without penalty. But if it is a failure, you have more room to adjust.

Go and see

It's one thing to sit in your office and imagine the state of the front lines…it's another to actually get out of the office and go see it for yourself.

Some organizations call this rounding, others call it Gemba Walks. We call it good leadership.

Getting out and interacting with the staff has many advantages in a culture of continuous improvement:

1. You'll be better able to relate to them and the problems they are facing.
2. It shows your employees that you are devoting time and energy to continuous improvement.
3. It proves that you value employees' ideas.
4. It gives you a frame of reference for when the ideas for improvement come to your office.
5. It fosters the personal relationships you need to be a good continuous improvement coach.

Eliminate barriers instead of accepting excuses

One of the most common excuses for why an organization has not embraced continuous improvement is that they don't have the time. Do not accept this as a reason for not practicing kaizen. Instead, find a way to make time.

Another common excuse for not making an improvement is "Oh, we don't have control over that." A good leader doesn't let that be the end of the conversation. They find out who does have control over that issue, and then they collaborate with that person.

The role of a leaders is to eliminate both the real and imagined barriers to continuous improvement; to remain positive and figure out why and how instead of focusing on "We can't." Setting this example encourages others in the organization to identify what their barriers are, and work toward moving past them.

Spread out the improvement workload

A good leader makes a little time for improvement each day, rather than doing all their improvement work once a week or once a month. By spreading out the workload over time, you are able to form a habit of continuous improvement.

You don't want to try to take on the responsibility for making all of the improvements yourself. Empowering people to implement their own improvement ideas while you provide any needed coaching is a much more sustainable way to approach improvement.

Think about it this way: maybe you could make a couple improvements every month on your own. If you empowered everyone to make a couple of improvements a month, though, you'd end up with a lot more implemented ideas. That's more improvement for the organization, and more engaged staff.

Embrace innovation and creation

When people think of continuous improvement, they often think of basic changes to standard operating procedures – tweaking a process here, transferring supplies there – and this is often the case.

But sometimes, one of your employees might come up with a completely novel way of doing things. Rather than dismissing the idea immediately for being too different, embrace the employee's creativity.

You might not be able to make the exact changes the employee had in mind, but just knowing that their idea was heard and appreciated will keep them engaged.

And if you are able to implement their suggestion – or at least some part of it - you might have just discovered a new best practice.

Start before you're perfectly ready

So often, we hear from leaders that say their culture just isn't ready to adopt continuous improvement. The worst is when an organization spends years planning how they'll eventually start a culture of continuous improvement.

If you're waiting until you are totally ready, you're never going to stop waiting.

We like to think of continuous improvement as running a marathon. You don't plan how to run a marathon for a long time, and then get up one day and try; you start slow, you train and practice, and eventually you can do it. You can think about running a marathon – or starting continuous improvement – forever. At some point, though, you have to just start.

The continuous improvement implementation won't be perfect at first – or ever, really. But once you start, your organization can get better at getting better.

Have fun with continuous improvement

Toyota's Pascal Dennis describes the "Kaizen Spirit" as having a cheerful or playful tone. You're doing serious work and serious improvements, but having fun is a good way to get people engaged.

And anyway, what's not fun about continuous improvement? People have the opportunity to improve their jobs, the service they provide to your customers, the business, their safety…and the list goes on. If you follow the recommendations in this eBook, you'll be on your way to creating a culture in which continuous improvement isn't something people "have to do," but rather, something that they "get to do."

KaiNexus

www.kainexus.com

KaiNexus' cloud-based <u>continuous improvement software</u> platform facilitates the spread of continuous improvement by supporting the leadership behaviors and methodology that empower every employee to improve your business. From capturing and implementing opportunities for improvement to measuring and sharing the impact, KaiNexus supports every step of the continuous improvement process.

Contact Us:

Email: info@kainexus.com

www.twitter.com/kainexus

www.facebook.com/KaiNexus

www.linkedin.com/company/498597