

A Basic Way of Thinking

In the early eighties visits to successful Japanese companies were undertaken to learn from them. It was one such DTI visit in 1984 that was welcomed and shown how the Japanese worked. During that time the following conversation took place:

“We had asked him why Japanese companies had thrown open their factories, talked frankly to us about their techniques, shown us the secrets of their success.

‘Because’, he said, ‘it would take you ten years to get where we are now – and by that time we shall be even further ahead. And besides,’ he smiled, ‘we know you won’t do it!’”. (Report of the Pacific Basin Study Mission; DTI)

The idea of learning from successful companies continues; GE for Six Sigma and Toyota for the Toyota Production System (TPS) (often referred to as Lean) are two current examples. Like the early visits to Japan that introduced Quality Circles to the work place, recent initiatives have introduced Six Sigma, Lean or a combination of the two. The overall experience of Quality Circles gave few successes and although claims for Six Sigma and or Lean appear to be far more successful, many are struggling to maintain the methodologies. One key reason is that when we Benchmark we pick up the obvious such as the tools and fail to see the underlying culture that allows it to happen.

“experienced leaders within Toyota kept telling me that these tools and techniques were not the key to TPS. Rather the power behind TPS is a company’s management commitment to continuously invest in its people and promote a culture of continuous improvement.” (The Toyota Way; J Liker)

Whilst it is usual within the implementation of Six Sigma and Lean to spend time with senior management helping them to understand what is required from them, the majority of the time is spent teaching team leaders and team members the tools. A common complaint from many team leaders is the difficulty of getting support during the project despite having a Champion and their apparent commitment.

Too many senior managers see that their commitment and involvement is demonstrated by the fact that they have agreed to and paid for the training. Now, they are free to turn their attention back to what they see as the company’s important issues.

In one company, the MD praised the work of the Black Belts in March only to remove them all in June. This lack of consistency reminds us of Deming’s first point:

“Constancy of Purpose”.

Much of the current training misses the point that in order to have sustainable improvement then the basic way of thinking has to change at the top.

Deming's fourteen points for management are shown at the end of this article but at the moment we will consider Point 1:

1. Create constancy of purpose toward improvement of product and service, with the aim to become competitive and to stay in business, and to provide jobs.

In the teaching of Six Sigma how much emphasis goes on the consistency of the organisation's management? It is interesting that this missing element is also apparent in the Lean teaching, despite Toyota emphasising that it is not the tools that are critical but the way of thinking. For instance the Toyota Production System emphasises three Ms:

Muda (waste)
Mura (unevenness – levelling)
Muri (overburdening)

All Lean teaching emphasises the removal of waste, some talk of levelling flow, but few ever mention the concept of not overburdening people or machines. In the West, Lean Thinking has become synonymous with being 'lean and mean' i.e. doing more with less and placing ever increasing workloads on those that remain. Such action does not fit in with the TPS concept of Muri.

Toyota has fourteen management principles (see end of article). Yet how many companies are using Lean in line with Principle 1?

Principle 1: Base your management decisions on a long-term philosophy, even at the expense of short-term financial goals.

Simply taking Deming's first point and Principle 1 we see a discrepancy in the behaviour of senior managers of companies implementing Six Sigma and Lean. A failure to follow these two points has led to Six Sigma companies demanding continual savings from their Black Belts and organisations using Lean to reduce costs often at the expense of their customers and employees. Some organisations have become so 'lean' that they are anorexic and are unable to deal with the demands of their customers. Even Jack Welch recognised that in the early years of GE's Six Sigma the emphasis was on saving money and never on improving the customer's experience and had to modify their focus.

Although all who promote Six Sigma and Lean would agree that management commitment and support is vital, the time spent on this aspect is minimal compared to the teaching of tools.

A translation of a German saying is appropriate here: "Wash me but don't get me wet" is too often the approach from senior management. They expect everyone else to change but do not see that it is necessary for them to do so, after all it was their past behaviour that brought them to their current position.

Until senior managers change their basic way of thinking from a short-term view of business and become more consistent in their approach then efforts such as Six Sigma and Lean are doomed to have a limited lifespan. Within the teaching of Six Sigma and Lean there is a need to revisit the principles which are necessary to create the best environment for an organisation to move forward. But as expressed in the first quote. 'you won't do it!'

Deming's 14 Points for Management (Out of the Crisis; W.E. Deming)

1. Create constancy of purpose toward improvement of product and service, with the aim to become competitive and to stay in business, and to provide jobs.
2. Adopt the new philosophy. We are in a new economic age. Western management must awaken to the challenge, must learn their responsibilities, and take on leadership for change.
3. Cease dependence on inspection to achieve quality. Eliminate the need for inspection on a mass basis by building quality into the product in the first place.
4. End the practice of awarding business on the basis of price tag. Instead, minimize total cost. Move toward a single supplier for any one item, on a long-term relationship of loyalty and trust.
5. Improve constantly and forever the system of production and service, to improve quality and productivity, and thus constantly decrease costs.
6. Institute training on the job.
7. Institute leadership. The aim of supervision should be to help people and machines and gadgets to do a better job. Supervision of management is in need of overhaul, as well as supervision of production workers.
8. Drive out fear, so that everyone may work effectively for the company.
9. Break down barriers between departments. People in research, design, sales, and production must work as a team, to foresee problems of production and in use that may be encountered with the product or service.
10. Eliminate slogans, exhortations, and targets for the work force asking for zero defects and new levels of productivity. Such exhortations only create adversarial relationships, as the bulk of the causes of low quality and low productivity belong to the system and thus lie beyond the power of the work force.
 - a. Eliminate work standards (quotas) on the factory floor. Substitute leadership.
 - b. Eliminate management by objective. Eliminate management by numbers, numerical goals. Substitute leadership.
11. Remove barriers that rob the hourly worker of his right to pride of workmanship. The responsibility of supervisors must be changed from sheer numbers to quality.
12. Remove barriers that rob people in management and in engineering of their right to pride of workmanship. This means, inter alia, abolishment of the annual or merit rating and of management by objective.

13. Institute a vigorous program of education and self-improvement.
14. Put everybody in the company to work to accomplish the transformation. The transformation is everybody's job.

Toyota's 14 Management Principles (The Toyota Way: J Liker)

Principle 1: base your management decisions on a long-term philosophy, even at the expense of short-term financial goals.

Principle 2: create continuous process flow to bring problems to the surface

Principle 3: Use "Pull" systems to avoid overproduction

Principle 4: level out the workload

Principle 5: build a culture of stopping to fix problems, to get quality right the first time

Principle 6: standardised tasks are the foundations for continuous improvement and employee empowerment

Principle 7: use visual control so no problems are hidden

Principle 8: use only reliable, thoroughly tested technology that serves your people and processes

Principle 9: grow leaders who thoroughly understand the work, live the philosophy and teach it to others

Principle 10: develop exceptional people and teams who follow your company's philosophy

Principle 11: respect your extended network of partners and suppliers by challenging them and helping them improve

Principle 12: Go and see for yourself to thoroughly understand the situation

Principle 13: make decisions slowly by consensus, thoroughly considering all options; implement decisions rapidly

Principle 14: become a learning organisation through relentless reflection.

(The Toyota Way: J.Liker)