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Commit to Improvement

Fit leaders (and fit companies) didn't get that way by accident. They're fit on purpose. They mindfully and intentionally pursue a well-defined course of action that makes them stronger, faster, and more agile over the long run. Fit companies love problems because they're high-leverage opportunities for improvement. They engage in rigorous, scientific thinking at all levels of the organization to analyze and solve problems. They create a blame-free culture by focusing on the systems and processes that aren't operating at the desired level rather than on the people who work in those systems. In so doing, they eliminate the fear that shackles employee creativity and liberate employees to close the gaps between where they are today and where they want to be tomorrow.

Don't try to find a spot on the StairMaster or in the spin class on January 8. The busiest week of the year at a gym is the second week of the new year. Fueled by an excess of calories from too much food and drink during the holiday season, people make resolutions to lose weight, work out, and get fit. The gym is packed as tightly as people are packed into their spandex. Of course, by February the gym is back to normal. Most people predictably abandon their resolutions

in short order—they're bored, they're busy, they're sick, they're tired. Life gets in the way. They lack the commitment (or know-how) to sustain their fitness initiative, and the next thing you know, they're anxiously searching for diet and fitness tips to wriggle into their bathing suits for the summer.

Organizations aren't so different from individuals. Preceding the new fiscal year, the management team announces its goal to capture the top spot in the marketplace, rolls out 37 new strategic initiatives, and vows to elevate employee engagement and become a great place to work. By the second quarter, it's business as usual. Organizations get caught up in trying to make the monthly or quarterly numbers, departments are overwhelmed by the multitude of new (and often contradictory) initiatives for which they lack the people or the resources, and employees feel no more connection to the company's leadership and vision than they did before. The organization loses momentum on its initiatives, often fails to achieve its stated goals, and waddles along until the next annual strategic off-site, whereupon the cycle repeats itself.

For both the individual and the organization, the problem is the same. There may be a stated goal—lose 15 pounds, improve muscle tone—but there's often no clearly defined program to reach that fitness goal. Or even if there is a program, it may simply be a fad that promises huge results with minimal effort: think vibrating belts, ThighMaster, 8 Minute Abs, and the latest diet pills. More significantly, for the people who abandon their fitness efforts, going to the gym and exercising is something that's external to the daily flow of their lives. It's a chore that requires additional time and commitment, not something that's as fundamental and core to their lives as, say, going to work, or playing with their kids, or even brushing their teeth.

In the same way, most organizations have annual goals—take the top spot in the market, lift employee engagement—but they lack clearly defined improvement programs to reach their goals. As with individuals, there is no end to the number of business fads that promise to get

companies to the promised land—emotional intelligence, Six Sigma, business process reengineering, management by walking around (MBWA), and so on. But efforts to achieve those goals are episodic (at best) or sporadic (at worst), because they're not seen as integral to the organization's daily operations. They're made "when we have some free time," or before the boss asks about them at the quarterly performance review.

Truly fit individuals don't so much make a generic commitment to exercise as they weave exercise and health into the daily fabric of their lives. Similarly, truly fit organizations don't so much make a commitment to an improvement "program" per se as they build improvement into the way they operate on an ongoing basis, every day.

THE IMPROVEMENT IMPERATIVE

In a 2014 *New Yorker* article, James Surowiecki makes the case that the biggest change in performance over the past few decades isn't so much that the best performers are so much better than they used to be—although they are—but rather that so many people in these fields are so extraordinarily good:

> In the nineteen-seventies, there were only two chess players who had Elo ratings (a measure of skill level) higher than 2700. These days, there are typically more than thirty such players. Analyses of great players' games from even thirty years ago uncover moves that, by today's standards, are clear blunders. . . . The quality of classical musicians has improved dramatically as well, to the point that virtuosos are now, as the *Times* music critic Anthony Tommasini has observed of pianists, "a dime a dozen." . . . James Conlon, the conductor of the Los Angeles Opera, has said, "The professional standards are higher everywhere in the world compared to twenty or forty years ago." Pieces that were once considered too difficult for any but the very best musicians are now routinely played by conservatory students.[1]

It's not just chess and music, either. The story is the same for professional athletes. Innate athletic ability is now the bare minimum requirement for athletes. It's a starting point, nothing more. What really matters is a relentless, focused commitment to practice and improvement. Gone are the days when professional baseball and football players sold insurance or laid bricks in the off-season and came to training camp to get in shape. Today's pro athletes spend the off-season developing new skills and honing their physical condition. At the highest levels, there really is no off-season, only a different training focus. An athlete that isn't willing to embrace that commitment to fitness and improvement, to weave it into the warp and weft of his or her life, isn't going to compete at that level for very long.

The business world has seen the same shift. In the decades after World War II, American manufacturers bestrode the world like colossuses, unchallenged by foreign competitors. With dominance came complacency in the form of low productivity and poor quality. One study, in 1969, found that a third of the people who bought a new American car judged it to be in unsatisfactory condition when it was delivered. In 1974, service calls for American color televisions were five times as common as for Japanese televisions, and in 1979 it took American companies more than three times longer to manufacture their sets.[2]

The imperative to improve became unavoidable with the arrival of foreign competition, primarily in the form of Japanese manufacturers that had absorbed the quality lessons of W. Edwards Deming. For some companies and some industries, it was too late: the American television industry, which had more than 90 manufacturers in the 1950s, ceased to exist in any meaningful way when Zenith, the last American-owned television manufacturer, was sold to Korea's LG Electronics in 1995.[3] By contrast, the U.S. auto industry has survived, but only by dramatically improving product quality. As in sports and music, however, the gap between the best and the worst in

the industry has shrunk. In 1998, J.D. Power and Associates found that the most reliable car had 92 problems per 100 vehicles, while the least reliable had 517, a gap of 425. In 2012 the gap had closed to 284 problems. As Dave Sargent, automotive vice president with J.D. Power says, "We don't have total clunkers like we used to."[4] And it's not just cars: despite increasing complexity in nearly every product category you can think of, quality and reliability has only increased—think cell phones, airplanes, TVs, and computers. The lesson is clear: improve or face extinction.

Over the past half century, training methods in all sports have changed and improved. Fitness is no longer just about lifting heavy weights in the gym or practicing in the Texas summer heat without drinking water. The same is true in organizational improvement. The techniques for improvement have themselves developed and changed since 1950, and that's been a huge factor in the productivity gains of the past decades. It's not worth getting into a lengthy disquisition on the ways in which these methods have changed. Suffice it to say that by now, there are proven methods and mindsets that make the practice of improvement teachable and doable:

> Make an unshakeable *commitment* to
> *Increase value* provided by
> Doing the *right work* (things that deliver value to the customer)
> In the *right way* (through standard work)
> With *continuous monitoring* of processes (through visual management systems)
> And *structured coaching* for everyone (using the scientific method).

At this point, these practices are not just public and codified—they're now table stakes for competing.

CONTINUOUS IMPROVEMENT

Competition is most often the proximate driver of improvement. If you personally don't get better, you won't make the team, or you won't get chosen for the orchestra. If a company (or industry) doesn't improve, it will go out of business. But the ultimate driver is an ethos of what the Japanese call *kaizen*, or "continuous improvement." This ethos dictates that there is always—always!—room for improvement. An individual can always be faster, stronger, more agile, more injury resistant, and have greater cardiovascular fitness. As pro football Hall of Famer Steve Young said,

> The principle is competing against yourself. It's about self-improvement, about being better than you were the day before.

In a business setting, products can always be less expensive, more reliable, easier to use, or more attractive. Processes can always be faster, simpler, or deliver higher quality outputs. A continuous improvement mindset views quality and performance not as something fixed and immutable but as something worthy of endless labor. Carolyn Brodsky, the president of Sterling Rope, maintains, "there isn't a process that can't be improved, because customers always change, and you have to change with them." Fit companies embrace continuous improvement in all aspects of their operations, seeing excellence as a journey without a finish line.

Embracing continuous improvement means that there are really two parts to every job. The first part is the obvious one: actually doing the work listed in the job description. The second part of the job is what separates fit companies from the pretenders: the responsibility to improve the way the work is done. This aspect of the job is seldom formalized (Have you ever seen a job description that included this responsibility?), yet it's an integral part of organizational fitness. After all, the larger organizational processes are composed of the individual processes contained within each job. You can't improve the whole without working on the parts.

Improving the work—making it easier, faster, less prone to defects—must be the responsibility of the person doing the job. Who else could be responsible for it? No one understands the intricacies of a job better than the person actually doing it, and therefore no one is better suited to design and implement those improvements. Outsourcing responsibility for this improvement to a team of Six Sigma Black Belts or external consultants, or foisting it onto the leadership team, is not only disrespectful to the true experts (the people doing the jobs), but it's not scalable, and it is unlikely to result in as much improvement.

Fit leaders understand that the responsibility—and authority—for job improvement lies with the people doing the work, and that insight fundamentally changes their approach to leadership. FastCap, a company that designs and manufactures woodworking tools, takes this idea so seriously that everyone's job title is "process engineer." Paul Akers, the CEO, tells a story about how he and a team of four senior engineers tried to improve a packaging step on an assembly line. The solution they came up with wasn't nearly as good as the one developed by the three people already working on the line:

> Between Heather, Annie, and Skyler, a 19-year-old kid, they came up with better ideas and more thoughtful solutions than myself (the lean expert), and four of my engineers. . . . They're smarter than I am. And the problem is, when we get to the top levels of leadership like myself, we start to think we're the smartest people in the group—and we're not. The people you're working with are so brilliant, it's unbelievable. But we're too stupid as leaders to find out, because we don't spend any time in their world.[5]

DRIVING OUT FEAR

In his book *Out of the Crisis*, the late W. Edwards Deming offered 14 key principles for management to follow that would significantly improve the effectiveness of any organization. Point number eight is

"drive out fear." In his somewhat gnomic way of expressing himself (Deming seems never to have met a complex sentence or a dependent clause that he liked), he explained,

> We must break down the class distinctions between types of workers within the organization. . . . . Cease to blame employees for problems of the system. People need to feel secure to make suggestions. Management must follow through on suggestions. People on the job cannot work effectively if they dare not enquire into the purpose of the work that they do, and dare not offer suggestions for simplification and improvement of the system.[6]

"Fear" is a strong word—so strong that I'd bet most leaders don't think that fear runs through their organization. But careful reflection reveals anxiety—and yes, fear—that all the foosball tables, free massages, and Red Bull–stocked refrigerators can't eliminate. Employees are afraid that new methods or technology will make their skills obsolete and threaten their jobs. They're afraid that mistakes will be thrown in their face during the year-end performance evaluation. They're afraid of having management criticize, ridicule, or ignore their suggestions. They're afraid of being attacked for errors and failures, even if they're committed in the service of improvement. They're afraid of what's known in the healthcare field as "name, blame, and shame." Charles Kettering, the head of research at General Motors in the early twentieth century, famously said,

> The biggest job we have is to teach a newly hired employee how to fail intelligently. We have to train him to experiment over and over and to keep on trying and failing until he learns what will work.[7]

But what Kettering didn't state explicitly is that fit leaders must also teach employees how to experiment *properly* so that failures are educational and beneficial. They have to teach employees the scientific

method in the form of the "Plan-Do-Study-Adjust" (PDSA) cycle that underlies continuous improvement.[8] But before they can teach this, fit leaders have to drive the fear out of the organization so that employees are willing to experiment in the first place.

The first, and perhaps most important, step to driving out fear is a fundamental shift in attitude toward problems. Most leaders hate problems. They want their operations and their processes to run smoothly. They get frustrated when something goes wrong. They blame people. They try to find out who is responsible for the problem. By contrast—and at the risk of sounding hyperbolic—fit leaders (and fit companies) love their problems. Problems are not things to be hidden. They're not things to fear. They're not even negative things—they're improvement opportunities in disguise. A fit leader frames the problem as nothing more threatening than the gap between where the organization is today and where it wants to be tomorrow. To that end, a fit leader tries to find out *why* the problem occurred, not *who* screwed up. (In fact, if someone did screw up, a fit leader asks why the system made it so easy for the person to screw up. The blame, such as it exists, is on the system, not the person. Why, not who.) When fit leaders do blame people for a problem, they point the finger at themselves. Larry Barrett, VP of operations at Sage Rods, views most problems as a signal that the leaders have erred. He explains:

> One thing that we do now in our team meetings is to publicly recognize the responsibility that the leaders have. Especially when we are talking about an obstacle or an area where we're not hitting our goals, I'll make a point of calling out my responsibility. I encourage my other leaders to emulate this type of accountability and transparency. A common example is when we're asking the team to work overtime. It's hard to think of a scenario where this is not my fault as the leader, and I make sure that the team knows: (1) that I own this; (2) what I plan to do to fix it; and (3) how long it might take. We get better results with this style of communication.

The U.S. Navy's famous flight demonstration squad, the Blue Angels, epitomizes what it means to embrace problems as opportunities for improvement. Within an hour of their performance (which lasts about an hour), the pilots debrief for two to six hours. No visitors are allowed in the debrief sessions; the privacy and confidentiality of the review is necessary to create a safe environment for brutally honest feedback. Each pilot provides an assessment of his own performance and acknowledges errors or things he could have done better. As a group, they also review a videotape of the demonstration, frame by frame, to identify the root cause for any maneuver that's not perfect. You can imagine how fear inducing these conversations could be—after all, a small mistake could easily result in a colleague's death. But it's this willingness to embrace problems, to look for why, not who, that has made them so successful.[9]

Reflection

Debrief. After action review. Lessons learned. Reflection. These are some of the terms used by organizations to describe the formal or informal meeting held after projects conclude to examine how things went and what they can do better. Whatever word you use, a formalized, structured approach is essential to improvement.

It's tempting to use the debrief meeting as an opportunity to celebrate the successes, of course. After all, people have worked long and hard to complete the project or launch the new product. However, the real learning comes from an analysis of the errors or problems that came up over the course of the project. It's only by examining those problems that the organization can identify root causes and institute countermeasures for the next cycle. The Blue Angels' approach is a

model of how to do it right. They reflect on every aspect of their performance in the same way, each time. (This ties into the notion of standard work that we'll discuss in Chapter 4.) They're afraid neither to acknowledge their own mistakes nor to point out the mistakes of others—sparing one's feelings is far less important than ensuring that everyone comes out alive.

Even if there were no obvious problems (which is highly unlikely), even if the project was completed flawlessly, the reflection period provides the opportunity to improve. Indeed, it's obligatory for a fit organization to provide opportunities to improve, because there is *always* room for improvement.

The fit organization has a mindset similar to that of an athlete who is always driven to be better at his sport. Problems—performance gaps—are there to be overcome, not hidden. As clichéd as it may be to hold up basketball great Michael Jordan as an exemplar, the truth is that he embodied this attitude. When he entered the NBA in 1984, critics said Michael Jordan was just a guy who could slash his way to the basket and dunk—so he focused on developing his jump shot and became one of the premier shooters in the game. When critics accused him of being a one-dimensional offensive player, he focused on defense, leading the league in steals and turning himself into the Defensive Player of the Year. As he got older and lost his explosiveness, he transformed himself into one of the best post-up players in the NBA, with a nearly unstoppable fadeaway jump shot.[10] Even if you don't know anything about basketball, you can appreciate his constant drive for improvement, for relentlessly closing the gap between his current performance and where he wanted to be in the future. Jordan may be notorious for holding grudges and being thin-skinned about criticism, but he used the slings and arrows from his critics as motivation for improvement.

Just as an athlete knows that there is always room for improvement in fitness and skill level, fit companies know that there are always problems (gaps between the current state and the ideal condition) to be solved. If there doesn't seem to be any problems—well, that's a serious problem. Taiichi Ohno, pioneer of the Toyota Production System in the 1950s, said, "Having no problems is the biggest problem of all."[11] Thirty years later, Susumu Uchikawa, a general manager at the New United Motor Manufacturing Inc. (NUMMI) joint venture auto plant, went one step further: "No problem is problem! Managers' *job* is to see problems!"[12] Uchikawa's exhortation gets at the fundamental truth that there are always problems in any organization. It's only fear that keeps them hidden. The standard work that brings leaders to the front lines where work is being done (Chapter 4), combined with visual management systems (Chapter 5), helps an organization bring these problems to light and become fitter.

SMALL STEPS: THE RIGHT WAY TO IMPROVE

Instilling and nurturing a continuous improvement culture sets the fit organization up for long-term success. Conversely, adopting a change management strategy—looking to episodic, large-scale changes for dramatic improvement—is more likely to end in disappointment and frustration. It's the same as physical fitness. You don't go into the gym trying to deadlift 300 pounds on the first day, or try to run a 20-miler in your first workout. You build your way up to those levels. Similarly, you have to develop the organizational muscles required for continuous improvement through small steps. Trying to improve productivity in a process by 25 percent on the first try is a recipe for failure and frustration.

The data on change management are consistent: about 70 percent of change initiatives fail, despite the plethora of books, conferences,

and scholarly papers dedicated to the subject.[13] The roots of those failures are varied and deep, but I believe that one of the issues is the attempt to do too much too soon—the organizational equivalent of going out for a 20-mile run on the first day of training. Organizations underestimate the difficulty and expense of designing, structuring, and implementing change. Particularly in today's more global business environment, with diverse teams working in different countries (to say nothing of different cultures), making and sustaining change is an order of magnitude more challenging than it was when even large enterprises were primarily located in one country.

Another powerful factor working against successful change is the short-circuiting of higher level cognitive thinking that people experience when faced with major change. Dr. Robert Maurer, a professor of behavioral science at UCLA, explains that no matter how well intentioned the change, it triggers the fight-or-flight response seated in the amygdala, the "prehistoric" part of the brain. In working with patients, he's found that it's easier to get them to change unhealthy parts of their lifestyle through small, incremental modifications than through wholesale changes. For example, he had one patient begin an exercise program by simply marching in place for one minute in front of the television . . . then two minutes, then three, and so on. Having her sign up for a six-month CrossFit class would have triggered the fight-or-flight response, but one minute of marching in front of the TV? It's a small enough change that the amygdala didn't take over from the frontal lobe. The same dynamic occurs in the workplace: small changes or improvements circumvent the amygdala, making it easier for people to adopt and accept a new way of working. Take Fast-Cap: each employee's goal is to figure out how to do his or her job two seconds faster. Every day.

The continuous improvement approach to work dovetails with the research presented by Dan Pink in his book *Drive*. Pink argues that there are three essential components of human motivation: autonomy,

mastery, and purpose. Carrots and sticks—rewards and punishments—are counterproductive in today's knowledge-intensive work environments. Instead, people need to have a degree of independence in determining what work they do and how they do it (autonomy); they need to feel that they're developing skills and improving (mastery); and they need to feel a connection to something larger than themselves (purpose). A commitment to improvement feeds those first two needs. Workers have the freedom to select both the problems that they're going to tackle and the methods by which they're going to try to fix them, and they gain a sense of mastery as they improve their problem-solving skills.

You can see this dynamic at Quality Bicycle Products (QBP), a distributor of bicycle parts and accessories. QBP's "Great Results Improving Processes" (GRIP) program generates hundreds of improvement ideas each year. Fifty percent of the company's annual cost savings come from the "little GRIP" program, smaller ideas that can be implemented relatively easily, without additional investment in equipment or technology. For example, the workers in the distribution center identified a way to eliminate extra walking distance in picking and packing products for shipment. The savings was small for each individual basket of products: only about 10 seconds per basket. But the savings to the company over the course of the year was nearly $60,000 in labor hours. This improvement hit all three points raised by Dan Pink: autonomy (the workers identified and selected the problem to work on); mastery (they came up with a better process); and purpose (they could ship more boxes each day, getting products to waiting customers faster).

The commitment to improvement also ties into the findings of Harvard professor Teresa Amabile. In her book *The Progress Principle*, Amabile suggests that the simple act of making progress in one's work causes people to enjoy their work more and be more intrinsically motivated. This finding may not strike you as a Copernican insight, but when you consider how often employees are asked to simply come to the office or factory and do the same job, the same way, every day (think fryer station at McDonald's, or window teller in a bank), you

can begin to understand why engagement levels are so low and turnover is so high in many organizations. Amabile says,

> the most important implication of the progress principle is this: By supporting people and their daily progress in meaningful work, managers improve not only the inner work lives of their employees but also the organization's long-term performance, which enhances inner work life even more.[14]

An organization that truly commits to continuous improvement provides the opportunity for its people to make daily progress, with all the benefits that entails. Sterling Rope, a U.S.-based manufacturers of rope for climbing, rescue, arbor, military, industrial and work uses, has reaped those benefits in a variety of ways. Among other improvements at Sterling, employees in production, R&D, and marketing came up with better ways of managing work-in-process inventory, as well as improving the packaging, labeling and storing of finished goods inventory. They even redesigned the packaging to incorporate three different hangtags and two labels, and changed how they closed the bag. These changes doubled the volume of ropes pushed through the final finish area without increasing headcount—part of the reason the company's profit margin is more than double the average for manufacturers of its size. More significantly, the constant and expected involvement in improvement work has led to a remarkable level of employee engagement and retention (many workers have been there for 15 out of the company's 20 years, and most people have been there for at least 10 years), and the company is inundated with job applicants when it has an open position.

CONTINUOUS IMPROVEMENT . . . OF PEOPLE

Now that I've spent the better part of this chapter arguing that a continuous improvement philosophy is vital to making processes work better, let me shift gears and suggest that this isn't the real benefit

of continuous improvement at all. Sure, your processes will be better, faster, and produce higher quality outputs—and all of that is important. But even more valuable is the growth and development of your people. Creating and nurturing an atmosphere of continuous improvement ensures that your employees will develop the skills needed for success (their own and your organization's) in a volatile, unpredictable world. Author and consultant Michael Ballé goes so far as to argue that companies should start their problem solving and improvement efforts with small, relatively trivial problems before tackling bigger issues. The goal is to use problem solving as a teaching device, similar to the way doctors are trained by problem-based teaching.[15] From this perspective, you can (and should) start your continuous improvement activities by figuring out a way to keep the coffee pot from running out before you start worrying about 100 percent on-time deliveries. In fact, Hydro Flask, an Oregon-based maker of insulated metal containers for personal use, began its continuous improvement journey with precisely this problem: how to keep the coffee pot from running out (which is not a trivial issue in Oregon.) That small step has led Hydro Flask to identify improvements in manufacturing, recycling, and better ways of embedding its core values in employees' daily work. In other words, people development, not fixing the process in its entirety, is the ultimate—and highest—goal of a continuous improvement culture.

It may sound a bit odd, but a company that commits to continuous improvement creates an organization filled with scientists—or at least, scientific thinkers. All workers, from shipping clerks to product engineers, from accounts payable staff to inventory planners, become proficient in the scientific method of problem solving: understanding a problem; formulating a hypothesis about why that problem exists; developing an experiment or countermeasure to test that hypothesis; and finally, evaluating the result to see whether the hypothesis was proved or disproved.

FIGURE 1.1 The Shewhart cycle.
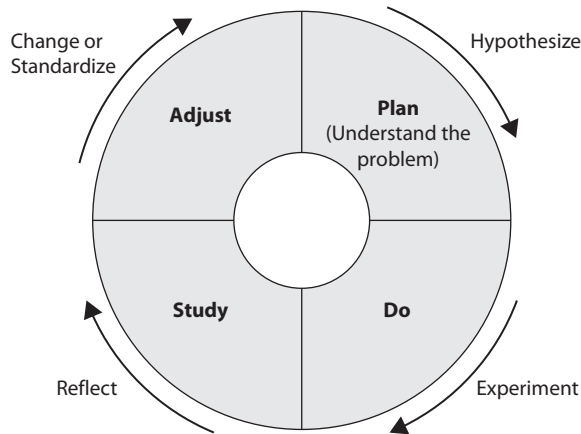
Outside of eighth-grade science class, this process is usually called the Deming or Shewhart Cycle (see Figure 1.1), and it is typically expressed as PDSA: Plan-Do-Study-Adjust. If you want a more interesting and compelling illustration of PDSA thinking, tune into TV's *Mythbusters*. Although the *Mythbusters* team has a great time blowing up a lot of stuff, it's all carefully planned and done in the context of structured scientific thinking.

It's hard to overstate the value of rigorous scientific thinking. On a global level, we'd still be living in caves wearing animal pelts, hunting wildebeest, and gathering goji berries if it weren't for some scientific thinkers who figured out that if they planted seeds at the right time, they could harvest wheat a few months later. We'd also still think everything was made of earth, air, fire, and water, that "bad air" caused disease, and that the sun revolved around the earth. But even on the more prosaic level of your day job, scientific thinking is nearly as important. Its emphasis on making improvements based on close analysis of the work itself, rather than internal politics, personal agendas, or wishful thinking, aligns people around common goals and fosters productive dialogue around problems. PDSA sets the stage for true learning and improvement.

Sadly, most organizations don't engage in Plan-Do-Study-Adjust. They rush to the Do phase, and typically stall out there. (Presumably that would be noted as DDDD.) If you've ever had your VP of sales replaced or hired a new ad agency because sales were down, or suffered through a reorganization for any reason at all, you know what I'm talking about. These moves tend to be knee-jerk reactions to problems that aren't fully understood, and the efficacy of these changes is seldom assessed, either because the organization has no metrics for evaluation or because it lacks the discipline to do so. Once the new business cards are printed and people's desks have moved, it's business as usual. Or at least it is until the next sales hiccup. With scientific thinking, however, we don't act until we have a solid grasp of the root cause of the problem, and that reduces the likelihood that we'll waste time, money, and effort trying to improve the situation.

Developing this thinking process is essential for long-term success, whether you're an athlete or a coach, a CEO or a frontline worker. Along with death and taxes, change is the only certainty in life, and an organization that doesn't have the ability to engage in rigorous PDSA thinking will not have the ability to adapt to those changes.

It's worth mentioning that embracing scientific thinking addresses one of Teresa Amabile's key findings—that setbacks generate fear and reduce motivation. This insight isn't really breaking news. But a PDSA approach eliminates the fear, because there are no real setbacks—only experiments that, regardless of how they turn out, still get you one step closer to a solution. As Adam Savage, host of *Mythbusters*, said, "There is really no such thing as a failed experiment. Any test that yields valid data is a valid test." That's not to say that people won't get frustrated, irritated, angry, and demoralized when they're unable to solve a problem or make an improvement. I'm pretty sure that Thomas Edison had more than a few expletive-filled temper tantrums en route to nailing the light bulb. (He may have been a genius, but he was still human.)

But as he famously said about his numerous unsuccessful attempts to find the right material for a light bulb filament: "I haven't failed. I've just found 10,000 ways that won't work."

CREATING THE CULTURE

Organizations don't naturally turn toward continuous improvement. It takes focused, concerted effort on the part of leadership to create that kind of behavior and that kind of culture. I won't go into too much detail on this point—the library is filled with books on culture change—but I will mention some key points to consider, which I've adapted from Mark Graban's excellent work on this topic.[16]

> *State your commitment to continuous improvement—and explain why.* In most organizations there's a real "flavor of the month" problem with new initiatives, often because the underlying rationale hasn't been articulated. HR initiatives in particular are received with this sort of cynicism, and you can understand why: most people don't see how self-identifying as a Myers-Briggs ENTJ is going to affect the quality of the new product development process—or their bonus at the end of the year. Fit leaders live the gospel of continuous improvement and continually show how it directly improves the organization by connecting it to the larger goals and strategy.
>
> *Participate, don't proclaim.* Nothing is more toxic to the establishment of a continuous improvement culture than hypocrisy. A fit leader participates in improvement activities herself. It doesn't matter whether those are projects that she's leading or projects that she's just involved with—the key element is regular participation. People need to see that you

value improvement enough to invest your own time and energy into the same activities you're asking them to commit to.

Challenge people for improvement—and challenge again. Organizational inertia is a powerful thing. You're not going to overcome it and shift the prevailing culture by asking people to do one project. Or two. Or five. People are busy with their daily responsibilities, and it's natural for them to get caught up in doing their jobs. As a leader, you need to continually challenge them to find more improvements. James Cotter, VP of manufacturing at the outdoor products company Cascade Designs, says, "It's nearly impossible to permanently embed a continuous improvement mindset in the culture. As soon as senior leadership stops asking for improvement, you plateau or slip back." This kind of ongoing pursuit of improvement can be emotionally difficult—people may feel that they can never satisfy you. ("Jeez, will you leave me alone for just a *little* while?") But this challenge is actually a sign of respect: respect for people's existing skills and their capacity for growth and learning. Pushing people to grow and improve doesn't necessarily make you an unreasonable slave driver, as long as you support them in their pursuit of improvement.

Give people time to improve. If you're going to ask people to devote time to improving the organization's operations, you need to give them time to do it. And make no mistake about it: committing to improvement through structured PDSA thinking means regularly devoting time and attention to it. Fit organizations consciously design each step of a process, study the results, and then engage in another round of redesign. This cycle is a time-consuming process. Google and 3M garner a lot of press for their "20 percent time"—free time for people to work on new products and projects. I'll

suggest that if creating something new is worth 20 percent, surely improving every facet of the way the company operates is worth at least 6 percent (30 minutes a day). In fact, at Quality Bike Parts, managers are responsible for helping employees get time to implement their improvement ideas by redistributing work, bringing in temp labor, shifting schedules, and so on.

Make ideas visible, and respond to them—quickly. Mark Graban, author of *Lean Hospitals,* points out that a Google search for "suggestion box" leads to page after page of boxes with padlocks. I'm not entirely sure where the notion came from that employee suggestions should be kept under lock and key like dangerous animals, but the classic suggestion box is where good ideas go to die. Suggestion boxes also don't do much to encourage suggestions: the Philadelphia VA regional office recently received a grand total of two suggestions (one asked for "very stylish" golf shirts; the other critiqued the box itself) in the first month that it was installed. Instead, post improvement ideas in public so that everyone can see them—and then respond quickly, within a few days. Quality Bike Parts' policy is that managers must respond to "little GRIP" ideas within 48 hours, and those that are selected must be implemented within three weeks. Fit companies know that if you don't respond to all comments, you increase the likelihood that people will see your actions as faux empowerment: a cosmetic, HR-driven program and not a genuine effort to engage employees in a process of continuous improvement.

Focus on increasing customer value, not on cost savings. As I explain in Chapter 2, cutting expenses is not particularly inspiring. People are energized when they can make improvements that create more value, provide better

customer service, and make their colleagues' lives (and their own) easier. Asking people to find cost savings is emotionally and spiritually desiccating, and it is a guaranteed dead end.

Expect (some) failure. If you're running experiments, you'll inevitably fail to make improvements some of the time. That's the nature of the scientific method. Don't criticize people for not succeeding. The Silicon Valley mantra these days is "fail fast." That's not carte blanche for failure all the time, but it should be license to experiment without fear of failure. Remember that perhaps the most important outcome of continuous improvement is a more skilled, insightful, and capable workforce.

Listen carefully for complaints. Sometimes it's hard for people to think of an improvement they can make. By contrast, it's usually pretty easy for them to find things to complain about. Fortunately, every complaint is a nascent improvement opportunity. Seize upon those complaints and challenge people to solve them. Carolyn Brodsky of Sterling Rope says, "Pay attention to the moment when someone says, 'Are we still having that problem?' or, 'I thought we fixed that!' That's a good place to look for improvement opportunities."

Don't crowd out intrinsic rewards. There's ample research showing that extrinsic rewards such as money crowd out intrinsic rewards. If you provide large cash bonuses or other significant benefits for successfully completing an improvement project, you'll likely destroy the intrinsic rewards of the project: the pride that people take in doing a good job, solving tough problems, and accomplishing something meaningful to their colleagues and their customers. James Cotter at Cascade Designs gives people

who complete their first project a "kaizen T-shirt" and says that people wear them with pride.

Recognize and celebrate. Closely related to the idea of intrinsic rewards is the human desire for recognition. When someone successfully introduces an improvement, make it public, and do it when the improvement is made. Don't wait for a monthly or quarterly all-hands meeting. Ring a bell, make an announcement, do an interpretive dance, whatever suits your organizational culture. Celebrate a job well done, and give people the incalculable reward of recognition among their peers.

Drive out fear. I made this point earlier, but it's so important that it bears repeating. Your team won't embrace improvement if people are afraid that their ideas will be dismissed, disparaged, or ignored by their bosses. They won't embrace improvement if they're afraid they'll be labeled a whiner. And they most certainly won't embrace improvement if they're afraid that their improvements will cost them (or their coworkers) their jobs. You must make it absolutely clear that no one will lose his or her employment as a result of an improvement. Some may lose their position—that is, they may need to be moved to a new department if their role is no longer necessary—but they will still have a home in the organization.

The pursuit of organizational fitness is like the pursuit of physical fitness. There are no secret formulas, no magic potions, no shortcuts to the promised land. Both kinds of fitness require continual focus and commitment to the hard work of improvement. When you accept your current physical or organizational limitations and weaknesses as opportunities for growth and see the never-ending journey toward perfection as something inherently worthwhile, you've taken the first step to driving out fear and unleashing the power of your employees.

Monday Morning To-Do List

Here are some important first steps to begin embedding a commitment to fitness in your organization.

- ■ Design a suggestion form. At the very least, you'll want to capture whose idea it is, what problem the person is trying to solve, the date suggested and the date implemented, and a space for managerial approval. Start with the basics, and over time you can modify it to identify PDSA phases, photographs, and more. It doesn't have to be perfect from the start. It has to be simple to fill out and visible.
- ■ Create a space for suggestion forms in each work area. Consider creating a "hall of fame" in a central location for particularly dramatic or well-executed improvements.
- ■ Determine what rewards (if any) you'll provide to people who submit and complete improvements. Remember that rewards should be small—movie tickets, discount cards to retailers, free car wash coupons, and so on—so as not to crowd out the intrinsic motivation for improvement. You could even create a point system—one point for making a suggestion, and one point when it's implemented—and then allow employees to "spend" these points on products in a gift catalog.
- ■ Schedule an all-hands meeting to explain what you're doing and why. Don't expect people to immediately rally to the cause, however. It will require repetition and storytelling to convince people that you're serious.
- ■ Provide people time to work on improvements. Arrange hourly workers' schedules so that they have some time each day (or at the very least, each week) to step away from their daily work. For salaried workers who aren't driven by the time clock, consider joining them for some of their improvement projects. Create visual trackers to show how much time, and how often, each person is working on a project.