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Enhancing Organisational Effectiveness: Addressing Inhibitors and Enablers of the Continuous Improvement Process

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Abstract

The inevitability, ubiquity and frequency of change have contributed to a perception that the phenomenon is a common feature of the workplace. Consequently, the process of change has often attracted superficial rather than intense diagnostic assessment. This paper highlights one approach for transacting change which, if substantially embraced, can address shortcomings with participatory models and build a culture receptive to change as part of the day-to-day work flow. Initially, the paper overviews the participatory approach to workplace change, then links this to the Continuous Improvement (CI) process. Recent research undertaken in CI in the Australian Manufacturing industry is reviewed, including enablers and inhibitors of the CI process. Finally, the enabler of training related to CI is more closely scrutinised on the premise that if training associated CI programs is adequate, the potential of the CI program will more likely be achieved, thus reinforcing CI as a more reliable tool for HR practitioners and change agents in promoting smooth or seamless change.

INTRODUCTION

Change is being experienced at an increasingly rapid pace in many aspects of daily life, and with such volume and pace of change, there is a tendency to pursue a 'quick fix' approach when change is required, or when a problem or an unanticipated issue arises. In the world of work, this 'quick fix' or 'flavour of the month' approach is promoted through the slick marketing of popular literature, for example Joyce (1999) and Anderson (2000), with these approaches promoted as a means by which organisations can maintain competitive advantage and market portion. But very often, these approaches fail to reap the benefits their marketers claim (Miller & Hartwick 2002).

With change occurring on many fronts and at different levels within an organisation at any one time, many factors need to be considered concurrently to minimise the risk of perpetuating a piecemeal or discontinuous approach to change (Dennis 1996). In addressing this concern, the use of participative or consultative approaches to the change process are encouraged (Matthews 1994, Daft 2000), but these approaches in themselves are not sufficient to promote a smooth or seamless change outcome. Such approaches need to be reinforced with a management style which is inclusive, which promotes a clear vision of proposed change, and which embraces an organisational culture that provides opportunity for employees to contribute in meaningful ways to the change process (Matthews 1994, Daft 2000).

In considering these issues, this paper highlights one approach to change which, if substantially embraced, can address shortcomings with participatory models and build a culture receptive to change as part of the day-to-day work flow. Initially the paper overviews the participatory approach to workplace change and then links this to the Continuous Improvement (CI) process. Recent research undertaken in CI in the Australian Manufacturing industry is then reviewed, including enablers and inhibitors of the CI process. Finally, the enabler of training related to CI is delineated for closer scrutiny on the premise that if CI training is adequate, the potential of the CI program will more readily be achieved, thus more likely to support a smooth or seamless approach to change.

PARTICIPATION THROUGH THE INDUSTRIAL DEMOCRACY MODEL

The idea of a more inclusive workplace culture which fosters consultation and participation is relatively new in Australian workplace settings (Alexander & Lewer 1994, Dennis 1996). It links closely to the concept of industrial democracy which refers to the devolution of power within an organisation, coupled with the consensus approach to reform which provides for broader employee input into decision making processes within the workplace (Lansbury & Spillane 1985, Alexander & Lewer 1994).

Indeed, early attempts to adopt industrial democracy in Australia followed the pattern in European countries, such as West Germany, Norway, Austria and Sweden, and was embraced as a cornerstone for promoting successful workplace reform in Australia from the late 1980s as recommended in the Department of Trade's 1987 report *Australia Reconstructed*. The report noted that "those countries which have been most successful in restructuring their economic bases have industrial relations systems which emphasise innovation and creativity based on industrial democracy and employee participation" (p. xiii). With this point in mind, the report (Department of Trade 1987) recommended that:

Decisive action to promote industrial democracy in Australia is essential if we are to develop a production consciousness and culture and thus increase productivity. The evidence of the beneficial effects of industrial participation can no longer be ignored in Australia. (p. xiii)

Such an approach to workplace reform was broadly endorsed as evidenced in the joint statement on participative practices issued by the Confederation of Australian Industry and the Australian Council for Trade Unions (CAI/ACTU 1988). Generally, industrial democracy and participative practices have been promoted as: facilitating improved communication and information sharing in the workplace; enhancing decision making; a means of recognising the contribution of staff; and a means of improving the quality of working life, thus resulting in greater job satisfaction and flow-on efficiency gains (Department of Finance 1994). Thus the premise on which industrial democracy is based is that the process should result in a win-win situation for all parties.

From the late 1980s to the mid 1990s the participatory model was adopted in varying ways and to varying degrees in many Australian work settings, but it soon became obvious, that actions which were promoted as representing a participatory approach were often little more than 'lip service' (Gittens 1995, Sloan 1995). Indeed, Dennis (1996: 235) found in her research which focused on substantial change in two large Australian industrial settings that, "what may be viewed publicly as a democratic and consultative approach to employee participation could, at closer scrutiny, be interpreted as being carefully orchestrated at executive level to [achieve] a pre-determined outcome". This finding is supported by Davis and Lansbury (1996: xi) who noted that "despite the apparent broad support, closer examination of experience in a range of workplaces reveals that often there is little sharing of information, low levels of management and employee consultation, and a lack of employee involvement in decision making".

It is not easy, however, to overturn long held traditions of antagonism between employers and employees. Indeed, it is possible that these problems with the participatory approach in an Australian context stem from early attempts having been based on an antagonistic participation model rather than a collaborative participation model (Baglioni 1996). On one hand, antagonistic participation is based on the belief that a conflict of interests is inevitable between employees and employers, and employees or their representatives are generally unwilling to share responsibility unless they can see some gain for themselves, thus the mutual recognition of legitimation can only be forceful or uncertain (Baglioni 1996). On the other hand, collaborative participation is more inclusive, taking greater account of employee contribution, and allowing for improvement in their "socio-economic standing" (Baglioni 1996: 59). Thus this approach more closely aligns to the idea of participation as outlined in the CAI/ACTU Joint Statement on Participative Practices (1988).

In seeking ways to develop collaborative work practices, this paper proposes the use of the Continuous Improvement (CI) process. It promotes the idea that CI, if implemented effectively, can become the 'action' tool which facilitates greater collaboration between employer and employees, whilst at the same time habitualise change as a routine part of work flow.

DEFINING CONTINUOUS IMPROVEMENT

Continuous Improvement (CI) is defined by Lock and Jain (1995: 54) as "any and all organisational efforts designed to inculcate a culture of constant improvement and change, which fosters continual learning and innovation within the organisation". CI is administered through structured Continuous Improvement Programs (CIPs) generally under the umbrella of quality assurance and/or performance management systems (Graetz, Rimmer, Lawrence & Smith 2002). Thus, "by definition, a continuous improvement program implies a systematic and well thought-out effort on the part of the organisation; such efforts are typically aimed at the entire organisation, since they represent a management and organisation philosophy" (Lock & Jain 1995: 54). Winchell (1993: 9) also noted the inclusive nature of CI when he stated that it "requires participation of all employees. Management and white and blue collar workers must act as partners in the pursuit of improvement". More recent research by Mellor, O'Mara and Ryan (2000: 157) reinforces this broad approach when they suggest that "the adoption of CI should be done within the context of an organisation's overall strategy, and aimed at providing the organisation with a long-term

gain". Perhaps significantly, Mellor et al. (2000: 153) also suggest that if effectively utilised, CI can be "a means of overcoming past disenchantment with 'flavour of the month' programs for improving the performance of organisations". CI is a purposeful tool, and to be effective, it must be designed to meet the needs of a specific setting. In considering the use of CI we are cautioned by Mellor et al. (2000) to consider that:

In order to benefit from a changing strategic focus, organisations cannot afford to think of them as discontinuous. Any change in strategic emphasis should be seen as a further step in enhancing the long term prospects of an organisation. Rather than being viewed as a stop-start approach to business, all strategic changes should be considered as part of a program of Continuous Improvement. (p.153)

This caution aligns with a common theme in the workplace change literature, where it is made clear that change does not occur in isolation (Davis 1977, Dennis 1996). Thus the research undertaken by Mellor et al. (2000) appears timely, and hence attracts the following delineation.

RECENT RESEARCH INTO THE CONTINUOUS IMPROVEMENT PROCESS

Recent research was undertaken to investigate CI programs in the Australian Manufacturing Industry, where restructuring has become increasingly common over the past fifteen years with the push towards the global economy. This has resulted in a "less protected and more competitive manufacturing sector" (Mellor et al. 2000: 154): a sector where competitive advantage is keenly regarded.

Research Approach

The research by Mellor et al. (2000) focused on medium to large organisations within the Australian manufacturing sector (i.e., companies which had an annual turnover greater than \$AUD10 million). The research was linked to concurrent research undertaken in Europe (Gieskes, Boer, Baudet & Silano 2000). A common survey questionnaire format was used, with the questionnaire modified to incorporate local terminology and labelling where different to Europe. Data were gathered across all states, although there was a greater proportion of responses from New South Wales. Industry groupings across the manufacturing sector were, however, well represented in the 420 usable responses that were received.

Findings

Findings from the research which are relevant to the focus of this paper are as follows:

- Although there was a widespread awareness of CI, it was not practiced to its fullest extent in the companies who responded. Those who were CI aware or those who did utilise CI were motivated primarily towards quality conformance, thus likely to have been driven by the requirements of ISO9000 certification in the first instance, closely followed by 'bottom line' factors such as increased productivity and cost reduction.
- Whilst CI was regarded by the respondents as important in maintaining competitive advantage and enhancing business improvement, a long lead time was common before CI activities produced any worthwhile activity or results.
- CI does not operate in isolation and if CIPs are to be successful, both inhibitors and enablers of the CI process must be addressed.
- Adequate and effective related training is a crucial enabler of the CI process. Overall, it was found that although the respondents indicated recognition of CI, with some having substantial CI programs, it had not been integrated into the main-stream work routines. The researchers did note, however, that although CI "is still viewed as something external to normal business activity, the Australian manufacturing firms which were surveyed, demonstrated a growing commitment to CI" (Mellor et al. 2000: 168).

DISCUSSION

The finding of limited motivator focus for the use of CI is disconcerting. Efficiency gain which is solely cost and quality focused may appear an obvious and appropriate way to reduce unit production overheads, but it is likely to result in only short term cost savings rather than longer term sound and sustainable outcomes with the potential for greater production efficiency. CI has the potential to generate value for the organisation beyond cost and quality indicators, but this will only happen when the development of CI and CIPs occurs within the context of an organisation's overall structure, strategy and vision (Winchell 1993, Lock & Jain 1995, Mellor et al. 2000). Recognition of this factor is noted by Mellor et al (2000: 153) to more likely result in greater success of CIPs, thus providing "a means of overcoming past disenchantment with 'flavour of the month' programs which were aimed at improving the performance of organisations". Such programs were forcefully marketed and often readily embraced by managers, but had generally "failed to achieve the desired results because they were not adequately integrated

with the existing activities of the business. Implementing the strategies was viewed as a panacea, but the enabling mechanisms to allow such strategies to be successful were often ignored” (Mellor et al. 2000: 153). Thus CI does not operate in isolation and if CIPs are to be successful, we also need to address what Mellor et al. (2000) refer to as inhibitors and enablers of the CI process. Although some aspects of these issues have been alluded to above, they are worthy of more comprehensive discussion.

Inhibitors and Enablers of the CI Process

The research by Mellor et al. (2000) lists the following inhibitors to the CI process. They found that a lack of leadership and management support for CI will substantially impede the effectiveness of any CIP. They also found that there is too much short term emphasis placed on price as a competitive strategy, rather than valuing the potential longer term gain from a well developed CI process. This emphasis includes pre-occupation with costs involved in developing and maintaining the CI process, resulting in limited resources being allocated to support the CI effort, such as lack of appropriate staff to develop the process, and (commonly) a lack of investment in related training. Conversely, enablers of the CI process include the need for strong leadership and management support for the CIP. Indeed, Mellor et al. (2000: 165) noted that “the major enabling mechanisms are generally regarded as less important than managerial support mechanisms”. Management commitment is, however, only a first step, with ongoing management support essential. This should include: ongoing support and advocacy for the CI process from managers at all levels in the organisation, with regular visits to the shop floor and face to face communication; use of formal policy deployment, ISO 9000 and total productive maintenance; and effective monitoring of the CI process. Other key enablers include an organisational structure which incorporates work teams or work groups; the training of personnel in problem solving procedures; implementing a problem solving format; the promotion of CI through internal media, such as notice boards, newsletters and brochures; the promotion of CI through competitions and awards; and the linking of CIPs to incentives and reward policy/systems.

Notwithstanding the emphasis placed on management support by the researchers, all CI enablers listed above collectively contribute to building an inclusive workplace culture, and advance the practice of collaborative participation. The enabler of associated training is mentioned, but not highlighted for special discussion, yet it is significant as it provides the wherewithal; the basic skills and knowledge for those involved to achieve the goals of the CIP. The enabler of associated training is not only essential to CI, it is essential to the majority of change programs, yet it is constantly undervalued, underestimated and even overlooked in a many change efforts (Dennis 1996, 1998) and such disregard for this enabler prematurely reduces the potential success of a particular change process. This in turn has the potential to undermine the success of the organisation, yet the literature advises that the success of an organisation “however defined, is seen as depending on the organisation’s ability to see things in new ways, gain new understandings, and to produce new patterns of behaviour – all on a continuing basis and in a way that engages the organisation as a whole” (Argyris & Schon 1996: xix). Thus, associated training is essential for the CIP to achieve its potential, and in doing so, provide scope for those involved with the CIP to contribute to improvement and the ongoing success of the organisation. This will then contribute towards achieving the themes which underpin industrial democracy and participative practices as outlined earlier in this paper (Department of Finance 1994) and reinforces the fact that associated training and ongoing learning form a key component in contributing to the success of contemporary organisations (Watkins & Marsick 1993, Argyris & Schon 1996, Dennis 1996; 1998).

Linking CI to Learning and the Learning Organisation

This paper acknowledges the substantial research undertaken in the area of the learning organisation over the past two decades, and accepts the general consensus of this literature that change, learning, participation, consultation, and productivity gain are intrinsically linked, and are essential in the drive for greater efficiency and effectiveness in the workplace. For example, Argyris and Schon (1996) note that in recent years: ...writers in the field of human resources have picked up the language of the learning organisation, stressing the development of human capability for questioning, experimenting, adapting, and innovating on the organisation’s behalf. Characteristically, writings in this sub-field emphasise the mutually reinforcing interactions between enhanced opportunities for individual development with organisations, and enhanced organisational capability for competitive performance. (p.184)

This connection was also noted by Senge, Kleiner, Roberts, Ross and Smith (1994) who state that learning is important in the workplace not only because the ‘times demand it’, but also because it provides the means to enhance performance and improve quality, thus promoting competitive advantage; encourages contributions from employees, resulting in a more energised and committed work force; creates awareness to proposed change, providing information which enables employees to more willingly embrace change; and it enables employees and managers to think more broadly and to work cooperatively and collectively.

Even with a substantial collection of literature which promotes learning as a key factor in achieving efficiency gain, Mellor et al. (2000) note that one of the major inhibitors to Australian companies fully embracing the CI process is that expenditure in (thus commitment to) related training is not adequate. Their research focused on training in the use of problem solving tools related to the CI process, and found that the majority of their cohort concentrated on training in the use of “simple tools, which may be rapidly implemented rather than those that may require long term planning and data collection” (p. 161). The researchers found that although up to 81 per cent of the CI aware firms surveyed did undertake some training for employees in problem solving tools, only 27 per cent of employees

in these firms were trained in these tools.

In comparison to the concurrent European study, it was found that although using the same range of training 'tools', the European manufacturing companies that were surveyed tended to use a broader range of CI problem solving tools. In comparing the research findings, this difference was attributed to "fewer Australian employees have received formal training in the use of problem solving tools and techniques" (Gieskes et al. 2000: 181). Thus the shortfall in associated training in the Australian context is likely to have impeded the potential success of CI efforts in the Australian manufacturing sector.

Reluctance by employers to commit adequate budget allocations to workplace training is not unique to CI and CIPs. Such reluctance appears to be a broader problem in Australian work settings with Kramar (2001: 22) observing that although "there have been attempts to stimulate investment in training during the last decade in Australia, there are indications that investment in training and development is declining". This observation is reinforced by Voisey, Baty and Delaney (2003: 3) who noted in the Australasian section of their Global Human Capital Survey 2002 that "Australian organisations provide an average of two point four training days per employee per year", and although there was some disparity across different industries and sectors, this figure "falls below the global average of three training days". If such a reluctance to commit to adequate associated training continues, it is likely to translate to underachievement in change programs such as CI.

CONCLUSION

In focusing discussion in this paper on CI, it can be concluded that there is scope for a greater take-up of the process in Australian workplace settings with the aim of overcoming shortcomings in the participatory approach, whilst at the same time, effecting smooth or even seamless change actions. However, to ensure that the CI process can be effective, a range of enablers need to be in place. All enablers listed by Mellor et al. (2000) are important, but this paper has given special mention to the enabler of associated training as a key factor in underpinning the success of CIPs. For the potential of CI to be realised however, managers need to show greater commitment to the process and accept that it is not yet another 'quick fix'. It has the potential to be more, but this will only occur if the CI journey is acknowledged as a long one: one which recognises that the "ultimate goals are rarely visible" and that the "concept of continuous improvement means the effort will last a long time and perhaps never end. It is a relentless pursuit to better the company" (Winchell 1993: 10).

Author

Dr. Dell Dennis completed her doctorate through the University of Newcastle, NSW where she investigated issues relating to effective workplace change in large organisations, with particular emphasis on the human side of change. She has worked in a range of urban, rural, and remote settings in Australia as a consultant in the field of Human Resources, with emphasis on Human Resource Development (HRD). She has lectured at both Newcastle and Monash Universities, and has also worked in management and HRD roles in Papua New Guinea and Cambodia. She now lectures in the Business School at the University of Western Australia.

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