

Sustaining Operational Excellence: Shift the dialogue; shift the culture

In highly evolved cultures of continuous improvement, managers operate as coaches, as 'scientists' and as teachers. The published work of Stephen J. Spear ([Learning to Lead at Toyota](#): HBR 2004) sets this out for us.

The work of Mike Rother, ([Toyota Kata](#) 2010, McGraw Hill) elaborates and structures this point of view further. Along with other researchers, (Senge; Flood; Isaacs) there is consensus that the type and quality of interaction, of dialogue, of *talk*, between a manager and his team, constructs, by small degrees, a culture.

This paper is a contribution towards the debate on sustainable cultures of Continuous Improvement. It asserts that the use of language, of dialogue or 'talk', a free resource to leaders of organisations, is an overlooked and effective way of addressing a widely acknowledged problem, namely, that Business Improvement initiatives often fail to sustain and that this failure has much to do with the thinking and actions of leaders.

Most critically, it will illustrate how progressively shifting the dialogue to incorporate different patterns of 'talk' at different phases of CI evolution can lead to the creation of an improvement culture.

The paper draws on two main sources: work and research (in collaboration with SA Partners LLP) in developing leaders' skills in the context of client CI assignments and the SoundWave suite of diagnostic and development resources (see Appendix 1) which offers novel and insightful perspectives on the power of conscious 'talk' and on this age-old problem of CI sustainability.

The paper is structured to describe four phases of the journey towards a sustainable improvement culture:-

1. a pre-improvement phase
2. a phase of change and initiation
3. a phase of conformance
4. an end-goal of a culture of continuous - or *generative* - improvement.

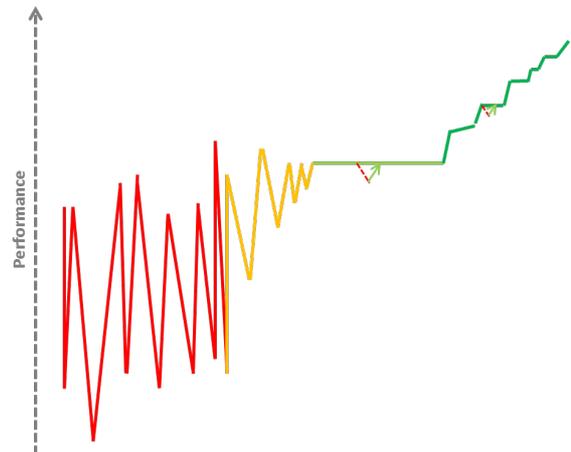
These are illustrated in the table below.

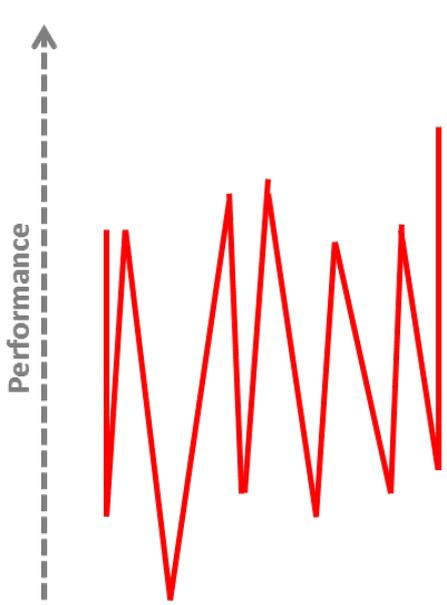
This paper will link each of these phases with the SoundWave model. (See appendix 1)

PRE-IMPROVEMENT: PHASE 1

From the vantage point of the system we are about to describe, Continuous Improvement seems a long way off, but this is the starting condition for many organisations.

The world of high variation





The complexity of randomly developed processes causes high degrees of variation in service provision, in product design and in service creation and delivery.

Many problems exist, often with many root-causes most of which are not well understood. Instead the complexity and associated variation has given rise to a culture commonly referred to as 'fire-fighting'.

From within this crucible, strong leaders emerge who, by dint of personality, address the problems and keep the wheels turning, but often at great cost. These cultures can be highly political if not toxic.

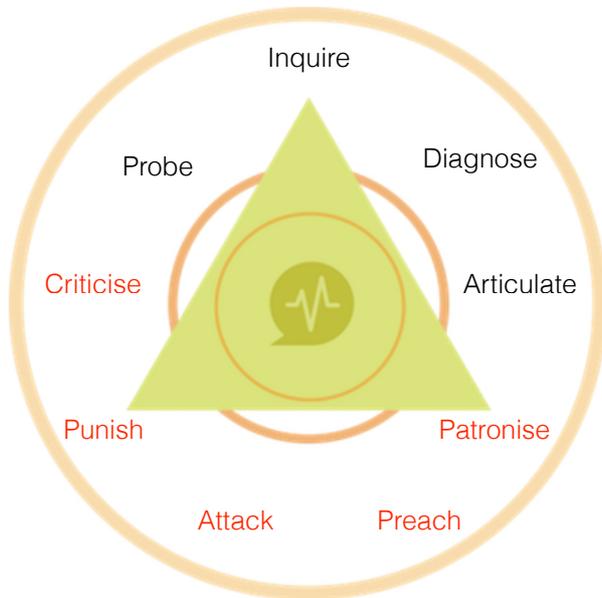
The randomness of process produces randomness in behaviour which, in turn, re-enforces the randomness of process. It is a requirement that fires need 'fire-fighters' but it is unequivocally true that arsonists ignite fires!

Characteristically, it's like this ...

'Our pre-CI days were characterised by powerful regional barons who did what they could to protect their patch. Loyalty got rewarded; its opposite punished. There was no sign of anything approaching CI'.

Director - Automotive Sector

Typically, a SoundWave profile might look like this...



In this type of culture the use of language is strong, loud and easily discernible. There is much positioning for power. There is much seeking of control. There is an over-reliance on the strength and force of expression. There is a relative under-reliance on the voices of exploration or the presence of active listening.

The noise of a pre-CI environment reflects the system in which it is bound. Occupying the bottom portion of the SoundWave model, there is a tendency not just to use the cluster of Positioning and Controlling verbal strategies, but to accentuate them.

There is no coaching in this environment. Interaction is muscular.

With so much noise and so many distractions, giving others the attention they really need is limited. In this environment listening is an expensive luxury.

DEVELOPING REQUIRED CAPABILITY

The overall direction of development for leaders, out of this 'command and control' behaviour and towards a culture of continuous improvement, is for them to build, by degree, the ability to get their people to become forever better problem solvers, risk managers and opportunity exploiters.

To do this, leaders need to become highly skilled in their 'dialogue' with people, able to coach and counsel one moment and instruct and direct the next. 'Coaching' is a critical ingredient and a fundamental feature of 'the end-game'.

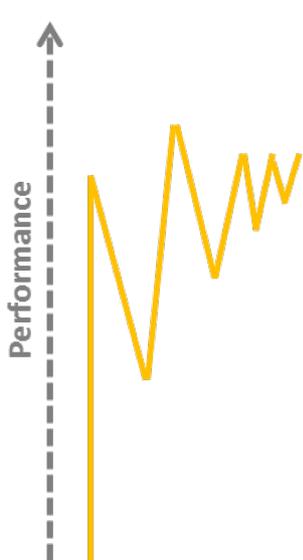
Developing 'dialogue' is a 'meta-skill', underpinning many modes of interaction.

The following sections to this paper begin to explain what is required to build this skill.

CHANGE AND INITIATION: PHASE 2

The problem of variation (and its associated culture) has tipped over into deep dis-satisfaction with performance. There is recognition of a need for change and the search for solutions has led to a consideration of methods which have an impact across the whole organisation.

Reducing variation



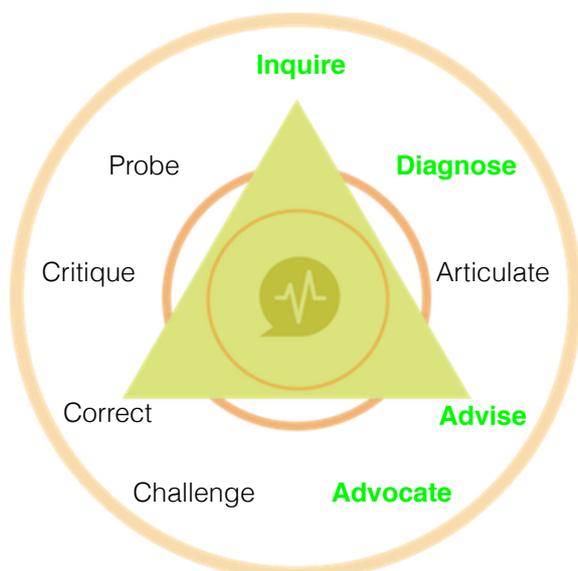
This is new territory for the organisation and the risks during these early attempts at change are high. Many organisations report 'failed initiatives'. However, at some point, the organisation finds a way of making improvements stick and perhaps stumbles on the realisation that two related problems exist - variation as the scourge of improvement and leaders as either helpers or hinderers.

The target for learning is clear and often centres on the application of tools. Their importance is huge at this stage. A bundle of new methods (and corresponding jargon, Kaizen Events, Value Stream Mapping and so on) appears. Projects are initiated. New roles are identified and filled. Power shifts towards the front line and managers begin to understand that just 'demanding performance' is no longer enough. Now they need to create the system in which people can perform and adopt a form of dialogue and a mode of interaction that is considerably more facilitative.

Characteristically, it's like this ...

'As we tried to develop our own CI culture and capability, we had struggled in three main areas – sustainability; developing CI principles and processes as the day job rather than as a project; our lack of understanding and leadership in dealing with rapid change. It took several attempts and a combination of success and failure before we came close to making it work'.

Director – Retail Operations



Typically a SoundWave profile looks like this ...

Dialogue has progressively shifted, from phase one, to more constructive verbal strategies clustered around Exploration and Positioning, but largely excluding those concerned with Control. Dialogue is heard to be persuasive, positive and up-beat in a call for practical ways of making change.

The injection of new expertise (often consultants) as a mechanism for change combined with change vehicles which very often take the form of projects and project teams, tends strongly towards the use of the 'positioning' voices. In particular, the verbal strategies of 'advocacy' and 'advice' serve to encourage and to influence the adoption of new

methods. The methods themselves need to be learnt and so influencing tends towards the use of the three verbal strategies of Exploration - inquire, probe and diagnose.

Culturally, this is a significant shift. The target is a deeper appreciation of problems and a better selection of methods for solutions. The need to engage and encourage employees is critical as is a bottom-up approach to improvement.

In this context, when leaders coach, they coach for the adoption and application of new methods and they look and listen for evidence of enthusiastic adoption and more silent resistance.

DEVELOPING 'PHASE 2' CAPABILITY

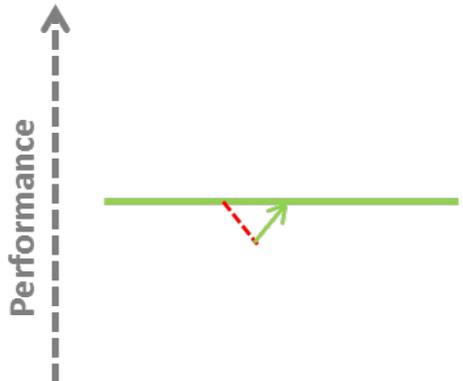
The capability required to make Phase 2 work carries risks and challenges. Below we outline a number of these and from our experience, propose ways of addressing them.

Risks and Challenges	Counter-measures
Holding on to the directive leadership style characteristic of the earlier phase	Raise awareness of the limitations of old styles through close 1-2-1 coaching and feedback. Plan 'experiments' using required styles
Not understanding clearly enough the end goal of continuous improvement	Provide education and exposure to progressive CI environments
Not understanding the purpose of Phase 2	Build an understanding of this development theory. Learning to read situation and apply dialogue in new and appropriate ways. Learning to recognise the impact that 'talk' has on the thinking, feelings and actions of others
Being unaware of the level and type of interactional skills needed	Build sensitivity to context, a conscious understanding of personal tendencies of interaction and skills via coaching, training and real-time feedback. Increasing conscious awareness of the natural use of talk using appropriate tools such as the SoundWave self-perception inventory
Not seeing 'end-goal' behaviour as desirable	Seek to demonstrate benefits through coaching and real-world observation

CONFORMANCE: PHASE 3

The benefits that accrue from radical reductions in variation promote a desire for standardisation. (Standard work, 5S, management systems, Visual Management amongst other tools are enthusiastically received at this stage). The particular challenge is in holding and correcting these standards and this is, at first, often difficult. Processes don't stay the same, they either get better or they get worse and so they need attention, especially when standards slip.

Ensuring process control



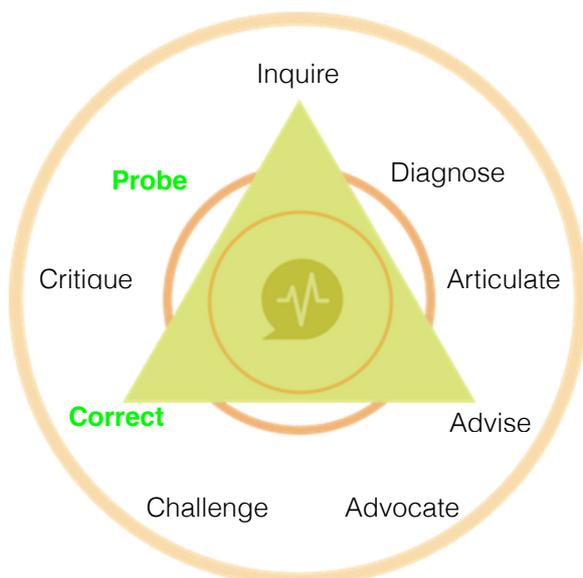
At its worst, this is an extreme world where 'shadow boards for staplers' belies a misunderstanding of purpose and destroys efforts at realising human creativity. At its best it represents a 'call to arms' to engage human minds in a structured attempt at problem resolution.

Characteristically, it's like this ...

'We had struggled with achieving consistent and reliable ways of working for some considerable time. Getting the process itself well-defined took us some of the way but it was insufficient. Natural, early failures to get things right almost always resulted in heavy-handed management. We had to learn to understand and help to correct and to not punish or walk away.'

Director – Automotive Sector

Typically, a SoundWave profile might look like this ...



Dialogue has progressively shifted away from the Positioning voices towards the Controlling voices. A conscious effort is required to do this.

This is a challenging phase requiring directness of interaction whilst avoiding any inclination to punish for perceived failure.

The principle dynamic movement is between the Controlling and the Exploratory voices with the former anchoring the dialogue. Essentially, we're interested to find out and to help another person to understand why control has slipped and to coach for self-correction.

(See Appendix 2: 'As if by Magic')

The correctional voice plays a particular role in this endeavour. Good ‘correction’ serves to re-enforce the need to adhere to process. It is clear and affirmative and works well in conjunction with efforts at coaching for conformance. Our research, however, indicates that it is executed poorly amongst the general leadership population and, according to data from the SoundWave self-perception inventory, is managers’ least preferred verbal strategy. Control is needed but the voices that deliver this can be relatively under-developed. Is it any wonder that many Lean endeavours fail at the point beyond the ‘sugar rush’ of the Kaizen Event?

In this phase, when Leaders coach, they coach, observe and listen for conformance and for correction as a prelude to further improvement. (See Appendix 2: ‘As if by magic’)

DEVELOPING ‘PHASE 3’ CAPABILITY

The capability required to make Phase 3 work carries risks and challenges. Below we outline a number of these and from our experience, propose ways of addressing them.

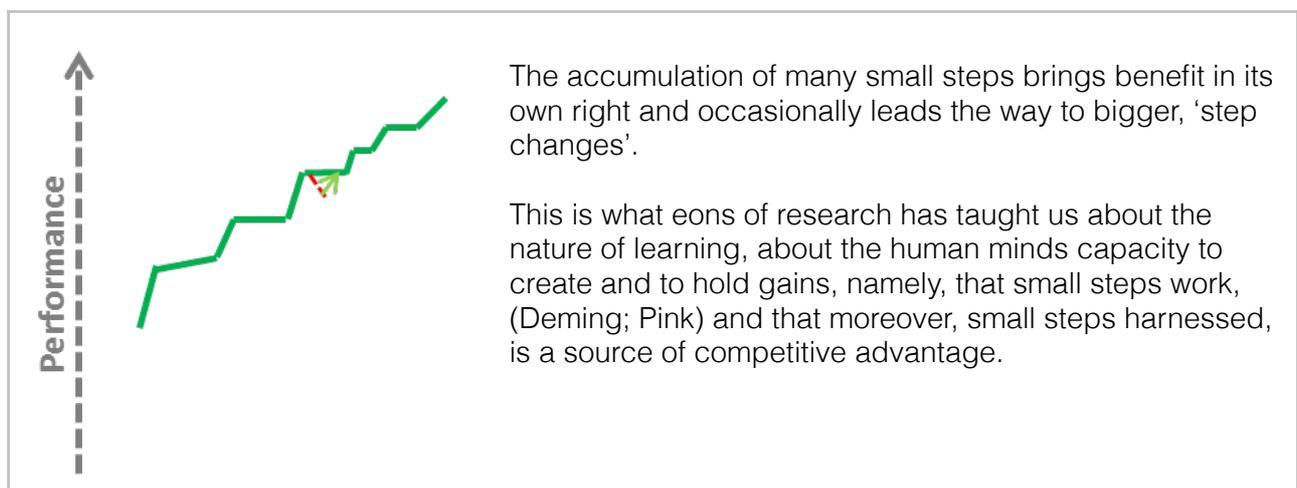
Risks and Challenges	Counter-measures
Difficulty in combining the Controlling and Exploratory voices	Coaching, skills development of real-time feedback
Avoiding the more ‘disciplined’ emphasis in Phase 3	Skill building especially around the ‘controlling’ cluster of verbal strategies, teasing out the differences between them
Not understanding the purpose of Phase 3	Build an understanding of this development theory Learning to read situation and apply dialogue in new and appropriate ways learning to recognise the impact that ‘talk’ has on the thinking, feelings and actions of others
Experiencing the enhanced need for ‘control’ as a signal to return to pre-CI behaviour	As above
Slipping too easily into the accentuated verbal strategies within the Controlling cluster of SoundWave	Skill building especially around the ‘controlling’ cluster of voices, teasing out the differences between them

CONTINUOUS OR 'GENERATIVE' IMPROVEMENT: PHASE 4

Thousands of improvements every month; hundreds every week; an incremental focus on change; cycles of experimentation structured through PDCA. This is not the world of sustainable continuous improvement, this is the world of generative improvement, a world in which 'managers as coaches' leverage the ingenuity of their people.

Every build on the standard, every insight gained from being close to the work that drives a further improvement, 'goes beyond the given', generating the possibility for the next step.

Incremental and step-change



Characteristically, it's like this ...

'We're doing the same thing we always did...trying every day to improve every little bit and piece. But when 70 years of very small improvements accumulate they become a revolution'.

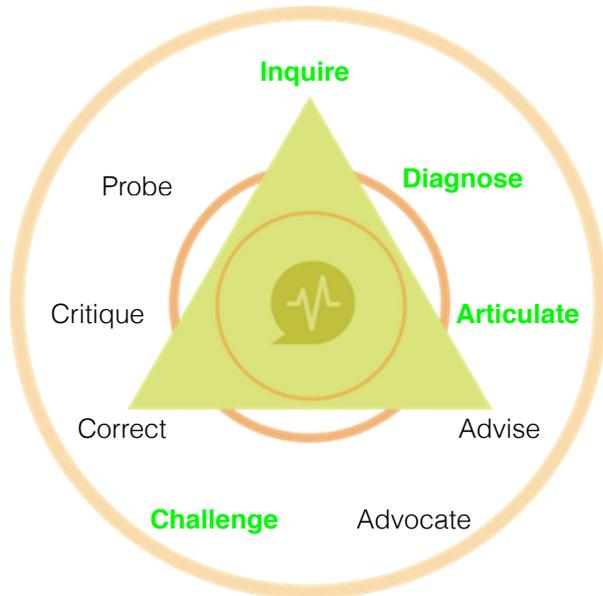
(Toyota's Katsuaki Watanabi. HBR, [Lesson's from Toyota's Long Drive 2007](#))

Stephen Spear outlines a number of lessons learned:

- 'Lesson 1 – There's no substitute for direct observation*
- Lesson 2 – Proposed changes should always be structured as experiments*
- Lesson 3 – Workers and Managers should experiment as frequently as possible*
- Lesson 4 – Managers should coach, not fix¹*

¹ Stephen J Spear. Learning to Lead at Toyota. HBR May 2004

Typically, a SoundWave profile might look like this ...



Dialogue has progressively shifted to embrace a deeply collaborative way of working.

The collaborative nature of problem solving in this context is revealed in two basic patterns of interaction illustrated in the SoundWave model. The first is a combination of the three Exploratory voices combined with the Positioning voice of articulation.

Articulation is the oil that lubricates the wheels of the Exploratory voices, grounding ideas through summary in an iterative search for consensus and difference.²

The second pattern is an examination of solutions offered through the modes of 'critique' and 'challenge'.

The first drives the quality of the thinking; the second offers suitable opportunity for testing the ambition of the proposed solution. At various points, both patterns interact and begin to create a dynamic of dialogue and reasoning that re-enforces the structured nature of the workplace, subject, as it has been over time, to the practical tools of CI.

But, as well as emphasis, there is de-emphasis. There is less of a focus on the Positioning verbal strategies of 'advice' and 'advocacy' while 'correction' is barely needed. This is because cultures of improvement seek to drive the solution creating potential in others; offering advice or making suggestions, runs counter to that proposition.

Leaders in this environment have learnt a particular and sophisticated style of interaction. The quality of the conversation is given almost as much importance as the quality of the product, service or process and in this way, social norms embed the required workplace inter-actions.

When leaders coach, they coach for generative Continuous Improvement, looking and listening for excellence in the quality of the dialogue.

² Data from the SoundWave self-perception inventory reveals statistically significant correlations between the voices of 'articulation' and 'inquiry' and the 'collaborative' style of conflict handling in the Thomas-Kilman Conflict handling inventory

DEVELOPING 'PHASE 4' CAPABILITY

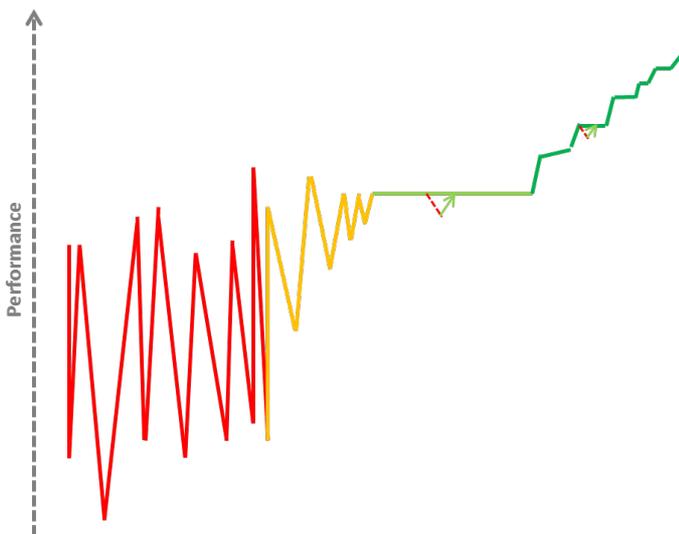
The capability required to make Phase 4 work carries risks and challenges. Below we outline a number of these and from our experience, propose ways of addressing them.

Risks and Challenges	Counter-measures
Seeing Phase 4 'stability' as an end in itself	Coach to adopt more coaching skills
Holding on to Phase 4 for too long	Looking at the impact on the quality and quantity of improvement actions actually achieved and coaching as above
Not having the breadth of interactional skill developed well enough	Intense 1-2-1 coaching of 'coaching skills'
Viewing the more 'coaching' oriented style as discretionary	Institutionalise the required behaviour through boss-subordinate feedback on the quality of the dialogue and through the provision of structures that guide conversation, such as P-D-C-A (see Appendix 2)

Conclusion

This paper has argued that progressively shifting the dialogue in line with phases of continuous improvement will contribute to the construction of sustainable, or indeed, 'generative' improvement. But can this be true? Can such an achievement be a simple matter of changing the way we talk, of shifting the dialogue?

There are three responses to these challenges.

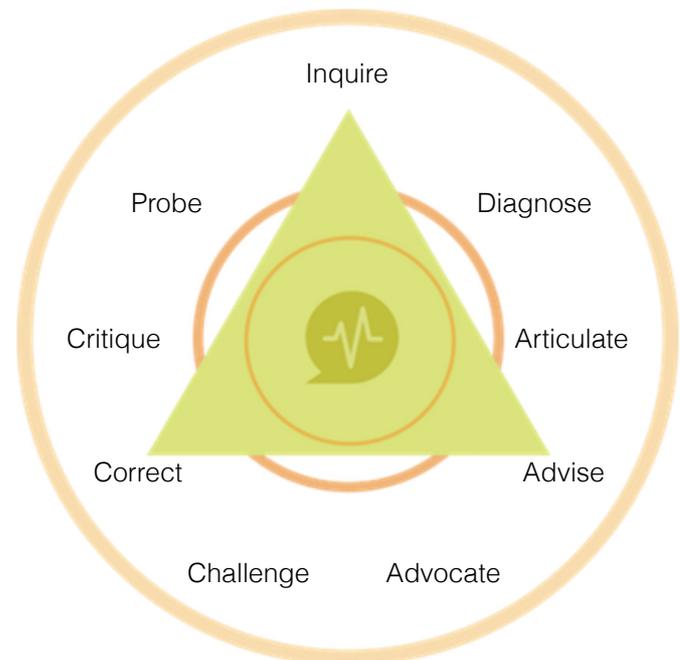


Firstly, 'changing the way we talk', what we might refer to as 'talking-in' CI, is not a simple matter. Interactions which strive to get other people to think for themselves, so that they become forever better problem-solvers, risk-managers and opportunity-exploiters, takes deep listening, lots of patience, a suspension of personal agendas and thoughtful questioning. Not all of us have the natural tendency to do this consistently well, when the situation demands it; it takes understanding and practice. There is almost no manager, however, who when questioned will not see the deep value in moving dialogue in this direction.

Secondly, 'talk' by itself is not sufficient. 'Talk' may well contribute subtly and markedly to constructing a culture of improvement but 'talk' takes place within systems of work and within systems of improvement. These affect talk and are affected by it. Addressing all three 'systems' is a necessary requirement in realising sustainable improvement.

Thirdly, talk is action. To use it skilfully and in situationally-appropriate ways has positive affects on the thoughts, feelings and actions of the people around us. Small changes in the way we hold dialogue with others can have a disproportionately positive impact on others.

Try it; shift the dialogue!





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For more details of any aspects of this paper including the SoundWave suite of analytical and development resources, please contact Kevin Eyre, Director and Creator of SoundWave Limited.

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SoundWave - Appendix 1

The SoundWave model and concept describes nine verbal strategies that people use in constructing dialogue. These strategies are valid across cultures and individuals report on their particular and often unique preferences through the use of the SoundWave method which includes analytical tools such as the self-perception inventory, the SoundWave360 and Group Dynamic.

SoundWave invites its users to reflect consciously on the impact and effect of their dialogue with others helping them to achieve improved relationships and results.

The SoundWave model and concept can be simply categorised into three clusters of verbal strategy. The Exploratory voices at the apex of the triangle (inquire, probe, diagnose); the Controlling voices at the bottom left (correct, critique, challenge) and the Positioning voices at the bottom right (advise, advocate, articulate). Individuals can measure their 'tendency' in the use of the model through the SoundWave Self Perception diagnostic and SoundWave360. Groups can assess their impact and inner dynamic through the use of SoundWave Group Dynamic. These diagnostic tools foreground an attempt to develop situational capability in the use of all of the nine verbal strategies.

Appendix 2 - A case example - “As if by magic”

"I ran the paint shop. I was the last stage in the process. When we found a quality defect there was a sequence of actions we followed:-

Firstly we'd understand the breadth of the problem.

- This is done by checking, at intervals of 10 cars the preceding vehicles to establish how far the problem has 'escaped'
- Check every 10th vehicle in the plant until the 'point of cause' is established.
- Install 'special check' at last point of exit inside the plant to ensure that no further defects escape.

That's the initial practical side. As Manager of People it was my responsibility to lead such activities and this is how it went:-

- Go and see the defect
- Establish which engineer/specialist needs to be involved
- Call them to meet at control board (we always had a portable whiteboard ready)
- Call my boss
- Meet at control board

At the control board the standard set of people attending would go through details:-

- Time found
- Defect description
- Sequence numbers checked
- Escaped? Yes/No?

Then I'd allocate tasks such as:-

- Establish containment and countermeasure – engineers
- Write standard work for containment and countermeasure – engineers with Team Leader
- Write standard work for 'special check'
- Initiate yard check – me

Because this was the standard way of doing things the only debate we had was around check method, how many people, which ports, etc. It's one of those things that's difficult to explain because this is what happened and this is what we did. Everyone knew what to do and did it. Nobody was late for meetings; it was rare that someone didn't come back with the right information. On the hour, every hour, the yard and Port teams called in with how many vehicles had been checked and how many found.

This is basically what happened and without delay, each department worked together to solve a problem. There wasn't any 'not yet we are busy' answers. If a problem like this occurred (which was around once every couple of months) the wheels just started to roll and we got on with it. I must say you did get quite a buzz from this kind of activity. I even ended up in the dealers in Athens for a few weeks because of an escaped defect, and amazingly enough, not even one got to the customer!

Mick Moreton, Former Toyota Manager and Partner with S A Partners LLP.