

Learning and Change

R. Edward Zunich

This article is excerpted from Ed Zunich's book, *Practical Process Improvement: A Program for Market Leadership in the Twenty-First Century*. This program is being successfully used in a multi-national technical corporation. This book and other books by Ed Zunich are available from SPC Press at www.spcpress.com.

The objective of Practical Process Improvement is profit. Profit comes from reducing waste and costs as well as increasing revenue through customer satisfaction and growth. *PPI* achieves results by improving the processes of production in ways that optimize the entire system of production, not merely the components in isolation.

Results are often confused with better numbers. There are many ways to get better numbers. The easiest way is to simply change them. I once knew a plant comptroller who did this regularly to give upper management the numbers they wanted. It happens more often than we would care to admit.

Another way to get better numbers is to change the formula—the way the numbers are computed. Denominator management is an example. We can get much better numbers by changing the way we measure or compute the denominator in a ratio. The earlier example regarding *DPMO* computation for circuit board quality level is an object lesson of this practice.

There are certainly other ways to get better numbers without changing anything substantially. These will only be limited by the ingenuity of *creative* people. But, they are false improvements. The only true improvement comes from improvements in the processes of production, and these must support efforts to optimize the entire enterprise, or they too will be false improvements.

Improving our processes and optimizing our system of production requires learning new and better ways to do things—to change from the old way of doing things to the new. Changes bring about individual and organizational dynamics which may not be ignored if sustainable improvement is the goal.

It is imperative to begin with the underlying belief in the value of people. It is not appropriate to blame people. Blaming people will only make things worse. Processes, with all their flaws, got that way over time. It is no one's fault. Less than 1% of the problems in any process are due to people in the process. The problems in the process are primarily due to the interaction of the resources within the process. Most people are doing their best.

It will be impossible to improve our processes unless we change something. But change, merely for the sake of change, is not the goal. We must create a learning environment where it is everyone's job to understand the *PPI* methods for continual improvement and change.

It is a false hope, as well, to assume that processes left alone will continue to run smoothly. The old saying, "If it ain't broke, don't fix it" should be changed to, "If it ain't broke, it soon will be." If we do not constantly and forever take action to improve our process they will not stay the same.

They will deteriorate through entropy. Entropy is universal, acting on all systems and processes. Entropy is relentless, and the disarray of the system will increase accordingly when left alone.

We often hear the statement that people resist change. More accurately, people resist *being* changed. People resist change when it is forced upon them. When people have a choice, however, there is no reason to resist. *PPI*, therefore, involves people in the analytical process so that they are part of the change determination. Unfortunately, it is not always possible to involve everyone on the team responsible for the change. It is, therefore, important that managers understand the dynamics of change and how those dynamics operate in the workplace.

When people are forced to undergo change they undergo a predictable cycle of emotional steps or phases.

The Phases of Change

1. Shock or Denial:

The first reaction to a significant change is normally expressed as disbelief, ignoring the change, or unwillingness to accept that a change is occurring.

2. Emotional Outlet, usually Anger:

Once people work through the first stage, they usually exhibit a flood of emotions, almost always anger. This anger is often mistaken for obstinacy, but it is merely part of the process of working through the change.

3. Bargaining:

This phase or stage is characterized by delaying tactics and attempts to deflect the change. People in this phase are actually bargaining from a position of anxiety—What do I get? What do I lose? and, Will I keep my job? Even if the change is positive people will be asking the same question, “Where will I end up?”

4. Depression:

This is not depression in the clinical sense, but rather, it is grief. People are grieving because all change produces loss and all loss must be grieved.

5. Acceptance:

The final phase or stage is acceptance. But it comes in two forms. First is merely intellectual acceptance. People have accepted the change intellectually, but their underlying fears and anxiety have not been resolved. The second type is emotional acceptance. This is the goal. When people reach emotional acceptance, the change process is complete.

Managing Change

It is important to remember that this process is not only normal, it is necessary. It is the personification of the emotional healing process brought about by any significant change or loss. It is also important to note that this process takes, at a minimum, 18 months to complete. While it might

be possible to achieve intellectual acceptance more quickly, emotional acceptance takes time.

When we view the change process in this way, it explains why we see a great deal of anger, bargaining, and depression. We perceive this because people are reacting to significant changes in their lives. This change process is an emotional process, not a behavioral process, and this is an important distinction. People are constantly going through these phases or stages—the rapidity and constancy of change in today’s society will see to that. But these are feelings, not behaviors. It is okay for people to feel angry, but it is not okay for them to act out that anger inappropriately.

The key to helping people and the organization through the change process is communication. If we withhold information from people, we only raise their level of anxiety and make things worse. Yet, the common practice is to keep changes *secret* until a formal announcement. Rumors start flying.

In the past, we have tended to believe that we should protect ourselves and/or our people from undo stress leading up to a change. But when we withhold information from people, they make up their own version of what is happening. People are not stupid; they know when a change is in the works. And their own version is usually a far worse fantasy than the actual change.

So within the *PPI* paradigm, the information flow opens up. *We understand that people handle bad news better than no news.* We keep people informed at all steps along the way. If people mishandle the information, then other action should be taken. But to withhold information because of one or two gossip mongers only plays on the fears and anxiety that is building up across the organization. The best way to reduce the anxiety level that accompanies any significant change is to increase communication.

Finally, if not carefully managed, the dynamics of the change process creates a risk—a risk that people will begin thinking of themselves as victims—then we have a real problem on our hands. When people think they are victims, they begin to act like victims. When they act like victims, their energy level and problem-solving abilities deteriorate significantly.

We must help people stay out of the victim role. How do we do this? We keep them involved—informed. We help them become problem solvers. Then their energy level and participation level increases. By involving everyone in the *PPI* program, we will be able to increase the energy level of the entire enterprise. Together we become the pathfinders in the journey toward continual improvement, customer satisfaction, and profitable growth.

Summary

In this paper we have discussed the *PPI* process for improving productivity and quality. It is a proven method, including simple statistical practices that are more than mere placebos. The process behavior chart is the foundation of the Practical Process Improvement method. When used within the *PPI* program, it provides the most powerful tool available for improving enterprise profitability.

In the past, managers have relegated application of process behavior charts only to manufacturing processes. Within the *PPI* program, process behavior charts are used in *all* process of production.