An Instructional White paper:

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Six Sigma and Organizational Culture

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"It's the only program I've ever seen where customers win, employees are engaged and satisfied, and shareholders are rewarded."

Jack Welch, former Chairman of GE

"..... if you see Six Sigma as a culture changer-something that will profoundly affect the organization then, by definition, it takes the passion and obsession of the CEO to make it happen..... We saw Six Sigma as a way to profoundly change our culture.....it starts with me and ends with me. I include language on it at almost every meeting that I have, to the extent that people's lips move almost in synch with mine on this subject."

Dan Burnham, chairman and CEO of Raytheon Corporation

So what is Six Sigma?

Six Sigma is a high-performance, data-driven approach to analyzing and solving the root causes of business problems. It ties the outputs of a business directly to marketplace requirements. At the strategic or transformational level, the goal of Six Sigma is to align an organization to its marketplace and deliver real improvements and dollars to the bottom line. Strategic Six Sigma provides a framework that can be used to bring about large-scale integration of a company's strategies, processes, culture, and customers to achieve and sustain breakaway business results.

Six Sigma, the highly statistical quality improvement technique born in the manufacturing bays of Motorola in the mid-1980s, is often used at an operational level to help cut costs, improve processes, and reduce business cycle times. Its value in that regard is well understood by business leaders and has been the topic of numerous business books and articles. Less well known is the potential of Six Sigma to help companies formulate and deploy business strategies and bring about broad transformational change--to serve as a high-order leadership approach, philosophy, and change methodology. Strategic Six Sigma principles and practices can help companies:

- formulate, integrate, and execute new and existing business strategies and missions
- deal with constantly changing and increasingly complex customer requirements
- accelerate innovation, globalization, and global integration efforts
- facilitate mergers and acquisitions
- ensure effective implementation of e-business ventures with their associated strategies and infrastructure
- drive revenue growth and systemic, sustainable culture change
- enhance and condense the corporate learning cycle--the time it takes to translate market intelligence and competitive data into new business practices.

At the operational or transactional level, Six Sigma's goal is to move business product or service attributes within the zone of customer specifications and dramatically shrink process variation--the cause of defects that negatively affect customers. It provides specific tools and approaches (process analysis, statistical analysis, lean techniques, and root cause methods) that can be used to reduce defects and dramatically improve processes to increase customer satisfaction and drive down costs.

Deploying corporate strategies:
A growing number of companies are beginning to realize the full implications of Six Sigma--especially as an engine to accelerate corporate strategy and organizational transformation (Pande and Cavanaugh, 2000).

Former General Electric CEO Jack Welch said that Six Sigma forever "changed the DNA" of how GE operates. Before his first retirement as Honeywell's CEO, Larry Bossidy used to tell employees and shareholders alike that Six Sigma was the key to the company's annual 6 percent gains in productivity. Citibank recently implemented Six Sigma to accelerate its customer care approaches around the world. Dupont and Dow Chemical are using Six Sigma to propel sustainable growth and to position themselves in an industry notorious for static product prices and thin operating margins.

Caterpillar's CEO Glen Barton and top leadership team have embraced Six Sigma as the critical success factor driving achievement of the company's major business objectives. Even hotel chains, such as Starwood Hotels and Resorts, are using it to overhaul their corporate cultures, create blissful customer service experiences, and radically alter the nature of their hospitality services.

The potential of Strategic Six Sigma to serve all-encompassing purposes has profound implications for CEOs and leadership teams. It also presents training professionals, including change consultants and OD practitioners, with enormous opportunities to play transformational roles in their companies or with the clients they serve. Fortune Magazine recently noted that one of the biggest causes of business failures is the inability of companies to execute their strategies, however sound, effectively. At its core, Six Sigma relies on factual data, statistical measurement techniques, and robust feedback mechanisms to drive decision making. Those elements unify leaders behind a common language and set of data points--making strategic planning and execution more efficient and successful. Because Six Sigma aligns a company's people and processes behind commonly agreed-to goals, it helps them achieve new levels of profitability and corporate performance in less time than traditional strategy implementation. Strategic Six Sigma increases organizational speed and resilience as it helps companies respond quickly to changing market conditions, move in new business directions, and improve customer responsiveness--thus enhancing customer relationships while increasing shareholder value.

Creating the cultural conditions for strategic use of Six Sigma calls for strong change leadership and attention to project implementation. (Womack and Jones, 2003)

- A company's top leaders must be in agreement to drive deployment of Six Sigma approaches at all organizational levels.
- Individual leaders must develop competencies in statistical data analysis and process redesign, and be able to cascade those approaches to other levels of leaders inside the organization.
- Leaders must drive employee engagement in Six Sigma projects and work practices, using sophisticated communications techniques and creative incentives.

Top leaders must integrate Six Sigma approaches into the organization's business planning and strategy deployment processes.

**Strategic steps:**

Training practitioners have a huge opportunity to be involved in coaching their companies' leaders on how to deploy Six Sigma successfully and in helping to transform the culture and operating systems of their organizations. The training needed to give leaders Six Sigma skills is intensive, but the payoffs are enormous. Companies that have instituted Strategic Six Sigma--such as Dow, Caterpillar, Raytheon, Bombardier, and LockheedMartin--have, radically and quickly, improved business performance across a wide array of performance indicators, from return-on-assets (an internal business indicator) to customer satisfaction and timely order fulfillment (external performance metrics).
The best way to help your company's CEO and top leadership team implement Six Sigma on an enterprise-wide basis starts with making sure they understand the seven key steps to deploying Six Sigma in any organization. They are as follows:

Develop a committed team of leaders to support Six Sigma initiatives.

- Develop a committed team of leaders to support Six Sigma initiatives.
- Integrate Strategic Six Sigma thinking and best practices into strategy planning and deployment
- Emphasize establishing close connections with customers and the larger marketplace in which the company operates
- Ensure that leaders view the company not as a set of isolated functions or independent silos, but as a family of closely related business processes that support the business's value chain
- Develop quantifiable measures and demand tangible results from people in their work
- Develop incentives, create accountability, and reward performance based on customer requirements and the ability to bring a strong, data-driven approach to business goals and work objectives
- Commit full-time to all of the above

Embedding Six Sigma through Training:

Introducing Strategic Six Sigma principles and work practices into an organization requires rigorous training of executives and line managers—not just in Six Sigma statistical and analytical principles, but also in the equally important tasks of articulating business goals, driving culture change, and leading people in new, more accountable and measurable ways. The role of training as a change driver in this process is crucial. Change acceleration studies show that providing people with the right training can dramatically accelerate change efforts.

The normal pattern is to introduce a company's CEO and top leadership to Strategic Six Sigma leadership principles in a three- to five-day Six Sigma Champions workshop designed to:

- build leaders' awareness of Six Sigma methods and tools and how best to apply them in a transformational way on an enterprise-wide basis
- foster leaders' understanding of the key elements of Strategic Six Sigma, including process management and the methodologies of DMAIC (design, measure, analyze, improve, and control), used to redesign existing work processes, and DFSS (design for Six Sigma), used to design new business processes to operate at a Six Sigma level of efficiency (3.4 defects per 1 million business transactions or operations) help top leaders understand the individual roles they must play as leaders in cascading awareness and knowledge of Six Sigma principles and practices throughout the organization
- build leadership consensus about the goals and strategies of the organization and quantify strategies and business objectives as clearly as possible
- identify strategic improvement goals and specific Six Sigma projects that can be undertaken to meet strategic improvement needs
- help leaders build the infrastructure of systems, people, skills, processes, and metrics necessary to effectively identify, launch, and complete Six Sigma (DMAIC and DFSS) projects.

Strategic Six Sigma leadership training provides a setting in which a CEO and top leaders can articulate and quantify their business strategies, outline the challenges that lie ahead for the business, and identify strategic improvement goals to improve performance, profitability, productivity, or customer satisfaction. The specific goals can be anything that's important to the company and its top leaders. For example, a goal might be to increase product, service, plant, or...
process performance; reduce defects or transaction errors; condense cycle times; or streamline the supply chain.

From there, participants go forward to:

- select potential Six Sigma projects to support achievement of the business strategy
- undertake initial infrastructure development to identify the resources, people, systems, and processes that will need to be controlled or managed to support project completion
- introduce the essentials of business process management and why it should guide the selection and completion of Six Sigma projects
- discuss voice-of-the-customer and voice-of-the-market approaches relevant to moving forward to attain Six Sigma process improvement goals
- manage continuous organizational change as part of spearheading the ongoing selection and completion of Six Sigma projects.

A constant thread running through the training is the importance of leaders being attuned to the change management dynamics associated with effective Strategic Six Sigma deployment. It can be argued that leaders can't afford to stop communicating the urgency of change. Otherwise, they run the risk that their organizations will fail to embrace the change principles and practices that are critical to sustaining Strategic Six Sigma. Consequently, training champions consists of change leadership training and specific technical training on Six Sigma tools and methodologies--the goal being to equip leaders with both the technical and people-process aspects of Strategic Six Sigma.

The challenge of change:

The main aim is to build a highly competent population of Six Sigma leaders within an organization that can implement projects with sufficient speed and scale to drive massive transformation, while achieving concrete and measurable results from Six Sigma projects. Training Six Sigma leaders at all levels is also essential to embed Six Sigma principles--the quest for perfection, an intolerance for waste and inefficiencies in processes, and so forth--in the makeup of the organization and the approaches people use in their jobs every day. The training of Six Sigma leaders is vital to create consistent leadership behaviors and align people, processes, and projects to support goals.

Kathleen Bader, group president and VP of quality and business excellence at Dow Chemical says, "The change challenges in adopting Six Sigma are in many ways similar to adopting any other initiative...but in some ways substantially different. They're similar in the sense that if you can't put in front of people the fundamental reasons for change, you're not going to get them to change. And if you can't show people what's in it for them personally and for the business...you won't get there. However, with Six Sigma there's an step: the adoption of a different way of thinking--looking at inputs versus outputs, intolerance for variation, focus on data, and absolute belief in the need for sustainability of results. People really need to change how they do their daily work in significant ways, and that creates an additional barrier to change."

Training professionals will want to consider how the rollout of Six Sigma training can be integrated with other initiatives, especially leadership development and employee development. Companies recognized as Six Sigma leaders link Six Sigma competencies and advancement from the moment a new employee walks in the door. That sends a clear signal about the priority of Six Sigma skills to the future health and vitality of the organization.

Training professionals must look for ways to get their companies' top leaders visibly and actively involved in spearheading Six Sigma training for all executives and managers. At leading Six Sigma companies such as Caterpillar, Dow, Raytheon, and Bombardier, CEOs and top leadership teams are personally involved in teaching Six Sigma leadership and technical skills to others. Training can be critical to such efforts.

The Integration of Six Sigma:
Organizations must consider how to introduce Six Sigma to receive its full benefits: It is helpful to think of deployment happening at 3 levels. (Jordan and Michel, 2001)

- **The strategic level**—How to think through overall deployment of the initiative across the entire organization.
- **The tactical level**—How to select, conduct, and close out projects in these environments.
- **The operational level**—How to properly apply the analytic techniques of Six Sigma when faced with difficulties common beyond the factory floor, such as skewed (non-normal) cycle time distributions, or the prevalence of discrete data.

**The Strategic level:**

- **Breakthrough Improvement**: Six Sigma is about business improvement; it is not about culture change per se, although it will radically change culture. The strategy is to get the improvements, and then create the infrastructure and systems (culture) that will grow and maintain the gains. Six Sigma is not about quality—at least not in the traditional sense of the word—although it results in improved quality. It is not about training, although training is used to build the skills needed to deploy it. Viewing Six Sigma as a massive training initiative is a low-yield strategy. Six Sigma is about breakthrough business improvement, not incremental improvement. Six Sigma projects are defined to produce major improvements (30% to 60% and more) in process performance in 4 to 6 months with a significant bottom-line impact. Such changes greatly affect how business is conducted day to day. As the Six Sigma mindset permeates the organization, individuals become aware of non-value-added work, ineffective processes, and poor performance and take action to make the needed improvements.

- **A Systematic and Focused Approach**: Not all executives are used to the discipline that such an approach requires. There are road maps and step-by-step procedures for the managerial and technical aspects of Six Sigma. These processes and systems enable the key players in the initiative, such as Champions, Black Belts, and Green Belts to move up the learning curve more quickly and keep the organization focused on rapid improvement. (these titles are defined in the "Roles of Six Sigma Leaders" section later in this paper. Six Sigma is not an art, although experience, good judgment, and creativity are certainly required.

- **Right People**: Six Sigma is about selecting and training the right people to fill the key roles. Successful organizations select their most talented people to fill the key Six Sigma positions. Most companies consider these people to be their future leaders. After those selected complete their Six Sigma assignments, they move into leadership positions and utilize their Six Sigma experience to guide others in improving the organization using the same approach. In this way, the cycle of continuous improvement is ingrained into the culture of the organization, and the company is assured of having "enlightened" leaders in the future.

- **Communication**: It is important that a communication plan be developed to support the Six Sigma initiative. In the early stages of deployment, people will be asking a number of questions: What is Six Sigma? Why is our organization using this approach? Why are we doing this now? What will the benefits be? What progress are we making? Answers to these questions and other related messages must be communicated in a clear, concise, and consistent way. The message must be repeated several times, using a variety of media to make sure that everyone is exposed to understandable information. Clear understanding of the what, why, and how of the initiative will help generate the support in the organization needed to ensure that the BB and GB projects and the Six Sigma initiative as a whole succeed.
• **Recognition and Reward Plan:** A recognition and reward program must be created to support the Six Sigma initiative. People want to know “what's in it for me.” This helps them decide whether to get involved and at what level of intensity. We know of no organization that has successfully implemented Six Sigma without a recognition and rewards program to recognize and reinforce the desired behavior. Such a program typically includes both financial and psychological rewards.

• **Management Reviews of the Six Sigma Initiative:** It is widely recognized that regular review of initiatives is needed to ensure the success of the initiative. Accordingly, regular reviews of the Six Sigma initiative (preferably quarterly) are required to monitor progress, to ensure the initiative milestones are being met, and to identify when adjustments and major changes to the deployment plan are needed. It is unlikely that a Six Sigma initiative will succeed without regular reviews by the senior management team who is accountable for the success of the program.

**The Tactical Level:**

• **Right Projects:** Six Sigma is about working on the right projects: those that support the business strategy. Six Sigma projects are linked to the goals of the business and to key problems that must be solved if the organization is to be successful (for example, critical customer complaints, process downtime producing stock-outs, major accounts receivables issues)

• **Project Management and Reviews.** Six Sigma is about effective project management, including project selection, planning, and management reviews. Proper planning is important to ensure success. Such planning helps to avoid "scope creep" (project size and definition slowly growing beyond what is reasonable to accomplish considering the allotted time and resources), misalignment with management, lack of resources, projects that move at glacial speed, and other common project pitfalls. Management reviews are critical to success. Projects should be reviewed weekly by Project Champions and monthly by business leaders. As noted previously, the overall Six Sigma system should be reviewed quarterly and annually. Management reviews are critical to success. The lack of management reviews significantly reduces the impact of the Six Sigma effort

• **Sustaining the Gains:** This methodology is usually called the control plan and is one of the unique aspects of Six Sigma. The control plan can be viewed at both a tactical and strategic level. At the tactical level, it sustains the gains of individual projects; at the strategic level, it sustains and broadens the gains of the Six Sigma initiative overall. A key element of the strategic control plan is a system for the continual identification of new projects and the placing of those projects in the project hopper.

• **Right Results:** Six Sigma is about getting the right results—improvements in process performance that are linked to the bottom line. The team estimates what a project is worth, typically with the help of the finance organization, before work is initiated. After the project has been completed, the team calculates the bottom-line savings. Many organizations, such as GE, require a sign-off from the finance organization verifying the financial impact and identifying where in the income statement it will show up. In this way you will know exactly what the bottom-line impact of the project has been. Surprisingly, many previous improvement initiatives discouraged focus on the financials when identifying or evaluating projects.

• **Project Tracking and Reporting:** To monitor the progress of the initiative, check on the achievement of milestones, and provide a corporate memory, a project tracking and reporting system is needed. The tracking system is typically a software system that contains the bottom-line financial results and the improvements to process performance metrics for each project. Such systems typically have the capability to generate management reports on financial and process performance improvements for any process, business, function, organizational level, and so forth.

**The Operational Level:**
• **Process Thinking.** The first key method is process thinking—taking the view that all work is a process that can be studied and improved. All work in all parts of the organization, whether it is in manufacturing, new product development, finance, logistics, or procurement, is accomplished by a series of interconnected steps. When you view problems from the framework of a process with inputs, processing steps, and outputs, a common approach to improving processes and solving problems can be applied. Because Six Sigma had its roots in electronics manufacturing, there is a common misunderstanding that Six Sigma can only help in this one activity. This mistake is analogous to assuming that the Internet can only be useful in the defense industry (where it originated).

• **Process Variation.** Variation is present in all processes and every aspect of work. Unintended variation reduces process performance, decreases customer satisfaction, and negatively impacts the bottom line. Customers want a consistent product or service, one that they can count on to provide the same value all the time. Products need to work as anticipated and be delivered and serviced on time, just as financial transactions need to proceed smoothly with minimal disruptions and just as patients need to be able to count on health-care providers for consistent and quality care. Six Sigma is focused on reducing the negative effects of process variation in two major ways: (1) It shifts the process average to the desired target level, and (2) it reduces the variation around the process average. This results in a process performing at the right average level with minimal variation from product to product or transaction to transaction. The need to address variation is the primary reason for including so many statistical tools in the Six Sigma toolkit. Statistics is the only science focused on identifying, measuring, and understanding variation, and therefore is a tool you can use to reduce variation.

• **Facts, Figures, and Data:** Six Sigma is about facts, figures, and data—in other words, data-based decision making versus reliance on gut feeling and intuition. The project doesn't proceed until adequate data are available. The focus on the use of data, along with process thinking and variation, helps integrate the scientific method into the Six Sigma methodology. The integration of process thinking, understanding of variation, and data-based decision making is often referred to as statistical thinking.

• **DMAIC Improvement Methodology.** The primary improvement methodology of Six Sigma has five key phases: define, measure, analyze, improve, and control (DMAIC). All improvement projects touch on these phases in one way or another. The tools of Six Sigma are integrated into these phases. This is a strength and uniqueness of Six Sigma. All projects utilize the same improvement process, although the individual applications may be quite different. In contrast to most statistics training that throws a lot of tools on the table and lets practitioners fend for themselves, the DMAIC framework shows practitioners how to integrate and sequence the tools into an overall improvement strategy. This enables practitioners to attack virtually any problem in a systematic manner.

**The 8 Keys Tools:**

Six Sigma utilizes many individual tools, but the following eight tend to be most frequently applied: (Griffith, 2000)

- Process mapping
- Cause-and-effect matrix
- Measurement system analysis
- Capability study
- Failure modes and effects analysis (FMEA)
- Multi-vari study
- Design of experiments
- Control plans
Six Sigma has effectively integrated statistical tools with those from other disciplines, such as industrial engineering, quality management, operations research, mechanical and electrical design, and reliability. The result is a toolkit much broader and more powerful than available within any one discipline.

**User-Friendly Statistical Software:** Another reason Six Sigma has been effective is the general availability of user-friendly statistical software that enables effective and broad utilization of the statistical tools. The statistical software package most widely used in Six Sigma is Minitab. JMP and other statistical software systems are also used in some Six Sigma deployments. Prior to the availability of such user-friendly software, statistical methods were often the domain of professional statisticians, who had access to, and specialized training in, proprietary statistical software. Specialists in statistical methods have an important role to play in Six Sigma, but practitioners who are not professional statisticians do the vast majority of statistical applications.

**Critical Few Variables:** The final key methodology of Six Sigma is its focus on the identification of the critical few input and process variables. Most processes, from performing surgery to closing the books for a global conglomerate, involve a large number of potentially important input and process variables. Studying each in-depth, and then managing them on an ongoing basis, would be time-consuming and prohibitively expensive. Fortunately, often just three to six critical process input variables drive the process output variables. Identification of these variables can lead to effective ways to optimize and control the process in a parsimonious and cost-effective way. Six Sigma finds, and then focuses attention on, these few key variables. This principle of focusing attention on a few key things is consistent with general principles of good management. The ultimate goal is to move from measuring outputs and making process adjustments (reactive) as the primary method of process control to measuring and then adjusting process inputs (proactive) to control the process and achieve the desired process performance.

**Roles of Six Sigma Leaders:**

Six Sigma involves changing major business value streams that cut across organizational barriers. It is the means by which the organization’s strategic goals are to be achieved. This effort cannot be led by anyone other than the CEO, who is responsible for the performance of the organization as a whole. Six Sigma must be implemented from the top-down. (Harry, 1997)

**Champions and Sponsors**

Six Sigma champions are high-level individuals who understand Six Sigma and are committed to its success. In larger organizations Six Sigma will be led by a full time, high level champion, such as an Executive Vice-President. In all organizations, champions also include informal leaders who use Six Sigma in their day-to-day work and communicate the Six Sigma message at every opportunity. Sponsors are owners of processes and systems who help initiate and coordinate Six Sigma improvement activities in their areas of responsibilities.

**Master Black Belt**

This is the highest level of technical and organizational proficiency. Master Black Belts provide technical leadership of the Six Sigma program. Thus, they must know everything the Black Belts know, as well as understand the mathematical theory on which the statistical methods are based. Master Black Belts must be able to assist Black Belts in applying the methods correctly in unusual situations. Whenever possible, statistical training should be conducted only by Master Black Belts. Otherwise the familiar “propagation of error” phenomenon will occur, i.e., Black Belts pass on errors to green belts, who pass on greater errors to team members. If it becomes necessary for Black
Belts and Green Belts to provide training, they should do only so under the guidance of Master Black Belts. For example, Black Belts may be asked to provide assistance to the Master during class discussions and exercises. Because of the nature of the Master's duties, communications and teaching skills are as important as technical competence.

**Black Belt**

Candidates for Black Belt status are technically oriented individuals held in high regard by their peers. They should be actively involved in the process of organizational change and development. Candidates may come from a wide range of disciplines and need not be formally trained statisticians or engineers. However, because they are expected to master a wide variety of technical tools in a relatively short period of time, Black Belt candidates will probably possess a background including college-level mathematics and the basic tool of quantitative analysis. Coursework in statistical methods may be considered a strong plus or even a prerequisite. As part of their training, Black Belts receive 160 hours of classroom instruction, plus one-on-one project coaching from Master Black Belts or consultants.

Successful candidates will be comfortable with computers. At a minimum, they should understand one or more operating systems, spreadsheets, database managers, presentation programs, and word processors. As part of their training they will be required to become proficient in the use of one or more advanced statistical analysis software packages. Six Sigma Black Belts work to extract actionable knowledge from an organization's information warehouse. To ensure access to the needed information, Six Sigma activities should be closely integrated with the information systems (IS) of the organization. Obviously, the skills and training of Six Sigma Black Belts must be enabled by an investment in software and hardware. It makes no sense to hamstring these experts by saving a few dollars on computers or software.

**Green Belt**

Green Belts are Six Sigma project leaders capable of forming and facilitating Six Sigma teams and managing Six Sigma projects from concept to completion. Green Belt training consists of five days of classroom training and is conducted in conjunction with Six Sigma projects. Training covers project management, quality management tools, quality control tools, problem solving, and descriptive data analysis. Six Sigma champions should attend Green Belt training. Usually, Six Sigma Black Belts help Green Belts define their projects prior to the training, attend training with their Green Belts, and assist them with their projects after the training.

**Staffing levels and ROI:**

There is usually about one Master Black Belts for every ten Black Belts, or about 1 Master Black Belt per 1,000 employees. A Black Belt will typically complete 5 to 7 projects per year. Project teams are led by Green Belts, who, unlike Black Belts and Master Black Belts, are not employed full time in the Six Sigma program. Black Belts are highly prized employees and are often recruited for key management positions elsewhere in the company. After Six Sigma has been in place for three or more years, the number of former Black Belts tends to be about the same as the number of active Black Belts.

1. Estimated savings per project varies from organization to organization. Reported results average about US$150,000 to US$243,000. (Naumann, 2001) Note that these are not the huge mega-projects pursued by Re-engineering. Yet, by completing 5 to 7 projects per year per Black Belt, the company will add in excess of US$1 million per year per Black Belt to its bottom line. For a company with 1,000 employees the numbers would look something like this:.
• Master Black Belts: 1
• Black Belts: 10
• Projects: = 50 to 70 (5 to 7 per Black Belt)
• Estimated saving: US$9 million to US$14.6 million (US$14,580 per employee)
• Do the math for your organization and see what Six Sigma could do for you.
Because Six Sigma savings impact only non-value added costs, they flow directly to your company’s bottom line.

Summary:

One of the biggest challenges in our improvement projects is that the will of people to implement an improvement is often not present. (Rath and Strong, 2000)

In other words, the way people prefer to go about their daily tasks is not aligned with the business requirement to improve.

Whilst many causes can be listed for the above, it is important to acknowledge that the examples set by our organizational leaders will affect and shape culture in places of work. Managers must be the architects of an organizational culture and climate conducive to continual business improvement.

The following are courses of action that could be considered to impact on organizational culture in order to align it with improvement programs:

• Process thinking linked to customer requirements should be the key driver of all business operations
• Improvement work must be a key performance requirement for employees at all levels in the organization
• Performance appraisal/review should specifically measure the ‘improvement performance’ of all employees
• Skills and knowledge regarding improvement and business problem solving must be a key learning requirement for all employees who wish to progress up the corporate ladder
• Managers must lead in respect of improvement activity by actively planning for improvement and implementing improvement projects
• The success of improvement projects must be celebrated and those who brought about the improvement must be recognized and rewarded publicly.

Aligning corporate culture with the need to improve is an ongoing challenge for business leaders. Unless organizational culture and attitudes are considered and attended to as part of the planning for improvement initiatives, the prospect for success is significantly reduced.

References


