



Book Making Six Sigma Last

Managing the Balance Between Cultural and Technical Change

George Eckes
Wiley, 2001

Recommendation

No one knows Six Sigma, which seeks near perfect customer satisfaction, like George Eckes, the consultant who literally wrote the book on it (*The Six Sigma Revolution: How General Electric and Others Turned Process into Profits*). In his second book, Eckes emphasizes the importance of molding organizational culture to generate broad acceptance of a Six Sigma initiative, using illustrative examples from his workshops. He describes ways to overcome internal resistance to change, to sell the program's benefits and to get key people as well as the masses on board. If you are launching a Six Sigma program, Eckes provides many specific suggestions of strategies you can employ. But because much of Eckes' wisdom can be applied more generally to organizational change efforts, *BooksInShort* recommends this insightful book to any executive, whether or not Six Sigma is your strategy of choice.

Take-Aways

- The Six Sigma process is intended to make businesses more effective and efficient.
- The Six Sigma management philosophy strives for near perfection in customer satisfaction.
- An effective program requires improved quality (including strategy and tactics) and organizational cultural acceptance.
- The first step in launching a Six Sigma program is creating a need for it.
- Envision the meaning of being a Six Sigma company, so employees understand.
- The major types of resistance are technical, political, organizational and individual.
- The people you need to create a Six Sigma program include the Quality Leader, Master Black Belt, and Black and Green Berets.
- To measure success, rate the quality of your program and its internal cultural acceptance.
- The formula for how well your company has instituted its program is based on facts and hard data.
- For Six Sigma to work, top management must be committed and must communicate its benefits to employees.

Summary

Selling Six Sigma

In recent years, Six Sigma programs have become accepted as a way to make businesses effective and efficient. Several companies, including General Electric and AlliedSignal, saved billions of dollars with this approach, which led to increased profits.

Six Sigma strives for near perfection in customer satisfaction. A company with a successful Six Sigma system in place has about three bad customer experiences for every one million customer contacts. Usually, companies are at the two to three sigma level, reflected in some 67,000 to 300,000 defects for every million customer contacts.

“The management philosophy known as Six Sigma has three critical success factors: the strategic components, the tactics, and most important, the cultural component.”

To get this high level of satisfaction, improve your delivery process and customer interaction. Top management needs to support the program and must establish the necessary infrastructure to make these improvements possible. Essentially, this program has to be based on three key components: strategic, tactical and cultural. "Strategy" is defined by your objectives and "tactics" are how you plan to reach them.

“The most important equation for a Six Sigma culture is $Q \times A = E$. This equation states that the quality of the technical elements of the change multiplied by acceptance of the technical elements of change equals the excellence of the results.”

Unfortunately, most organizations focus so strongly on the tactics of improvement that they overlook the most critical component of launching a Six Sigma initiative - the cultural characteristics of the organization. Many Six Sigma consultants also fail to give culture enough attention. But culture is critical, since you must have acceptance throughout the organization for the program to work.

Steps to Acceptance

The critical steps in increasing cultural acceptance of this program in your organization are:

1. Create a need for turning your organization into a Six Sigma company.
2. Develop a vision for what being a Six Sigma company means, so employees understand the results and behaviors you want to achieve.
3. Mobilize commitment so people support the program and quash any resistance to it.
4. Create a Six Sigma culture by changing your systems and structures to support it.
5. Measure the degree of cultural acceptance for Six Sigma steps you have achieved.
6. Develop strong leadership to support and continue the program.

Creating the Need for a Six Sigma Culture

You can create a need for change with threats or benefits. Real or perceived threats can motivate behavior, but only for a short time. By contrast, you can motivate people over the long run by showing them their personal benefits or opportunities. Use both to create a need, choosing specific threats and benefits, and deciding which to emphasize depending on your organization. Ask employees to consider what will happen to the organization in the short and long term if you successfully implement the program (opportunity) and what will happen if you don't (threats). For instance, increased employee frustration might be a short-term threat while a reduced customer base is a long-term threat. Greater productivity and profitability, and increased employee development are long term opportunities.

“Some of the pitfalls that await an organization in creating the Six Sigma culture include: failure to achieve quick successes, unrealistic time frames (and) poor Six Sigma cultural planning and follow-through.”

To help show employees at all levels the need for a Six Sigma program - which is critical for it to work - document your threats and opportunities. Show how employee satisfaction or profits will improve. Use only your most compelling threats and opportunities (not

a long laundry list), and be ready to prove that they are real. If you can't prove it, don't use it. Target what you say to each stakeholder group and streamline your message.

Overcoming Six Sigma Resistance

Expect to encounter resistance when you launch a Six Sigma program, since resistance is the universal reaction to change. However, more than 80% of the time, resisters can be turned into champions of the program. To overcome resistance, follow this four-step process:

1. Identify the key stakeholders of your initiative, such as employees and managers.
2. Identify the level of support or resistance each group feels about your change initiative.
3. Identify what each stakeholder wants.
4. Develop the strategies needed to shift each stakeholder to the level of support you need.

“Once an organization commits to a Six Sigma initiative, management must use any and all communication vehicles to show their unwavering commitment to Six Sigma and provide status on its progress.”

The four major types of resistance are:

- Technical - Resistance on technical grounds is most common, since people normally resist what they don't understand. You can overcome technical resistance by focusing on Six Sigma's higher level concepts and responding with information, education and involvement. For example, encourage whatever competence the resisters show and build on their small successes, so they feel less intimidated.
- Political - People dislike threats to the status quo. They feel that they may experience a loss. To combat this, identify with the loss they are feeling, and then show how they will experience future gains to compensate for that loss.
- Organizational - This resistance occurs when people have issues about control, pride and ownership. To counter it, modify the initiative so the resistor feels more control over the process.
- Individual - Individuals resist change when people experience fear and emotional paralysis due to high stress. Here, too, modify the change to decrease fear and increase the individual's involvement in the process.

The Elevator Speech

Once you show the need for Six Sigma, let the people in your organization know what a changed organization will look like. Explain your vision, and results and behaviors you expect. You can start visioning by working with individuals or groups in your organization to list a series of words and phrases that express your goal for the Six Sigma initiative.

“Six Sigma is a management philosophy that attempts to improve customer satisfaction to near perfection.”

Then, turn the vision into specific goals that you can measure, such as 24-hour customer response time and first-call customer resolution. Then, specify behaviors that reflect this goal. In effect, you are creating a mission statement, envisioning the results and then describing exactly what behaviors or actions members of the organization will employ.

“A Six Sigma company has little more than three bad customer experiences for every million opportunities. This level of near-perfect performance is a significant distance from where most organizations are today.”

Once these components are thought out, top executives in the company must create and use a consistent, short message - essentially an elevator speech, short enough to tell someone in the few seconds you are in an elevator - that answers these key questions: What is Six Sigma? Why is the company choosing this as a management philosophy? What are the benefits of the program, and what are the expected behaviors of the individual. Be prepared for employees to have questions and to resist or feel honest skepticism. Be ready to show them the benefits and to overcome their fears and concerns.

Six Sigma Culture

To create the Six Sigma culture, you need the right people to lead and support it. The key leadership positions required to initiate and

maintain the program are the Quality Leader, Master Black Belt and the Black and Green Berets.

“Six Sigma is, at its core, a management system based on decision making by fact and data. Measurement is a key to successful Six Sigma Q.”

The Quality Leader is commonly a vice-president and member of the executive board. Ideally, he or she should be an executive who has produced results and earned respect. This person should recognize the need for change, understand the organization's culture, be a people person, manage strategically and know when to push and when to back off. The Quality Leader's primary responsibility is to help the executive team create the Business Process Management System and lead it forward. The Master Black Belt is the internal quality consultant and team coach, who facilitates meetings with project teams and executives. This person assists with strategy and tactics, such as helping executives identify core processes and create sub-processes. The Black Belts are the full-time project leaders who guide three or four teams to meet their goals through process improvement or design. The project part-timers, or Green Belts, are mid-management employees with strong project management skills who lead these projects for a year or two.

“While threats are important to jump-start the need for Six Sigma, opportunities sustain the need for Six Sigma.”

You also need to select good team members, people with the greatest knowledge about the processes you are redesigning. Knowledgeable tactics or strategy consultants can also help with process management, team training, change management and facilitative leadership.

Plan a training program to develop Six Sigma people. This includes a four-to-eight hour overview and several days of training in business-process management, facilitative management and how to work as a Green Belt or Black Belt. Use a reward and recognition program to motivate managers, professionals and team members. Continually communicate to them about the program and demonstrate top management's commitment to it. As necessary, reconfigure job structures to adapt to the new organizational changes you are making.

(Q) & (A) Measures

Finally, measure the quality of your technical Six Sigma activities and your organization's acceptance of the program. Careful measurement will help you avoid the common pitfalls of change, since measuring your progress with facts and data is a key to making the program succeed. These quality or (Q) measures include:

1. The degree to which the organization has created a business process management system.
2. The degree to which training is effective and efficient.
3. The degree to which consulting and project management have been effective.
4. The effectiveness of the leadership team.

“The organization needs to know what a Six Sigma organization looks like in terms of vision, results and behaviors.”

The acceptance or (A) measures include measuring how well you have done in:

5. Creating the need for Six Sigma.
6. Shaping the vision.
7. Getting everyone committed to the program and dealing with resistance.
8. Measuring the level of acceptance of the new culture.
9. Modifying the systems and structures as necessary.
10. Leading the initiative.

“Reward and recognition is an important element in the creation of a Six Sigma culture.”

Ask employees and managers to rate these 10 quality and acceptance activities and get a combined average for each one - then add them together. The higher your score (perfect is 100), the better your company is doing. At the 81 to 100 level, your organization has become a world-class Six Sigma organization.

Launching the Six Sigma initiative will go more smoothly if you avoid the customary problems that affect organizations in transition,

such as getting discouraged by the failure to achieve quick success, setting unrealistic timeframes and doing insufficient cultural planning and follow-through.

About the Author

George Eckes is the founder and principal consultant of Eckes & Associates, Inc., a consulting group specializing in Six Sigma training and implementation, results-driven continuous improvement, organizational development and managing change. His clients include GE Capital, Pfizer, Honeywell and Volvo. He has published numerous papers on the topic of performance improvement and wrote *The Six Sigma Revolution* about establishing Six Sigma programs.
