Managing Change
By Scott Madison Paton
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As I sat down to write this month’s editorial, I happened to glance out of my window. Autumn’s stop signs were descending outside; leaves swirled about like giant golden snowflakes. Fall has become my favorite season because it is a time of drastic change. An annual reminder that nothing lasts forever.

The same is certainly true at work. Just as leaves fall from the trees in autumn, employees come and go. Processes are implemented and revised, products are launched and discontinued. Most people have no problem accepting the changes in seasons; indeed, we celebrate them. Why, then, does change at work pose such a challenge? Unfortunately the “we’ve always done it that way” syndrome can be a powerful narcotic that drains creativity and creates resistance to change.

Most people reluctantly accept change as a fact of life, but few understand the different types of change and how to use them to improve processes. I believe that almost any change, no matter how unpleasant at the time, has the potential to improve and revitalize organizations. Take a layoff, for example. Few changes in the workplace are more unpleasant. The remaining employees face increased workloads and an uncertain future. However, a layoff also creates an opportunity to manage change. The challenge is to redefine existing processes to not only manage with fewer employees but also have better processes.

My friend Rod Smith, co-author of the Big Three’s QS-9000 requirements, tells me that organizations face three types of change: corrective action, continuous improvement, and innovation. Corrective action is the most common form of change, continuous improvement is the most easily accepted, and innovation is the most profitable. Smith works with large suppliers to the Big Three in their QS-9000 registration efforts. He says one of the most common problems his clients face is distinguishing between these three types of change.

Corrective action occurs when we realize that some aspect of the product, process or service is unsatisfactory, explains Smith. This is usually the most difficult type of change. It typically involves issues such as layoffs, downsizing, discontinuing product lines and scrapping existing processes. These changes often pose the most difficult problems for quality professionals because they run counter to our continuous improvement mentality.

Continuous improvement isn’t a response to a crisis, budget cut, or complaint. It is a realization that continuous, incremental changes can dramatically improve products, processes and profits. The toughest job is deciding which processes are candidates for continuous improvement. Ideally, companies should focus on processes that will improve customer satisfaction as measured by market share, growth, return on assets, Smith says.

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Continuous improvement comes in two types: incremental and breakthrough. Incremental change focuses on slow, steady, constant improvements in existing processes, such as reducing downtime by 3 percent per year. Breakthrough changes radically improve existing processes, such as eliminating downtime.

The third type of change, innovation, requires replacing an existing process with something entirely new. The question is, how do we plan for innovation? We can focus on creating an atmosphere that fosters innovation. We can even build innovation laboratories (known curiously as “dumbworks”), where innovation is the product. But we cannot know what tomorrow’s innovations will be. The real challenge lies with how we adopt and adapt to these innovations.

How do you manage change? Does your organization embrace change as willingly as you welcome the golden leaves of fall or the first flowers of spring? E-mail your thoughts on change to me at smaton@qualitydigest.com.