BSBSTR502

FACILITATE CONTINUOUS IMPROVEMENT

BSBSTR502

Facilitate continuous improvement

Release 1

Learner Guide

Aspire Version 1.1

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Before you begin

This Learner Guide is based on the unit of competency *BSBSTR502 Facilitate continuous improvement*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at:
www.training.gov.au.

How to work through this Learner Guide

This Learner Guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the Learner Guide you need to read, and which Practice Tasks and Learning Checkpoints you need to complete. The features of this Learner Guide are detailed in the following table.

Feature of the Learner Guide	How you can use each feature
Learning content	Read each topic in this Learner Guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples	These highlight key learning points and provide realistic examples of workplace situations.
Practice Tasks	Practice Tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete.
Summaries	Key learning points are provided at the end of each topic.
Learning Checkpoints	There is a Learning Checkpoint at the end of each topic. Your trainer will tell you which Learning Checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt.

Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table provides definitions for each foundation skill.

Foundation skill area	Foundation skill description
Reading	• Identifies and extracts required information from a range of complex texts • Locates, interprets and analyses workplace documentation to gather information relating to continuous improvement
Writing	• Develops complex texts related to continuous improvement processes according to organisational requirements • Ensures the vocabulary, grammatical structures and conventions are required for the context and target audience
Oral communication	• Presents information to a range of audiences using appropriate structure and language • Listens and comprehends information from a variety of spoken exchanges with clients, co-workers and other stakeholders • Confirms understanding through questioning and active listening
Initiative and enterprise	• Monitors adherence to organisational policies, procedures and protocols and considers own role in terms of its contribution to broader goals of the work environment • Identifies and uses appropriate conventions and protocols when communicating with colleagues and external stakeholders
Problem solving	• Uses analytical and lateral thinking to review current practices and develop ideas for improvement
Teamwork	• Collaborates with others to achieve joint outcomes, playing an active role in facilitating effective group interaction and influencing direction
Self-management	• Takes responsibility for developing, implementing and monitoring systems and processes to achieve organisational outcomes
Technology	• Reflects on the ways in which digital systems and tools are used, or could be used, to achieve work goals

What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

Topic	Key outcome		Rate your confidence in each section
Topic 1: Establish CI systems and processes	1A	Identify current CI systems and processes	❑ Confident ❑ Basic understanding ❑ Not confident
	1B	Identify improvement needs for the organisation	❑ Confident ❑ Basic understanding ❑ Not confident
	1C	Develop CI strategies and encourage participation in decision-making processes	❑ Confident ❑ Basic understanding ❑ Not confident
	1D	Develop knowledge management systems	❑ Confident ❑ Basic understanding ❑ Not confident
	1E	Develop new CI systems and processes	❑ Confident ❑ Basic understanding ❑ Not confident
	1F	Establish processes that ensure team members are informed about CI outcomes	❑ Confident ❑ Basic understanding ❑ Not confident

Topic	Key outcome		Rate your confidence in each section
Topic 2: Monitor and adjust performance strategies	2A	Confirm CI systems meet sustainability requirements	❑ Confident ❑ Basic understanding ❑ Not confident
	2B	Capture insights into a knowledge management system	❑ Confident ❑ Basic understanding ❑ Not confident
	2C	Coach team to support CI systems	❑ Confident ❑ Basic understanding ❑ Not confident
	2D	Identify ways to improve planning and operations	❑ Confident ❑ Basic understanding ❑ Not confident
	2E	Make recommendations to stakeholders	❑ Confident ❑ Basic understanding ❑ Not confident
Topic 3: Manage opportunities for future improvement	3A	Evaluate outcomes and identify opportunities for improvement	❑ Confident ❑ Basic understanding ❑ Not confident
	3B	Seek feedback and identify other areas of improvement for future planning	❑ Confident ❑ Basic understanding ❑ Not confident

Topic 1 | Establish CI systems and processes

1A   Identify current CI systems and processes

1B   Identify improvement needs for the organisation

1C   Develop CI strategies and encourage participation in decision-making
      processes

1D   Develop knowledge management systems

1E   Develop new CI systems and processes

1F   Establish processes that ensure team members are informed about CI
      outcomes

1A Identify current CI systems and processes

Continuous improvement (CI) is the process of increasing the performance and quality of products, services and systems through incremental and large gains and ongoing monitoring.

CI means an ongoing commitment to increasing the performance of systems management, product and service delivery. It focuses on identifying operational issues and market opportunities, then taking action to address them by making them work better. The end result should aim to be an improvement in customer service, products or systems.

CI is an imperative requirement for organisational success. It should also be implemented by leaders across all departments, functions and processes within a business, thus allowing organisations to stay ahead of their competitors and maintain excellent relationships with their stakeholders.

Elements of Continuous improvement (CI)
- Centred on fixing things that currently exist   - Based on a commitment to reviewing business practices and identifying ways that it can better perform operations   - Emphasis is on improving quality by eliminating waste, roadblocks, defects, processing errors and variation   - Improvements are constantly measured and evaluated   - The end goal of CI is to improve customer satisfaction

Business systems

Business systems are everywhere in organisational life. They are made up of functions, processes, procedures, people, resources and other building blocks that help achieve a task.

Systems are important because they clarify processes, provide objectives and help steer the performance of a certain task toward a set standard, hence achieving consistency, compliance and quality along the way. Systems also help to identify and minimise mistakes, clarify procedures and provide support to workers. They are regarded as the glue that holds all of the building blocks together, creating the foundation for business success.

The organisation's existing systems, such as knowledge management, quality, sustainability, performance management and digital systems should be built upon the principles of CI – meaning they focus on improving performance as an ongoing commitment.

A description of these types of business systems are outlined below.

Knowledge management systems	Value-based knowledge that is developed through the workforce can be recorded in a formal system. The purpose of knowledge management systems is to generate value for the organisation by gathering, organising and sharing their intellectual capital.
Quality systems	Quality systems are used to monitor and evaluate the performance of systems, products and services across all operations of the business. They involve quality control, quality assurance, audit processes and other reviews to identify actual performance and opportunities for improvement where quality standards are not being achieved.
Sustainability systems	Sustainability involves making decisions and taking actions that are in the best interests of the organisation's long-term business plans. The core focus is about making sure the organisation stays abreast with the demands and impacts of the market and remains profitable over time, with minimal negative impacts to the environment and its people. Sustainability covers three key performance areas of business: • social – reducing negative impacts on society and increasing its positive influence on communities • economic – identifying and avoiding unnecessary costs associated with unsustainable CI practices, such as change processes, new systems, acquiring resources, reducing expenses and losses • environmental – making decisions that are in the interests of protecting the natural world, with particular emphasis on preserving the capability of the environment and our dependence on its resources.
Performance management systems	Performance management is an ongoing process of planning, implementing, monitoring and improving the performance of the workforce. A performance management system covers the steps, resources and processes that work together to assist team members to achieve and exceed their personal work goals. Performance management is effective to the extent that it is viewed as a positive and continuous process of planning and setting goals, implementing work plans, monitoring progress against the goals, evaluating outcomes, and recognising individual performance. The entire process must be supported by two-way feedback, support in terms of training and resources, documentation, monitoring and evaluation.
Digital systems	In today's technological world, information and data are stored in digital computer-based systems. The internet and modern software programs have replaced manual files, paper-based reports and checklists. It has made information management, continuous improvement and general record keeping more efficient and accurate. Depending on the size of the organisation and risk level, a basic digital system will usually involve the use of network files and folders for each function of the business, such as work health and safety, quality, sustainability, performance management, human resource management, customer relationship management and financial performance. Digital systems can be based on an off-the-shelf software package with various levels of functionality and features. Alternatively, a customised software system is one that can be built to suit the unique needs of the organisation and integrate with existing systems.

CI systems

Conitinuous improvement must be applied systematically for it to be effective. The purpose of having a CI system is to check the current performance of a product, service or system; to identify variations to the required objectives; and, to improve the outputs to meet internal and external stakeholder satisfaction, in a controlled manner.

Four popular continuous improvement systems are explained below:

1. Deming's P-D-C-A Cycle
2. Six Sigma
3. Quality management systems
4. Lean Management

P-D-C-A

The P-D-C-A model provides a framework to follow to enable effective planning, implementation and corrective actions to be identified based on the results of the customer service monitoring process.

One of the most commonly used CI theories is Deming's cycle, more commonly known as the 'plan, do, check, act' (PDCA) cycle. Deming created the cycle in the 1950s.

The cycle involves the following:

- Plan – determine the customer's needs and service delivery issues. Develop strategies to improve on customer service delivery performance.
- Do – implement the customer service strategies, with the knowledge that you will not achieve 100% success and certain areas will need to be improved.
- Check – collect verifiable data and assess the results of customer service performance. Compare what should be happening with what is happening.
- Act – identify the key learnings from the evaluation process and decide how customer service strategies could be done better. Implement corrective actions to reverse a negative trend or remove a root cause that is stifling customer service performance. Communicate the changes to staff and customers.

Begin the cycle again if the change did not work, or if there are factors in the organisation's external or internal environments that affect the program, system or process. For example, there may be improvements in technology that will enable the organisation to improve its product delivery efficiency.
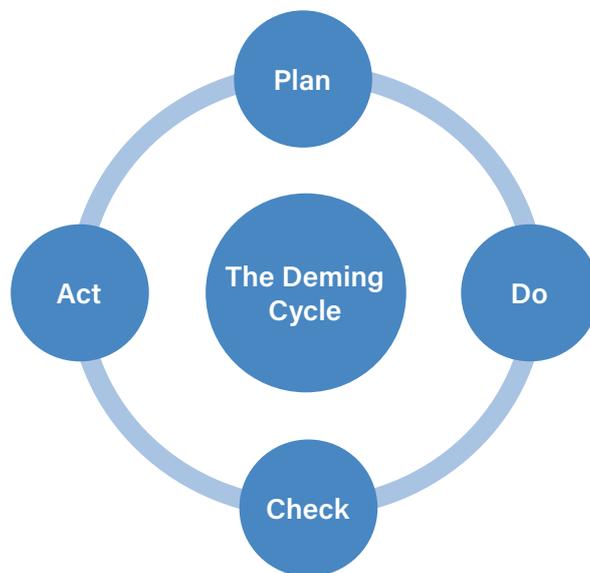
Six Sigma

Six Sigma is a continuous improvement methodology that uses statistical measures to identify variation and measure defect rates.

Six Sigma was introduced by American engineer Bill Smith while working for Motorola in 1986. The theory can be used in the areas of production, accounting, customer service, financial services, insurance, marketing, sales and logistics, to name a few. Six Sigma aims to eliminate defects and variation within the production process.

Six Sigma is based on leadership-driven principles, establishing a clear focus on achieving measurable and quantifiable financial returns and making decisions based on valid data and statistical analysis work.

In the Six Sigma philosophy, all work is viewed as processes that can be defined, measured, analysed, improved and controlled. Further information is available at the American Society for Quality's site at: aspirelr.link/asq

Six Sigma uses a structured method known as the DMAIC methodology (define, measure, analyse, improve, control) to improve current processes as shown below.

The five steps to Six Sigma are:

Define customer value, issues and opportunities for improvement.

Measure current performance and map out the current process.

Analyse current performance using systematic analytical tools and techniques and establish root causes.

Implement solutions to improve performance.

Control and maintain performance and integrate it into day-to-day operations.
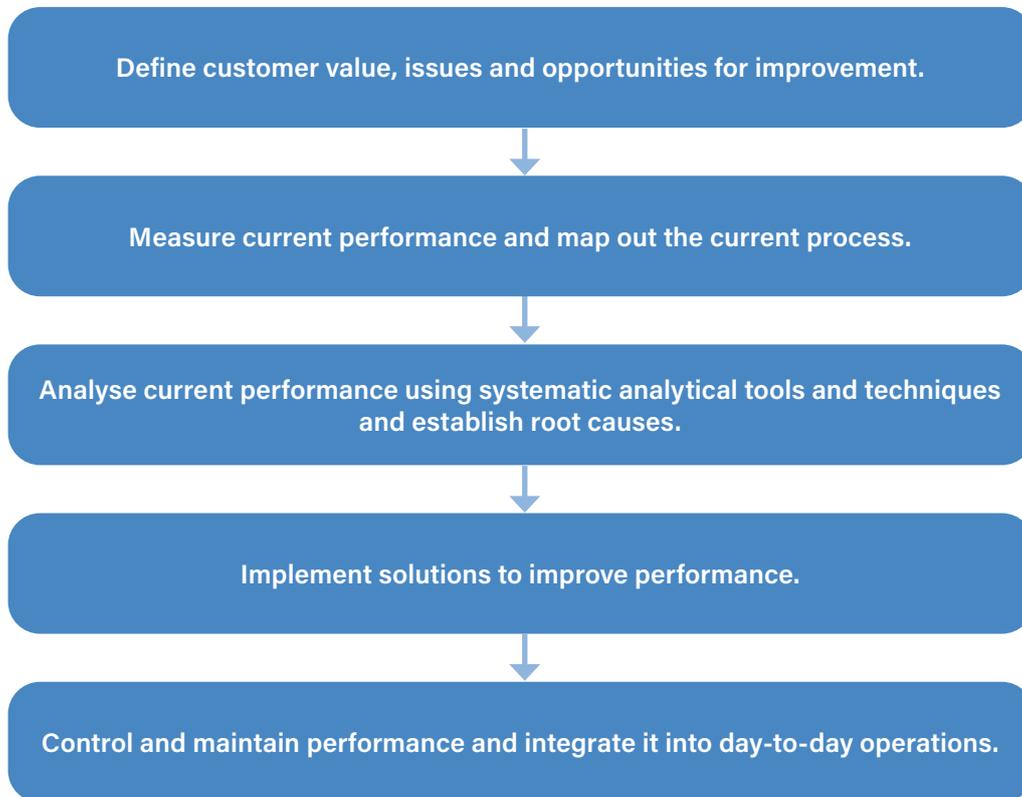
Quality management systems

The word 'quality' can have different definitions depending on how it is used and in what context. Standards Australia is recognised as Australia's peak standards body. It has produced a series of Australian Standards for Quality Management to assist organisations in achieving world-class levels of product and service quality across all industries.

AS/NZ 9000:2006 Quality Management Systems—Fundamentals and vocabulary, provides a thorough definition for the word 'quality'. It describes it as the degree to which a set of inherent characteristics fulfils requirements. The word 'inherent' means existing in something as a permanent characteristic. You may access the Standards at: aspirelr.link/sai-global-standards

Many organisations have designated teams responsible for establishing quality systems and measuring the output of the organisation in terms of quality. Other organisations include responsibility for quality management within management roles, so the implementation and accountability for quality processes is spread across the whole organisation.

There are a range of quality management systems. Two common systems are quality assurance (QA) and quality control (QC) as described below.

Quality assurance (QA)

Quality assurance describes the process of designing, implementing, monitoring and measuring quality processes. The use of the word 'assurance' is designed to show that by using systems and processes, quality is guaranteed or more likely to occur. Some organisations call these groups or processes 'product integrity', 'quality management' or 'quality testing'.

Quality control (QC)

Quality control is a more traditional approach to managing quality. Unlike quality assurance (QA) which looks at the processes used to produce a product or service, quality control is concerned with the actual work that is completed. Essentially, quality control involves examining and testing the product or service against agreed standards or criteria. This examination can occur at various points throughout the production of a product or service.

The goal of quality control is to identify products, services or the outputs of people that do not meet an organisation's specified standards of quality. If a problem is identified, the job of quality control usually involves stopping production temporarily and reporting the issue. Quality control may not focus on making quality improvements as these tasks are usually allocated to the process of discovering the root cause of the issue.

A quality control system should have the following elements:

- assignment of specific responsibilities at each stage
- written procedures for managing non-conforming products or services
- acceptance or rejection standards
- methods to use failures to identify improvements
- systems to ensure technical data relating to producing, inspecting and testing products or services is communicated to those who need it
- procedures for monitoring supplier products or services
- procedures for regular calibration of equipment
- procedures for maintaining records and reports.

ISO 9001:2008 Quality Management Systems

Quality management systems use a variety of methods to get a quality result.

Quality management involves the idea that improving the quality of a product or service will not only reduce an organisation's expenses but also increase its productivity and market share, and enhance customer satisfaction.

The actual process of quality management varies according to the organisation's needs. Different industries and organisations will have varying definitions of what a quality result might mean.

Quality management systems use a variety of methods to get a quality result. Some quality management processes focus on measuring defects or errors and taking corrective action; other processes are based on the notion that quality must be built into the design of the product or service and in the way it comes to life; for example, as it is manufactured.

The ISO 9001:2008 standard defines:
- the system and documentation needed   - management responsibilities   - how resources should be managed   - how to produce quality products and services to ensure the process of production meets certain standards   - how to review and improve.

Total quality management (TQM) approach

 Dr W. Edwards Deming was well known for his work in quality and continuous improvement. His strategy of Total Quality Management (TQM) targeted the importance of focusing on the needs of the customer. Once the needs of the customer had been identified, organisations must develop systems that build quality into all products and services.

Deming's model is a description of the culture, attitude and organisation of a company that strives to provide customers with products and services that satisfy their needs. The culture requires quality in every aspect of the company's operations, with processes being done right the first time and defects and waste eradicated from operations.

TQM is regarded as the key driver in the Japanese economic revival over the past 40 years. The strategy can be implemented into any club, not-for-profit organisation, government agency or business from micro level to major corporation.

TQM focuses on three imperatives:

1. Find out about your customers and what they want.

2. Study and improve your products and service until they cannot be beaten.

3. Involve everyone throughout the organisation, at all levels and in all disciplines.

Within this strategy are eight key elements that must be performed to achieve the overall goal of quality management:

1. Ethics

2. Integrity

3. Trust

4. Training

5. Teamwork

6. Leadership

7. Recognition

8. Communication

A key aspect of any effective strategy is in the implementation and communication process. Many strategies have purposeful intentions and look great on paper; however, the real benefits are counted by measurable outputs.

Lean management

Lean management is a system based on encouraging improvements to existing business practices and processes, relating to the manufacturing and production of products and services and reduction of waste.

Lean management began in the manufacturing industry and due to its successful record, is used in almost every sector. The core focus of lean management is on reducing costs in the production process, starting from the perspective of the customer. The system operates through the identification and elimination of waste, improving production times and streamlining each step in the process to ensure everything adds value to the customer.

Lean management can incorporate Six Sigma and TQM principles and tools, so it is sometimes called 'lean Six Sigma'.

Example

Quality systems in action

The Six Sigma DMAIC (Define, Measure, Analyse, Improve and Control) methodology provides a structured framework to improve current processes. It is commonly used in manufacturing environments that use Six Sigma techniques, but can be adapted and used effectively in other areas. Here is a chart that will let staff see the structured process they have to follow and how their responsibilities fit into the framework.

Stages	Objectives	Tools and techniques	Key outputs
Define improvement opportunities	▪ Identify the improvement opportunity ▪ Develop the business processes ▪ Define critical customer requirements ▪ Prepare a project team	▪ Gap analysis ▪ Customer feedback ▪ Process mapping ▪ Action plan	▪ Action plan ▪ Process maps ▪ Quick-win opportunities ▪ Critical customer requirements ▪ Project team
Measure process performance	▪ Identify measures to evaluate the success of meeting customer needs ▪ Begin developing a data collection method to measure process performance ▪ Understand the elements of the Six Sigma calculation that provides a base performance measurement for a process ▪ Establish baseline sigma of the process to show the standard deviation for a process	▪ Charts ▪ Graphs ▪ Data analysis	▪ Input, process, and output indicators ▪ Operational definitions ▪ Data collection formats and plans ▪ Baseline performance

Stages	Objectives	Tools and techniques	Key outputs
Analyse opportunity	- Analyse the opportunity to identify a specific problem - Define an easily understood problem statement - Identify and validate the root causes	- Process mapping - Hypothesis testing - Fishbone diagram - Root cause analysis - Statistics	- Data analysis - Process maps - Validated root causes - Problem statement
Improve process	- Identify, evaluate and select the right improvement solutions - Develop a change management strategy to assist the organisation through solution implementation	- Cost-benefit analysis - Project planning - Change management	- Solutions - Process maps and documentation - Implementation milestones - Improvement impacts and benefits - Change maps
Control process	- Understand the importance of planning and executing against the plan - Determine the strategy to ensure achievement of the targeted results - Understand how to disseminate lessons learnt - Identify opportunities for standardisation	- Project planning - Plan-Do-Check-Act cycle	- Process control systems - Standards and procedures - Training - Team evaluation - Change execution plans - Potential problem analysis - Success stories

CI processes

A process is a smaller yet vital part of a business system that describes how a task must be completed and what the outcome should look like.

Within a CI system, a number of primary and secondary processes will exist. Primary CI processes (or initiatives) focus on the act of identifying and removing variation, errors and waste.

Secondary processes focus on supporting the objectives of the primary CI processes or initiatives. They are essential requirements of an effective CI system.

Primary CI processes include:	Secondary CI processes include:
• cyclical audits and reviews of workplace, team and individual performance • evaluations and monitoring of performance based on benchmark criteria and pre-determined standards • modifications and improvements to systems, processes, services and products • policies and procedures which allow an organisation to systematically review and improve the quality of its products, services and procedures • regular team brainstorming/think tank sessions • implementing customer surveys, focus groups or questionnaires to elicit feedback • seeking and considering feedback from a range of stakeholders.	• performance management • change management • decision-making • communication plans and systems with key stakeholders and team members • consultation with key stakeholders and team members • staff training, including mentoring and coaching • rewards and recognition programs.

Identifying current CI systems and processes

As a leader, you need to become familiar with the systems and processes that your organisation uses to identify areas for improvement, which may include approaches such as performance management, think tank sessions, quality control, problem-solving and reviews.

You can determine which current CI systems and processes are being actively used by consulting with key stakeholders and reviewing existing business systems and processes. Key stakeholders might include managers across various levels and departments as well as subject matter experts, in areas such as quality control and assurance, health and safety, customer service and manufacturing or production.

Practice Task 1

Question 1

Which of the following are examples of CI systems and processes? There are four correct answers. Tick all that apply.

- ○ Total Quality Management (TQM)
- ○ AS/ISO 9001
- ○ Deming's P-D-C-A cycle
- ○ Employee on-boarding systems
- ○ Lean management
- ○ Product development systems

Question 2

Draw a line to match each term about business systems to its definition.

» Performance management systems	» Managing the demands and impacts of the market and remaining profitable over time, with minimal effect on the environment and the communities in which it impacts.
» Digital systems	» Used to monitor and evaluate the performance of systems, products and services across all operations of the business against benchmark criteria and set standards.
» Sustainability systems	» A range of internet and modern software programs that are used to manage information and data.
» Quality systems	» The steps, resources and processes that work together to assist team members to achieve and exceed their personal work goals.

Question 3

What methods can you use to identify current organisational CI systems and processes?

1B Identify improvement needs for the organisation

As part of your role as leader, you will need to invest time in identifying and defining improvement needs and opportunities for the organisation.

Continuous improvement is an ongoing cycle of planning, implementing, reviewing and introducing changes that improve the quality and productivity of products, services and systems. Central to any CI process is that of monitoring and reviewing performance. Without this step, it is impossible to make informed decisions about what needs to be done to improve business performance.

Leaders have a responsibility to develop CI systems and processes that aim to address these needs and improve work processes and systems in a sustainable manner. Improvements can exist across all elements of an organisation, including product development, service and distribution, customer service, sales systems, marketing and advertising, internal management systems, waste, work health and safety and environmental sustainability.

Two effective methods that can be used to identify improvement needs and opportunities include audits and consultation.

Conducting audits

Standards Australia defines an audit as a systematic examination against defined criteria to determine whether activities and related results conform to planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve the organisation's policies and objectives.

Audits are used as a formal review process to determine what is working well and what needs improvement, according to specific benchmark criteria.

Audits are an integral component of an organisation's continuous improvement systems. They are recognised as a valuable tool for monitoring how effectively an organisation's policies and procedures are being implemented and can assist the organisation in identifying opportunities for improvement across all areas of business operations. In addition, audits can be used to confirm compliance with regulatory obligations.

An audit process will comprise the following components.

Establish audit criteria

Perhaps the most important part of any audit is to establish the benchmark criteria against which the actual performance will be evaluated. The 'defined criteria' should relate to the quality objectives and metrics described in the quality management or project management plan.

These should be aligned with at least one or more of the following:

- client needs and expectations, including the customer's needs for quality
- explicit and assumed performance specifications
- negotiated trade-offs between cost, schedule and performance
- stakeholder expectations
- requirements that influence the end user's satisfaction
- industry, legislative and regulatory requirements
- Australian Standards for quality management
- standards defined in relevant Codes of Practice.

Develop an audit checklist

To facilitate the quality assurance audit process, an audit checklist must be developed. The document should aim to guide you in the right direction by explaining the steps to be taken, what information needs to be gathered and what indicates a negative or positive outcome.

Audit checklists can be developed using a Microsoft Excel Spreadsheet or Word document.

An effective audit checklist will usually include the following information:

- date/ time of audit conducted
- name of auditor
- location of audit being conducted
- name of organisation
- instructions for use
- audit criteria, including the key internal and external requirements that must be achieved
- record of the evidence gathered for each audit criterion
- rating scale
- comments field for a written summary and any follow-up that may be required.

Schedule of audits

Quality audits may be scheduled periodically such as upon completion of a project, key milestone, or major review. Audits can also be performed at random. The frequency of scheduled audits will be different for every organisation. This may be annually, or every 2–4 weeks depending on operations, production and project work being conducted. Audits may be required to monitor improvements until the organisation has demonstrated a positive level of performance.

Gather valid data

Within quality assurance, work processes and project deliverables must be measured against a set of agreed standards to determine whether quality performance and satisfaction is being achieved throughout the process. The efficient and effective measurement of outputs is dependent on the collection of valid data.

Examples of valid data may include:

- financial data including expenditure, loss and revenue generated
- completion of set objectives
- waste and error reports
- project performance and progress
- evaluation of products and services
- customer feedback and satisfaction results
- capability of systems and processes.

Benchmarking

Benchmarking requires the use of objective measures to evaluate and measure the actual performance in a given area of the business.

Benchmarking is a way of measuring and identifying specific levels of performance of the business, relating to production, service, systems and processes. The system of benchmarking is based on establishing metrics based on either internal or external performance history, standards or objectives. Benchmarking is used when conducting audits, as well as after improvements and changes have been introduced.

Benchmarking is dependent on setting a range of key performance measures such as number of incidents, quality, on-time service, waste, number of errors or defect rates.

Benchmarking can be carried out across three levels:

1. Compare performance and quality against internal departmental measures and metrics.
2. Compare performance and quality against other departmental measures and metrics within your organisation.
3. Compare performance and quality against the measures and metrics set by other high-performing organisations in your industry.

Consulting with stakeholders

Consulting with stakeholders is a critical requirement in identifying improvement needs and opportunities.

There are various methods that facilitate good consultation to ensure stakeholders have opportunities to provide input and feedback on technology-based opportunities.

Organisational issues, challenges and opportunities within the internal and external operating environment must involve a level of consultation with the people who are exposed to the issues on a daily basis. Issues relating to product development, systems, resourcing, production, quality and customer satisfaction will be more accurate when the right people are involved from the beginning of the planning process.

Relevant personnel you may need to consult about CI needs and opportunities can include:

- subject matter experts, such as WHS staff, production supervisors, web-designers, marketing teams and engineers
- industry associations and organisations to learn about successes and failures, and to gain contacts for providers of services and products
- internal IT staff with knowledge of current technology and technologies in development
- manufacturing and engineering equipment producers and suppliers
- change management specialists to ensure new systems and processes are implemented
- trainers
- research and development teams
- key people with specialist responsibilities, such as those involved in systems and knowledge management
- team members who liaise with customers on a daily basis
- customers
- suppliers.

The consultation process

Consultation is an important part of identifying improvement opportunities and involving stakeholders in the CI process.

Consultation is a two-way process involving the leader and the organisation's stakeholders. An effective consultation process should encourage stakeholders to participate in contributing toward issues and improvements that meet the needs of the organisation.

The following diagram outlines the standard four-step framework for a consultation process.

Step 1 – talk to each other about resource requirements

Step 2 – listen to each other's concerns

Step 3 – seek and share views and information

Step 4 – consider what the other party says before making decisions.
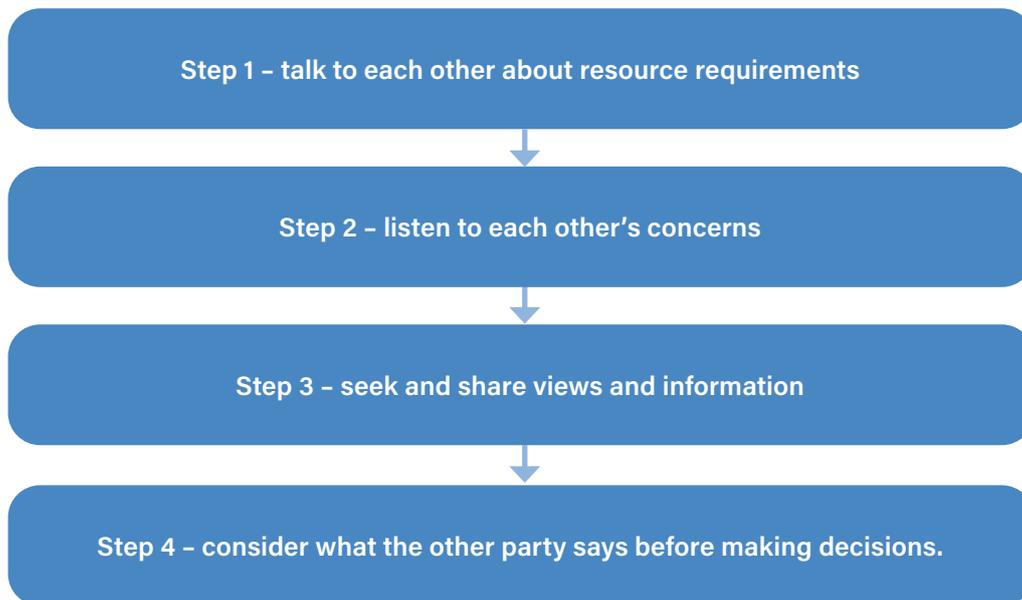
Consultation methods

The timing and format of your consultation should be specific to the needs and constraints of each stakeholder.

Consultation methods must be appropriate to the level of priority and nature of the issue or opportunity, the complexity and sensitivity of the decision, designated time frames and the needs of the organisation based on business plans. For issues and opportunities that are a high priority, in most cases, a formal meeting will be the appropriate method to facilitate a stakeholder consultation session.

This may include brainstorming sessions, facilitator-led discussions or open forums. If the key stakeholders work or reside in different locations, a video webinar or teleconference may be more appropriate.

All stakeholder consultation sessions will need to be scheduled in advance with each attendee to ensure each person is well prepared and has the time available in their schedule to prepare and participate fully in the consultation process.

Types of consultation methods include the following:

- teleconference/video-conference calls
- team meetings
- one-to-one meetings
- email correspondence
- telephone calls
- open forums, involving large groups of people.

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Example

Identify CI opportunities with IT systems

John works as an operations manager for a customer contact centre and has recently received a number of complaints from staff about issues relating to unreliable ordering and stock management systems. John investigates the issues further by auditing the system and reviewing performance data, using the reporting tools available.

John also conducts extensive consultation sessions with a number of key stakeholders to gather feedback about the issues. These people include the IT manager, customer service team leaders, senior customer service staff, a small number of clients and key members from the warehouse management team.

By gathering a range of information from key stakeholders and reliable data through an audit on the IT systems, John is able to establish that the systems require an upgrade as they are not substantial enough to support the workloads of the centre.

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Practice Task 2

Question 1

List five stakeholders you will need to consult with when defining opportunities for improvement.

Question 2

Which of the following are examples of effective consultation processes? Tick all that apply.

○ Intranet announcement

○ Informal discussion over a business lunch

○ Sharing innovative plans and proposals for comment

○ Discussion with a team of stakeholders to determine how to address a problem

○ Updating a job description

Question 3

How can audits be used to identify CI opportunities?

1C Develop CI strategies and encourage participation in decision-making processes

Effective teamwork and participation are frequently cited as a major requirement for success with any continuous improvement initiative.

Continuous improvement should be encouraged at every level of the organisation and should underpin every system and process used in the organisation. For CI to work effectively, leaders must recognise the importance of involving their teams in addressing system, product and service issues, and improving the performance of processes which they are responsible for implementing.

Developing strategies to involve team members

Leaders must develop strategies that enable team members to be involved in CI systems and processes. Team members who are involved in the CI process are more likely to be engaged in the business and support any initiatives relating to CI.

By developing strategies to involve team members, you are fostering employee ownership and improving the knowledge and ability of workers, which in turn contributes toward greater performance in continuous improvement. In return, you are given a different perspective based on the experiences and insights of team members who are involved in the issues and day-to-day business processes.

Strategies that can be used to encourage team participation in CI systems and processes can include:

- clarifying roles and expectations of the team
- establishing regular team meetings and brainstorming sessions to discuss and resolve quality issues
- communicating successes, shortfalls and progress as part of team meetings
- developing short and long-term plans that factor in opportunities for team input into CI decision-making
- developing a mentoring or 'buddy' system by assigning a senior team member to support other team members in developing confidence and knowledge of systems and processes
- factoring CI into individual performance plans and key performance indicators (KPIs)
- rewarding and recognising contributions and behaviours that show responsibility for CI has been taken
- providing training and development activities.

Encouraging responsibility for CI

Responsibility means taking 100% ownership for something, as opposed to denying, rationalising or shifting the responsibility of a task onto someone else.

Responsibility is a common trait among high performing teams in sport, business and within community groups. Ultimate responsibility means the team member identifies that they are the person in charge of the problem and solution.

Although responsibility is predominantly self-generated, leaders can model responsible behaviours and encourage and influence team members to take greater ownership for themselves and the improvement needs of the team and the organisation.

Encouraging initiative

The ability to take action in order to resolve an issue or improve a current situation is the definition of initiative. Workers can be encouraged to take initiative through sound leadership and clear job responsibilities and expectations.

Many operational tasks and problems are not explicitly documented in a person's job description. Therefore, if a worker sees an issue or an opportunity to improve a business process, they have a choice to either take action, or ignore the problem altogether.

Initiative means being proactive, rather than inactive. For continuous improvement to thrive, team members must have a proactive attitude in which problems, quality variations and issues to do with customer dissatisfaction are picked up, reported and addressed.

Much like responsibility, initiative is conceived and developed from within the person, and is a reflection of an individual's attitudes toward themselves, others, their work and the business. However, initiative can be modelled by the leader, who can also take charge in communicating their expectations to team members, regarding initiative and responsibility.

Participative decision-making

Participative decision-making is the extent to which managers allow and encourage employees to participate in analysing and resolving work-based issues. This includes team members sharing ideas, information and insights with the leader in areas that impact their job roles.

One of the key principles of CI is teamwork – developing a culture that involves people across all areas of a business in identifying, implementing and monitoring process, product and service improvements.

The leader is solely responsible for decision-making and any consequences; however, members should be given reasonable opportunities to participate in the decision-making process. This participative process can be applied to any type of team meeting forum, such as brainstorming sessions, formal/informal team meetings and focus groups.

Principles to consider when facilitating the participative decision-making process
• Set the right expectations at the beginning to avoid disappointment. Explain what is and is not up for discussion and clearly advise the group that as leader you have the final say and will consider all opinions in the final decision.
• Make sure everyone is heard and feels listened to respectfully.
• Ensure no one wins and no one loses. Remind the group that even though an idea may not be valid now, it could be used at a later date.
• Encourage team members not to change their minds simply to avoid conflict, reach agreement or maintain harmony.
• Provide clear feedback about ideas being raised.
• Avoid conflict-avoidance techniques such as majority votes, coin toss or bargaining.
• Ensure differences of opinion are respected and upheld.

Communicating decision-making processes

Decision-making processes need to be communicated to team members so they understand the systems available to participate in these initiatives.

A good communication process will include the most appropriate methods for ensuring the right information reaches the right people. Methods for communication refer to the vehicles or mediums that are used to convey the message to your audience. They range from the humble face-to-face conversation, to the use of email or more advance communications using web-based technology and software apps.

Communication methods used to communicate CI information can include the following.

Electronic

Use of email, messenger apps, webinars, facsimile, Public Announcement (PA) systems, two-way radio, tele-conference, text message, mobile or fixed line telephone, or other internet-based communications

Non-electronic

Group meetings, one-to-one discussions, letters, memos, posters, signage, policies and procedures or flow charts

Live/real-time

Communications by which feedback can be sent and received immediately – for example, a telephone discussion, ad-hoc discussions or face-to-face meetings

Virtual

Communications by which there is a delay in the response – for example, use of email

Example

Encourage teamwork

Thomas works as a production manager in a medium-sized textiles business. A key part of his role is to develop strategies that will support the textile team members to participate in decision-making processes and help them assume responsibility and exercise initiative.

As part of this, Thomas has had to develop his own leadership, innovation and lateral thinking skills to identify simple strategies and opportunities that involve team members, without impacting on productivity targets.

As a result, Thomas has set up a 15-minute weekly CI team meeting with all textile workers on Monday afternoons. In these meetings, Thomas asks the textile workers to prepare and contribute their concerns about the quality of the products they are developing. Based on the input provided, a discussion will follow and an appropriate solution will be agreed to. For more complex issues, Thomas notes down the points being raised and follows them up with individual workers, as well as other department managers that have an impact on the issue. Thomas has also identified other opportunities to involve team members in CI processes through bi-annual performance appraisals and by communicating regularly and openly using memos.

Practice Task 3

Question 1

Which of the following are examples of strategies that will involve team members in CI and decision-making processes? Tick all that apply.

○ Establishing weekly team meetings to discuss and resolve quality issues

○ Developing plans that factor in opportunities for team input into CI decision-making

○ Developing a mentoring or 'buddy' system

○ Communicating information about productivity targets and progress to team members

○ Rewarding and recognising contributions and behaviours that show responsibility has been taken

Question 2

Draw a line to match each term about communication methods to its definition.

» Virtual　　　　　　　　　　　　　» Email, webinars, video-conference technology, mobile or fixed line telephone

» Live/real-time　　　　　　　　　» Group meetings, one-to-one discussions and memos

» Electronic　　　　　　　　　　　» Communications by which feedback can be sent and received immediately

» Non-electronic　　　　　　　　　» Communications by which there is a delay in the response

1D Develop knowledge management systems

Information means taking raw data (numbers and facts) and putting it into a meaningful pattern. Knowledge is the ability to use that information to add value to something.

Knowledge management is the process through which organisations generate value from their intellectual and knowledge-based assets, including the insights and experiences of workers.

It involves identifying, acquiring, distributing and maintaining knowledge that is helpful to the organisation.

Goal of knowledge management

The primary aim of knowledge management is to generate value for the organisation by gathering, organising and sharing their intellectual capital.

Intellectual capital is value-based knowledge – rather than 'common' knowledge. Knowledge that generates cash flow, satisfied customers, innovation and improvements to business processes, products and services is a valuable asset that managers must capture and utilise within their teams.

As a leader, you need to determine who knows what within the company and create systems and opportunities to store, share and distribute that knowledge to those who need it.

Benefits of knowledge management

If an organisation is able to harness different levels and types of knowledge that exists throughout its workforce, it will have a competitive advantage.

In the modern marketplace, technical, industry and organisational knowledge are valuable assets. This provides organisations with a competitive advantage through the full utilisation of information coupled with connecting people's skills, ideas and experiences.

Knowledge management is important as it can complement and enhance the impact of other initiatives of the organisation such as total quality management, CI, innovation, sustainability and organisational learning.

Effective knowledge management leads to the following CI benefits:

- fosters stronger relationships between teams, departments and organisational levels within the hierarchical structure
- reduces impacts of the silo effect
- quicker access to information that is of value
- aids in decision-making processes
- assists with managing risk impact and analysis of risk
- increases employee engagement, involvement and support for CI initiatives
- reduces time and costs involved in researching, identifying and contracting external specialists to resolve issues
- assists in building new ways of achieving work outcomes.

Knowledge management systems

Insights and experiences from business activities should be captured and made accessible through a knowledge management system.

Knowledge management predominantly uses technology-based systems. The most well-known knowledge management system is Wikipedia – a free online encyclopaedia written collaboratively by subscribers from all over the world.

The system provides users with access to information covering a range of topics in business, community, religion, education, sport, history and much more. Subscribers can add and edit knowledge stored in the system, which can then be accessed from any place where an internet service is available.

Many organisations have some kind of system for the management of knowledge, whether it be simple or complex. However, they may not necessarily call it a knowledge management system.

Organisational knowledge management systems can include the following.

Network groups	A network group is an internal or external web of contacts with similar interests and experiences. People in a network share and assist each other and connect others to their business contacts. Networks can be managed through contacts lists, directories or online websites such as LinkedIn or Facebook.
Intranet/staff portal	An intranet or staff portal is an internal website designed strictly for staff and managers to access a wide variety of knowledge about business processes, policies, procedures, frequently asked questions, issues and solutions.

Knowledge warehouse/ repository	A knowledge warehouse or repository system is used to develop, store, organise, process and disseminate knowledge to the workforce. Typically, users interact with a knowledge warehouse through a portal-like interface that enables customised access to various elements, such as databases, presentations, data, audio, and video files. A knowledge warehouse may be developed for a specific use or bought as a customisable product.
Decision support systems	Decision support systems (DSS) are interactive software-based systems designed to help managers access large volumes of information generated from internal or external information systems involved in organisational business processes. They can collate data from several fields to produce reports and are common in client management systems, work health safety management systems, or transaction processing systems.

Components of a system

A system is a set of resources and parts that work together to achieve an objective.

Systems need a framework and structured methods, routines, equipment and other resources to ensure a specific outcome is achieved. A KMS is a systematic way of managing all aspects of intellectual knowledge in a workplace. It involves many components working together to achieve success.

A robust knowledge management system should include:

- objectives that describe what the system should achieve
- clearly documented roles and responsibilities of key personnel
- training support to ensure team members are skilled to use the system
- documented procedures for using the system
- monitoring and supervision of the system
- review and maintenance of the system.

Communities of practice

Sharing information and experiences within teams, the wider organisation or community groups provide opportunities for people to learn from one another and develop professionally.

Within an organisation, each department, section or team will have its own dedicated file management system that may, in some cases, only be accessed and used by that specific group. It must be regularly maintained.

Organisations can set up networking groups that can communicate online or face-to-face with like-minded groups, or they can join established industry groups with access to newsletters, forums, conferences/seminars and sector information. Sometimes, a staff member may be elected as a representative to attend meetings and share their organisation's ideas with the wider group.

Expert directories

Expert directories collect and store the backgrounds, experiences and expertise of individuals, both internal and external to the organisation, with relevant knowledge.

Having access to databases of specialists, experts and technical advisors is essential to an organisation. Databases might be part of a central network or may be confined to a specific department's KMS. They may range from sophisticated management tools (such as Maximizer) that include customer feedback and suggestions, to simple databases of contact details. Such tools are only efficient if they are regularly updated and maintained.

Knowledge repositories

A knowledge repository is part of a KMS. It is a computerised system that organises specific knowledge and allows people to browse, retrieve data and even interact with it.

Because information retrieval is crucial, a repository should have a clear and easy system for its structure and management. In the context of continuous improvement, repositories need to be managed so the information is not lost but channelled to where it can be most effective.

Examples of structured repositories
• A customer database that stores contact details, customer purchases, buying patterns and feedback • A team's folder on the organisation's computer network • Product information in organisational catalogues • An organisation's intranet
Examples of unstructured data repositories
• Wikis (collaborative software that enables groups to write and edit documents together) • Manuals • Websites

Cross-project learning

Learning from successes and failures in other projects is an underpinning principle of continuous improvement.

Knowledge accumulated throughout the project from all stakeholders via reports, meeting minutes, surveys, feedback and observations must be captured in a document that highlights best practice as well as identifying poor performance, inaccurate decision-making, time delays, consequences and impacts. All project reports must be stored where they are accessible to the appropriate people; in some instances, reports may be password-protected so only senior management has access to them.

Aligning with organisational requirements

For a KMS to be effective and worthwhile, it needs to align with organisational requirements to ensure that the information collected and stored is of value to others within the organisation.

The KMS format used in your organisation will depend on its approach to knowledge and information and the way knowledge is traditionally classified and stored.

Ideally, a KMS should align with existing organisational policies and processes. The system should allow for input from all levels of the organisation, be accessible by a diverse range of employees (including people with a disability), and maintain styles and formats that are similar (where appropriate) to existing methods.

You need to be aware of the ways the information can be systematically documented to ensure its form enables the material to be available for the relevant people to action it. You also need to have sound planning and organisational skills so you can analyse and monitor the information received in a timely manner, and establish and monitor the various KMSs you use to organise the information.

> **Example**
>
> ## Using a KMS
>
> BMS is a small financial service business that offers bookkeeping and accounting services to other small businesses. It employs 15 staff from the one central location, although most staff work at least three days from home. The employees are highly skilled, experienced and knowledgeable in the financial service industry and have valuable knowledge that can be shared across the business to provide support to other staff.
>
> BMS uses a web-based directory to capture the valuable knowledge of its staff, which is only made available to internal employees through the company portal. The site was developed by the owner, using Google sites. The directory allows staff to post comments, record issues and insights and users can respond to each other's questions. Having this type of open forum, where everyone can see the responses generated, means that the knowledge provided can be accessed and acted upon by anyone else in the organisation – furthering the aims of CI.

Practice Task 4

Question 1

Summarise the functions of a knowledge management system.

Question 2

List five components needed in a robust knowledge management system.

Question 3

Which of the following are examples of knowledge management systems? Tick all that apply.

○ Network groups

○ Intranet

○ Email systems

○ Knowledge warehouse/repository

○ Decision support systems

1E Develop new CI systems and processes

A systematic approach to CI requires goal-setting, planning, monitoring and review of all aspects of operational performance.

Systems form the backbone for continuous improvement. They define the goals and strategies, and outline the processes that help direct the performance of a certain task towards a set standard. CI systems enable organisations to identify areas that are falling short of the required standards and put action plans into place to achieve higher levels of quality, consistency and compliance with internal and external standards.

New CI systems may need to be developed and implemented, where existing systems are ineffective, or there are no formal systems in place to manage the CI process.

A summary of some common CI systems is outlined below.

Lean management

Lean management is a system based on encouraging innovation and improvements to existing business practices and processes, relating to the manufacturing and production of products and services. This occurs through the identification and elimination of waste, improving production times and streamlining each step in the process to ensure everything adds value for the customer. This methodology was originally pioneered by Toyota in Japan and is largely responsible for the success of the organisation. Lean management began in the manufacturing industry and due to its successful record, is used in almost every sector.

Total Quality Management (TQM)

TQM focuses on CI of an organisation's internal processes. It increases the quality of the organisation's products and services and therefore improves customer satisfaction. TQM aims to embed awareness of and focus on quality in all organisational activities – to do things right the first time rather than responding to problems after the fact.

Quality control

Quality control focuses on results, rather than on the process that was used to produce an outcome, which is QA (quality assurance). It involves monitoring specific products and services that have been through the production process to determine if they comply with relevant quality standards. The process also aims to identify ways of eliminating causes of unsatisfactory performance, based on the end result.

Quality assurance

Quality assurance aims to address back-end product and service processes to ensure they are sufficient in meeting the final quality control objectives (QC). In other words, quality control evaluates whether or not the end result is satisfactory, whilst quality assurance ensures a product or service is produced, implemented or created in the right way.

P-D-C-A

One of the simplest and most cost-effective models to base a CI system on is the P-D-C-A (Plan-Do-Check-Act) model. This provides a framework to follow to enable effective planning and implementation, as well as to identify areas for improvement, solutions and corrective actions based on business objectives. The P-D-C-A cycle provides a simple recipe for how quality improvement actions should be conducted from start to finish.

Six Sigma

Six Sigma is a CI and quality methodology that uses statistical measures to identify variation and measure defect rates. It can be used across various areas of an organisation, including production, accounting, customer service, financial services, insurance, marketing, sales and logistics.

The five steps to Six Sigma are:

1. Define customer value and opportunities for improvement.
2. Measure current performance.
3. Analyse current performance using systematic analytical tools and techniques.
4. Improve performance.
5. Control performance and integrate it into day-to-day operations.

CI processes

A process is a sub-system that provides guidance on how to complete something to the right standard.

CI systems are comprised of many processes, which form the ground level step-by-step methods by which team members, supervisors and managers are to complete tasks.

> CI processes include:
>
> - conducting internal audits
> - CI and quality checklists
> - financial measurements
> - assessing the completion of set objectives
> - evaluation processes to assess products and services
> - assessing capability of systems and processes
> - benchmarking against internal or external criteria
> - conducting formal quality reviews of incidents and issues
> - asking for and obtaining customer satisfaction results.

Building a new CI system

Systems are comprised of a number of parts that work cohesively to achieve a result. They include resources, actions and processes.

In and of themselves, systems cannot be seen or touched. They are often intangible; however, their specific components will include resources such as process mapping charts, procedures, equipment, tools and digital systems.

These key components are described below.

> **Policies and procedures**
>
> Policies explain the objectives of the CI system, expectations of management and staff and roles and responsibilities for implementing CI into work operations. Procedures should outline an established set of steps for completing CI tasks such as audits, customer service reviews or quality control checks to the correct standard.
>
> CI and new work practices may also be incorporated into existing policies and procedures.

Flow charts

A flow chart is a useful tool for visually demonstrating how CI tasks should be implemented in the workplace. Each step in the process is summarised into boxes or circles and linked with arrows to identify the order in which tasks should be completed. There are a number of computer applications and programs that managers and workplace relations professionals can use to develop flow charts.

Action plans

An action plan could be used to identify the steps required to implement the system, or a specific process. To develop an action plan, managers and other key stakeholders should break down a larger task into a series of smaller, manageable activities. Action plans should also identify the person/s responsible for each activity, a time frame for completion and the process for following-up and reviewing any issues that may arise. Action plans should be regularly monitored and evaluated to ensure implementation processes are achieving desired outcomes and meeting organisational requirements.

Schedules

Schedules may be used to determine how often and how much time is going to be allocated to completing a CI task. Tasks are prioritised and sequenced in a logical order for completion.

Digital information management systems

Software systems must be used to capture records and data about CI tasks that have been completed. This enables people responsible for the CI system to monitor the CI tasks being performed, allocate tasks and follow-up any CI and quality issues.

Example

Quality audit checklist – AS/ISO 9001:2008

QUALITY MANAGEMENT SYSTEM CHECKLIST – ISO 9001:2008

(STATUS CODES: A = Acceptable; N = Not Acceptable; N/A = Not Applicable)

Item No.	ISO Ref	Standard Requirements	Status A, N, N/A	Comments
1.	4.2.1 & 5.1 & 5.3 & 5.4	Does the QMS documentation include: ▪ documented statements of quality policy and objectives promulgated by management that are consistent and measurable and provide commitment to continual improvement ▪ a quality manual ▪ required documented procedures (refer below) ▪ documents, including records, to ensure planning, operation and control of processes and the sequence and interaction of these processes ▪ required records?		
2.	4.2.2	Does the Quality Manual include: ▪ the scope of the QMS and exclusions ▪ the documented procedures or references to them ▪ a description of the interaction between the processes?		

Quality audit checklist – AS/ISO 9001:2008

QUALITY MANAGEMENT SYSTEM CHECKLIST – ISO 9001:2008

(STATUS CODES: A = Acceptable; N = Not Acceptable; N/A = Not Applicable)

Item No.	ISO Ref	Standard Requirements	Status A, N, N/A	Comments
3.	4.2.3	Is there a procedure for the Control of Documents that defines: ▪ the approval, review and update of documents ▪ the identification of the revision status and format of changes to documents ▪ the identification and use of obsolete documents ▪ the identification and control of necessary external documents ▪ how the latest version of the documents is available on site (if applicable)?		
4.	4.2.4	▪ Is there a procedure for the Control of Records that covers the identification, storage, protection, retrieval, retention time and disposition? ▪ Are records readily identifiable and retrievable?		

Practice Task 5

Question 1

Draw a line to match each term about CI systems to its definition.

>> Flow charts

>> A detailed document used to identify the steps required to implement the system, or a specific process, as well as resources, key people and follow-up work

>> Schedules

>> The objectives, expectations, staff, roles and responsibilities and step-by-step instructions for implementing CI into work operations

>> Action plans

>> Used to determine how often and how much time is going to be allocated to completing a CI task

>> Policies and procedures

>> A useful tool for visually demonstrating how CI procedures and tasks should be implemented in the workplace

Question 2

Outline three types of CI systems that can be implemented into business operations.

Question 3

Outline three processes that can be introduced to facilitate continuous improvement.

1F Establish processes that ensure team members are informed about CI outcomes

For continuous improvement to thrive in an organisation, it is essential that all team members receive up-to-date information about the CI systems and outcomes.

Managers are responsible for ensuring effective ongoing communication within their work spaces, to ensure work teams and other stakeholders are informed about CI processes and systems.

These systems must ensure that all stakeholders have access to the required information and data to make informed decisions as needed.

Effective communication of CI processes

Effective communication means the intent of your message is successfully sent and received by the audience.

Many organisational failures stem from a lack of communication. Although not every team member needs to know all of the details of a CI system or process, it is important that they learn about and understand the goals, strategies and initiatives that impact on their roles.

Without effective workplace communication, most teams would come to a grinding halt. As CI processes and systems are planned, implemented and monitored, good communication will become increasingly important for all team members and stakeholders.

Developing a communication process

For CI to be effective, communication within the organisation, department and team must be carefully planned out.

In simple terms, the real success of CI is in the implementation, and a large portion of a successful implementation plan is based on effective communication processes with key stakeholders, including team members.

As a leader, you will need to identify key elements as part of a formal communication process.

Elements of a formal communication process
▪ **Why** this information is required
▪ **Who** needs to know about the CI system and processes you wish to implement within your team or organisation
▪ **What** information they require
▪ **How** to communicate it in a timely and effective manner

Why is this information required?

This element requires the most attention. By addressing the 'why' of the process, you provide your team with:

- the reason for the existence of the CI system or process
- explanation of how the process will be run
- details about how action plans will be managed
- specifics about expected results and benefits.

Who needs this information?

When thinking about your target audience, you need to understand their needs and adapt the message accordingly. Each communication must provide a clear answer to the questions or issues of those targeted; otherwise the information will be ignored. If communication is to make an impact, information about the CI process must primarily show how it supports departments or teams and improves their overall working environment.

What information is required?

Information provided must be relevant, accurate and easily understood by all recipients. This means thinking critically about:

- terminology used – jargon can quickly lose your audience if they do not understand it; similarly, define all terms and acronyms you use to enhance comprehension
- format of information – you may wish to include visual elements, such as diagrams, charts and graphs, to aid understanding
- details provided – decide if you will present the information in paragraphs or in bullet points to identify main points.

How to communicate

The target audience and nature of the information itself will determine the format used for communicating about CI. While team meetings and workshops are effective in driving initiatives and action plans forward, they are no longer appropriate when large-scale communication is required. In these situations, conferences, the intranet or social media will be much more effective methods of communication. Direct communication channels can be further supported by posters or banners in offices or communal areas to serve as a constant reminder that a CI process exists and is part of the organisation's day-to-day work.

Example

Inform team members of CI outcomes

Sandra works in the head office for a large retailer. The organisation employs over 150 staff across 12 stores in the eastern states. Sandra uses email as a key communication method to keep staff informed about CI processes and issues. Sandra sends out a monthly email to all staff that explains the key CI issues that are being addressed by the organisation, as well as changes to services and systems that team members need to be aware of.

Following the organisation-wide email, Sandra sends a separate communication to all store managers, with specific instructions on training and coaching requirements for new systems and processes, to ensure the team members support and implement any changes that are introduced.

Practice Task 6

Question 1

Which of the following statements are correct? Select yes or no for each one.

a) Effective communication means the intent of your message is successfully sent and received by the audience. 　　》 Yes 　　》 No

b) Communicating about the CI process requires leaders to hold conferences. 　　》 Yes 　　》 No

c) Without effective workplace communication, most teams would not be able to carry out CI initiatives. 　　》 Yes 　　》 No

d) As CI processes and systems are planned, implemented and monitored, good communication will become increasingly important. 　　》 Yes 　　》 No

Question 2

What are three key elements that need to be addressed in an effective communication process?

Summary

- CI means an ongoing commitment to increasing the performance of systems management, product and service delivery. It focuses on identifying operational issues and market opportunities, then doing something to address them by making them work better. The end result should aim to be an improvement in customer service, products or systems.

- CI must be applied systematically for it to be effective. The purpose of having a CI system is to check the current performance of a product, service or system; identify variations to the required objectives; and improve the outputs to meet internal and external stakeholder satisfaction, in a controlled manner.

- A process is a smaller yet vital part of a business system that describes how a task must be completed and what the outcome should look like.

- Leaders have a responsibility to develop CI systems and processes that aim to address improvement needs, work processes and systems in a sustainable manner.

- Improvements can exist across all elements of the organisation, including product development, service and distribution, customer service, sales systems, marketing and advertising, internal management systems, waste, work health and safety and environmental sustainability.

- Leaders must recognise the importance of involving their teams in addressing system, product and service issues, and improving the performance of processes which they are responsible for implementing.

- Participative decision-making is the extent to which managers allow and encourage employees to participate in analysing and resolving work-based issues.

- Knowledge management is the process through which organisations generate value from their intellectual and knowledge-based assets, including the insights and experiences of workers. It involves identifying, acquiring, distributing and maintaining knowledge that is helpful to the organisation.

- Managers are responsible for ensuring effective ongoing communications within their work spaces, to ensure work teams and other stakeholders are informed about CI processes and systems.

Learning Checkpoint 1
Establish CI systems and processes

Part A

1. Which of the following statements are correct? Select yes or no for each one.

    a) Knowledge management is a method of capturing information and data, storing records and maintaining the confidentiality of business documents. » Yes » No

    b) Quality management is an ongoing process of planning, implementing, monitoring and improving the performance of team members. » Yes » No

    c) Digital systems involve the use of off-the-shelf or custom-built software programs that are used to manage information and data. » Yes » No

    d) Performance management is used to monitor and evaluate the performance of systems, products and services across all operations of the business against benchmark criteria and set standards. » Yes » No

    e) Sustainability management is about managing the impacts of the organisation on the environment and communities while maintaining profit. » Yes » No

    f) Policies and procedures outline the key standards and responsibilities for CI and other work tasks and must be documented and communicated to all team members involved. » Yes » No

2. Draw a line to match each continuous improvement system to its correct description.

» Six Sigma

» Aims to embed awareness of and focus on quality in all organisational activities – to do things right the first time rather than responding to problems after the fact

» Total quality management approach

» Provides a framework to follow to enable effective planning, implementation and corrective actions to be identified based on the results of the customer service monitoring process

» Lean management

» A continuous improvement methodology that uses statistical measures to identify variation and measure defect rates

» P-D-C-A cycle

» A system based on encouraging innovation and improvements to existing business practices and processes, relating to the manufacturing and production of products and services

3. Which of the following principles need to be applied when facilitating a team decision-making session? Tick all that apply.

○ Ensure everyone is heard and respected.

○ Provide clear feedback about ideas being raised.

○ Set clear ground rules at the beginning.

○ Make decisions based on majority-votes and bargaining.

○ Ensure differences of opinion are respected and upheld.

Part B

Read the case study, then answer the questions that follow.

Case study

Quality Stock Enterprises (QSE) is a furniture manufacturer supplying indoor and outdoor furniture products at the premium end of the market. The organisation currently employs more than 150 staff. This includes 45 cabinet makers who produce the products by hand in the Sydney manufacturing plant.

In the last 12 months, production schedules have increased, but sales have dropped by 25 per cent causing great alarm amongst management and staff alike. A competitor has also appeared in the market and offers similar products at lower prices.

An analysis of the recent six-month period of customer complaints and returns identified an increased range of issues relating to the quality of the products being produced by the cabinet makers. Management know they need to make some changes to improve the quality of products to reduce customer complaints and rate of returns.

There is currently an existing process in place that involves supervisors conducting quality spot checks on one item every day during the production process, and spot checking five out of 10 items prior to them being packaged and shipped to the retail stores. The supervisors use a formal checklist to inspect a number of key points for each product and report any discrepancies which are then rectified by the cabinet makers.

1. Which of the following best summarises the type of CI systems and processes used at QSE? Tick all that apply.

   ○ Quality assurance process

   ○ Lean management

   ○ Quality control process

   ○ Total quality management

   ○ P-D-C-A process

2.   What are the specific CI needs and opportunities at QSE?

3.   List three employee participation techniques you could use to explore the options of a new CI system.

4.   Describe a new CI system or process that would address the issues in the case study.

5. Write out a basic communication plan that explains how you would communicate the outcomes of established CI processes and new initiatives to the team members across the manufacturing plant and the stores.

Topic 2 | Monitor and adjust performance strategies

2A   Confirm CI systems meet sustainability requirements

2B   Capture insights into a knowledge management system

2C   Coach team to support CI systems

2D   Identify ways to improve planning and operations

2E   Make recommendations to stakeholders

2A Confirm CI systems meet sustainability requirements

Sustainability focuses on the concept of interdependence, meaning that life on Earth exists due to a delicate balance of ecosystems. If part of the system is disrupted, all life on Earth experiences repercussions.

Sustainability is often linked to the natural world, focusing on protecting the environment's natural resources to support ongoing human life.

Sustainable business is about making sure the organisation stays abreast with the demands and impacts of the market and remains profitable over time, with minimal negative impacts to the environment and its people. Business systems and processes for continuous improvement (CI) need to be evaluated to confirm that they are meeting sustainability requirements. This is critical for organisations competing in today's dynamic and global environment and can only be achieved by implementing robust CI systems and processes that are constantly reviewed for improvement purposes.

CI systems and sustainability

Continuous improvement is required in all aspects of an organisation's operations. The organisation needs to continually increase efficiency and effectiveness across all areas in order to maintain a competitive position in the market and remain sustainable.

In the long-term, sustainability should be a key focus in all systems and processes that are being implemented to ensure the ongoing success of the organisation. For sustainability to be achieved, these systems and processes need to be monitored to identify opportunities for improvements.

Examples of business systems and their relevant processes are explained below.

CI systems	CI processes
▪ Deming's P-D-C-A cycle ▪ Six Sigma ▪ Quality management systems ▪ Lean Management	▪ Hazard identification ▪ Incident investigation ▪ Worker consultation ▪ Customer satisfaction reporting ▪ Environmental audits ▪ Resource usage reporting ▪ Environmental regulator reporting ▪ Rewards and recognition programs

Monitor CI systems and processes

Monitoring performance of CI systems and processes against sustainability performance elements is a crucial part of the continuous improvement system.

Any review undertaken should be broad enough in scope to address the implications of all the organisation's activities, including their impact on the performance of the organisation. This process is a management responsibility but there should be input from all areas and all levels of the organisation.

The main reasons for monitoring performance are to maintain quality, to learn and improve, to report externally and to demonstrate compliance.

The monitoring process

To monitor performance of CI systems and processes, organisations need to use a systematic approach that will produce the most accurate data and insights.

There are four steps that managers need to take when monitoring and reviewing information in a continuous improvement environment. These steps are outlined in the following diagram.

Four steps of the monitoring process:

1. Collect information by measuring performance and other factors.

2. Analyse the information to find out what is causing the problem or issue. Identify areas where improvements could be made.

3. Decide on action that will solve the immediate problem and prevent future substandard performance by making changes to processes and systems.

4. Make sure the changes have had the desired result by further measurement and analysis of data.

Sources for information collection

Collecting reliable and accurate data is vital in the monitoring process as information gathered in this stage influences all subsequent continuous improvement activities.

You may use the following sources when collecting information as part of the monitoring process.

Reports	Reports, charts and other data generated by computer systems
Statistical reports	Statistical reporting tools such as: • Gantt charts (schedule of events, milestones and measures of performance in relation to time) • control charts (show upper and lower statistically acceptable limits of performance) • pie charts to compare all data in the system • Pareto charts to compare one set of data against another
Benchmarking	Identified benchmarking measures to establish key performance indicators for important areas of the business (these become the benchmarks that you use to measure and monitor your performance)
Surveys	Informally and formally conducted surveys and feedback from team members, customers, suppliers, shareholders, other staff and managers
Discussions	Communication method by which feedback can be given and received immediately: • can be held regularly (formally and/or informally) • may be conducted with key staff members, managers and others • can keep you abreast of incidents, issues and trends
Audits	Useful for identifying areas of excellence as well as areas of concern
Observation	An effective way of monitoring actions of individuals and gathering immediate and accurate data
Industry reports	Industry surveys and reports issued by industry bodies
External information	Information produced by external parties, either requested or available freely, such as newspaper reports or commissioned market research data

Measure sustainability performance

Sustainability requires leaders to monitor and evaluate the performance of existing CI systems and processes and determine ways that they could be improved to ensure better outcomes for the organisation.

To monitor CI systems and processes successfully to determine whether they are meeting sustainability requirements, you need to be clear about what you are measuring performance against.

A sustainability review should consider the following three elements of performance.

Social

A socially responsible business is one that aims to reduce its negative impact on society and increase its positive influence on people. Business ethics are especially important as failing to adhere to them can have a significant impact on the viability of a business, including its reputation in the marketplace, customer satisfaction, staff retention and talent management.

Economic

An economically responsible business can help identify and avoid unnecessary costs associated with unsustainable practices, through measures such as change processes, new systems, acquiring resources, reducing expenses and losses.

Environmental

An environmentally responsible business involves taking action and making decisions that are in the interests of protecting the natural world, with particular emphasis on preserving the capability of the environment and our dependence on its resources. Environmental sustainability forces businesses to look past the short-term profits and look at the long-term impact they are having on the natural world, in particular non-renewable energy sources.

> **Example**
>
> ## Audit program
>
> Audit programs are essential as they assist in the standardisation of the organisational data collection and evaluation process when reviewing existing systems and processes. Setting out specific audit criteria and procedures helps with data collection, and the program ensures that auditors collect all the information they need in an efficient and timely manner. The data collected can be used to make useful comparisons between businesses, departments, and previous years' business operations. By having a formal audit program, a business can identify any problems that are discovered promptly and report them for immediate follow-up and rectification.

Practice Task 7

Question 1

Draw a line to match each term about sustainability performance to its definition.

» Environmental

» Reducing negative impacts on society and increasing its positive influence on communities

» Economic

» Taking action and making decisions that are in the interests of protecting the natural world, with particular emphasis on preserving the capability of the environment and our dependence on its resources

» Social

» Identifying and avoiding unnecessary costs associated with unsustainable CI practices, through measures such as change processes, new systems, acquiring resources, reducing expenses and losses

Question 2

Why is it important to review existing CI systems and processes to determine sustainability performance?

2B Capture insights into a knowledge management system

Knowledge management is the process of capturing and documenting the insights and experiences of workers through formal systems which in turn generates value for the wider organisation.

Knowledge management involves a number of important steps that are facilitated by leaders, including identifying, acquiring, distributing and maintaining knowledge that is helpful to the organisation. Team progress, insights, and experiences must be recorded in a knowledge management system if the organisation is to see tangible benefits from these experiences.

Through the knowledge management process, organisations and their team members can find better ways to problem-solve and adapt to changes as well as learning from failures. This is a critical and essential step in the continuous improvement process.

Knowledge management systems

A formal system is needed to ensure progress, insights and experiences are correctly recorded and are accessible to those who need the information.

Knowledge management is an essential requirement for continuous improvement as it can ensure lessons are learnt and issues are captured and shared throughout the organisation. A knowledge management system (KMS) can work alongside other systems including quality management systems, innovation, sustainability and lean management.

Examples of knowledge management systems
• Specific pages on the company Internal portal/staff Intranet
• Network groups that are managed through contact lists, blogs or professional websites (LinkedIn)
• Knowledge warehouse repository systems using a portal-based interface
• Decision support systems based on software applications
• Specific management systems, such as a work health and safety or project management system

Confirm experiences and knowledge are captured

The lessons learnt from investigation and analysis of failures forms an important record of knowledge that must be stored, so it can be accessed and referred to in future.

It can be difficult to capture and share knowledge between work teams and departments, in particular if knowledge management is a relatively new concept within your organisation and minimal systems currently exist.

Consider the following principles that can be used to confirm, capture and share team member knowledge.

Principles for capturing team member knowledge and experiences
▪ Implement regular meetings where internal knowledge is readily shared between individuals.
▪ Schedule in regular times to check that the KMS is being utilised.
▪ Encourage the free sharing of ideas and experiences between team members.
▪ Ask team members to email suggestions, insights and input where possible, to develop a record of knowledge.
▪ Follow-up issues, experiences and learning with team members and confirm the records have been added to the KMS.
▪ Encourage and reward team members who involve themselves in internal and external knowledge sharing activities.
▪ Model knowledge sharing by talking about your insights, experiences and thoughts on continuous improvement processes and systems.
▪ Set up a basic spreadsheet, table, matrix or database of information summarising the members in your team and their knowledge assets.

Documenting lessons learnt

John works as the asset manager of a large storeroom at a local council facility. At 10.15am in the loading bay of the storeroom, a forklift truck being driven by a new team member collided with a large section of the storage racking, destroying valuable materials and injuring the worker.

After the incident, John immediately began conducting an investigation involving the safety team, supervisors and a number of forklift operators, to identify the root causes of the accident. After testing the controls on the forklift, the team learnt that the brakes on the forklift were faulty.

The group conducted a cause-and-effect diagram and concluded that the faulty brakes were a result of a poor maintenance system, a lack of pre-operational safety checks and insufficient money allocated to the maintenance department to ensure all machinery was being properly maintained.

At the end of the analysis, the group documented the investigation and the root causes using the work health and safety management system, which enabled learnings from incident investigations to be captured, stored and shared amongst the organisation. The incident investigation outcomes were also emailed to all employees in the organisation and a copy of the final report was stored on the staff portal.

Practice Task 8

Question 1

Which of the following principles do you need to follow to ensure team progress, insights and experiences are captured in a KMS? Tick all that apply.

○ Ask team members to email suggestions, insights and input where possible, to develop a record of knowledge.

○ Issue a formal warning to team members who do not use the KMS.

○ Implement regular meetings where internal knowledge is readily shared between individuals.

○ Schedule in regular times to check that the KMS is being utilised.

○ Encourage and reward team members who involve themselves in internal and external knowledge-sharing activities.

Question 2

Why is it important to systematically record team progress, insights and experiences? What are some consequences if this is not done?

2C Coach team to support CI systems

It is essential that individuals and teams are provided with coaching and mentoring to enable them to support the organisation's continuous improvement systems and processes.

As a leader, you need to be able to identify the learning needs of team members and use different management styles that can help them to actively implement, participate in and review continuous improvement processes. Some individuals may need more time and encouragement to speak openly about their concerns, or may feel unable to participate in process implementation or review for a variety of reasons.

Consider the techniques of mentoring and coaching. These techniques rely on the principle that leaders can help their team members work to their full potential by helping them develop their skills and knowledge rather than by giving orders.

The concept of coaching

Coaching is based on the understanding that teams and individuals are capable of success and that, as a manager, your job is to help them be successful.

Within the framework of continuous improvement, coaching can help develop highly skilled and motivated employees who contribute to organisational growth and development.

Coaching generally comes in the form of one-on-one sessions between a manager and their team member. Typically, coaching assignments are finite and designed to help an employee build a skill or improve performance in a few specified areas.

A manager in coaching mode would spend some time with the person or team identifying obstacles hindering effective performance. The aim is then to remedy the situation by addressing any knowledge or skill gaps through discussions or training, or helping the team member practise within the area concerned.

A coach in practice

Coaches follow up and look for improvements, encourage and motivate their teams to do better and praise them when performance is improved.

To be effective and worthwhile, a coach needs to understand the people they are working with and select methods and strategies that suit the person. Learner characteristics and needs can shape how the training is structured and delivered, the length of the training session/s, resources required and even the environment in which the training takes place. For example, some people prefer visual aids when learning while others learn best through examples, verbal explanations, written text, demonstrations or a hands-on approach. Some learners may have language or literacy issues that could be addressed through graphics, the person's first language, audio-visual support, DVDs or translators.

Effective coaching

Coaching is fundamental within a continuous improvement context as it mirrors and reinforces all of the major principles of the process.

A manager who acts as a coach is trying to help team members achieve more and perform better. Problem-solving and feedback are central to the success of the coaching relationship, and experiences – even bad ones – are used as a basis for future improvements.

Coaching is most effective when:

- the coach understands that their role is to help people learn and develop
- individuals and teams have the motivation to learn and improve the way they do things
- the coach gives guidance on what needs to be learnt and gives feedback on efforts and performance as learning progresses
- the learner's preferred learning style is taken into consideration
- the approach to learning is proactive, not simply a response to a problem
- the coach listens to individuals and teams and understands the complexity of the issues
- the coach uses past experiences and new experiences as a tool and opportunity for learning
- there are specific and definable goals to achieve, areas an individual or team can improve in, tasks to complete or challenges to meet.

The GROW Model

Developed in the 1980s, the GROW Model is an effective tool that can be used to structure your coaching (or mentoring) sessions with individual team members.

GROW is an acronym that stands for:

- Goal
- Reality
- Options
- Way Forward.

Using the GROW model to structure your coaching (or mentoring) session requires completion of the following steps.

Set the Goal	In this first step, you and your team member need to identify the change (based on CI activities) you want to make and convert it into an achievable goal.
	The goal must be SMART: this means it must be Specific, Measurable, Attainable, Realistic, and Time-bound.
	Ask the following questions to help guide your thinking:
	▪ How will you determine goal achievement?
	▪ Does this goal align with team and organisational objectives?
Analyse the Current Reality	This step requires an analysis of the employee's current reality.
	You may find that a solution starts to form as the team member describes his/her current reality.
	Coaching questions to consider in this step:
	▪ What is currently happening (what, who, when, and how often)? What effect/ result is this having?
	▪ What steps, if any, have you taken towards your goal?
	▪ Is there a conflict between this goal and other goals or objectives?
Explore Options	After analysing your team member's current reality, you will then need to identify all possible options for reaching his/her goal.
	Together, brainstorm all viable options. Discuss the merits and disadvantages of each and decide on the best ones.
	Although you may offer your own suggestions, it is important for your team member to lead this discussion. Your role is not in the decision-making but in guiding him/her in the right direction.
	Use the following questions to explore options:
	▪ What other actions could you take?
	▪ What are the pros and cons of each option?
	▪ How will you weigh up each option?
	▪ What obstacles can you foresee?

Identify the Way Forward	After completing the previous two steps, your team member might now have a good understanding of how to achieve his/her goal.
	In this final step, your team member needs to identify the specific actions he/she needs to take to move forward towards the end goal. This serves to boost motivation.
	Questions to consider include:
	▪ What steps will you take now, and when will you do this? What other actions will you take?
	▪ What obstacles may prevent you from moving forward? How will you overcome this?
	▪ How can you remain motivated?
	▪ Do you need to review progress daily, weekly, or monthly?
	▪ The final step is scheduling a review date to check on progress.

Mentoring

Mentoring in the workplace requires a skilled individual to share their knowledge, experiences and skills with a less experienced person. Mentoring is centred on using a supportive and positive relationship as a base to help an employee reach their full potential.

Mentoring is an essential part of a continuous improvement process. Mentoring uses the knowledge of experienced practitioners to improve the performance and motivation of staff. This knowledge is invariably 'in the person's head', so having a system in which it can be disseminated to others is a valuable element of continuous improvement.

A mentoring policy should be included in an organisation's manual so people understand its aims, scope and objectives. Although mentoring is a more informal approach than coaching, it is important that all mentoring programs are documented and the information stored so it is easily recognised and accessed by current and future managers. In this way, you can identify who was mentored, the aim of the program, the skills and knowledge passed on, and the outcomes that were achieved.

The concept of mentoring

Mentoring is a relationship between two people in which a more experienced person agrees to support the development of a less experienced person.

The relationship enables junior or less experienced people to benefit from the wisdom and experience more senior people can offer, providing the opportunity for the less experienced person to openly raise questions, issues and concerns with no fear of being frowned upon or reprimanded.

Mentors can provide advice, listen to ideas and frustrations, help junior staff see possible solutions to challenges, describe strategies for solving problems and provide networking opportunities. Workplace mentors help people learn about work through their own career experiences.

Effective mentoring

Managers who assume a mentoring role take a genuine interest in the goals, capabilities and improvement areas of other staff.

Mentors work with employees to help achieve work and career goals. Mentors are guides, trainers, counsellors and advisers all rolled into one.

Some organisations have formal mentoring programs, but mentoring can also work well on an ad hoc basis within your team. As a manager you can act as a mentor to staff, or a mentoring relationship can be established between your team members and other people in the organisation, or between team members themselves. As with coaching, it is important to consider the characteristics of each person and provide information in a way that best suits their background and abilities. Check whether they prefer to listen, read and research, watch, carry out activities themselves or use and build on past experiences. Are there language, literacy and numeracy issues to consider that might require specialist support or additional resources?

Mentoring versus coaching

Here is a summary that illustrates the differences between coaching and mentoring.

	Coaching	Mentoring
Focus	- Improving performance to achieve a goal - Task-related	- Developing the individual's personal growth and maturity
Purpose	- Enabling employees to gain better self-awareness, build skills, adjust behaviour or management style - Ultimately achieving business objectives	- Offering general advice about work techniques - Suggesting options to deal with difficulties, giving ideas and inspiration about career paths
Time frame	- Defined period such as six or nine months with regularly scheduled meetings	- Typically six months to a year with monthly meetings - Informal mentoring relationships might continue for years
Types of situations	- Suitable for new managers, who need to increase leadership skills and individuals who must learn new technology or skills	- Suitable with staff who can perform even better and achieve more professionally with additional support
Advantages	- Professional training and/or certifications might increase credibility - Coaching provides quality control and consistency in how coaching is carried out	- A mentor might be someone the individual respects so it is likely to be of benefit - Using an in-house mentor uses the company's own intellectual capital - A mentor can provide visibility and opportunities for career advancement
Disadvantages	- A coach is generally assigned and may not have a good relationship with the person - Costs can be high if external consultants are utilised	- Time commitment required of mentors - Requires structure and oversight to achieve best outcomes

> ## Example
>
> ### Mentoring tips
>
> Graham works as a team leader in a call centre specialising in investment products. He currently supervises 15 staff members. Noticing a gradual decline in motivation among team members due to the constant improvement changes they were asked to implement, Graham decides to use the services of an external consultant to initiate an internal mentoring program. The objective of the program is to develop highly motivated, self-starting individuals who are both goal- and client-focused, are flexible and can adapt to changes.
>
> The program has the following features:
>
> - The program relies on natural and authentic relationships between those involved. This natural approach to mentoring allows for trust to develop more easily and promotes immediate feedback. Once the feedback has been received, it is more likely to be accepted and acted on because of the already healthy relationship between mentor and mentee.
>
> - Although the mentoring relationship is not highly structured, some goals are set so they can easily see progress is being made. The mentor regularly checks progress against the goals they set out to achieve.
>
> - The mentor listens carefully and keeps notes to remind them of the issues and ideas discussed.
>
> - The mentor makes sure their advice isn't instructional, nor do they make decisions for the person. Instead, they act as a sounding-board, providing ideas, motivation, guidance and support.

Supervision support

The support supervisors provide their team members is key to increasing performance, minimising health and safety concerns and improving employee engagement and output.

The level of support that you can offer your team members to support CI systems will vary, depending on their needs and the areas they are finding most challenging.

Providing supervisory support is key to ensuring team members are working safely and using resources efficiently. It also enables managers to gain a personal understanding as to the team members' skills gap, through a process of direct observation.

Supervision involves:
▪ consistently observing the performance and outputs of team members
▪ measuring and testing outcomes during and after the completion of tasks and implementing CI systems
▪ conducting physical site/job inspections and observing tasks completed or in progress
▪ making yourself available at the ground level to provide input into activities and to correct issues as they occur
▪ monitoring the health and safety of workers and other people who come into contact with the job site
▪ providing relevant instructions to team members.

Practice Task 9

Question 1

Which of the following statements relate to effective coaching principles? Tick all that apply.

○ Individuals and teams have the motivation to learn and improve the way they do things.

○ The team member's preferred learning style is taken into consideration.

○ Using the knowledge of more experienced managers to improve the performance and motivation of staff.

○ The approach to learning is proactive, not simply a response to a problem.

○ There are specific and definable goals to achieve.

Question 2

Summarise the key differences between coaching and mentoring.

2D Identify ways to improve planning and operations

Business planning and general business operations must be regularly reviewed to determine opportunities for improvement.

An ongoing evaluation process of business planning and operations makes it possible to determine whether the organisation's objectives are being achieved.

To evaluate planning and operations, leaders need to consider the objectives that the organisation is setting out to achieve and gather reliable information and data to determine the actual performance in these key areas. Leaders also need to take a holistic approach and consider the processes, policies and procedures, implementation plans and methods, tools and techniques used in these activities.

There are a number of key areas in which you can evaluate business planning and operational outcomes to determine opportunities for improvement.

These include the following.

Financial impacts	Is the organisation increasing its revenue, meeting profit targets or decreasing costs?
Productivity	Are products being produced efficiently and are team members working productively?
Individual and organisational performance	Are operational and strategic objectives being achieved?
Quality	Do products and services meet benchmark standards, industry metrics and customer requirements?

Evaluation processes

An evaluation process can be used by the organisation to regularly collect and analyse data to determine the true effect of business planning and operational tasks.

A thorough evaluation process will assist in identifying the effectiveness and efficiency of the business planning and operational tasks and reveal areas where improvements can be made. As with any continuous improvement process, the program should be cyclical – meaning that it is an ongoing commitment to making products, services and systems better.

The four steps commonly involved in an evaluation process are outlined below.

The evaluation process	
1	**Prepare for evaluation** ▪ Identify the participants. ▪ Identify criteria and set time lines. ▪ Access previous evaluation data, if applicable. ▪ Select the techniques and tools. ▪ Identify the information requirements, and how the data will be sourced. ▪ Specify actual tasks required to perform the review. ▪ Assign employees to tasks and inform them of deadlines.
2	**Gather and analyse data and information** ▪ Collect the data through review of documentation and figures, interviews and questionnaires. ▪ Organise the data. ▪ Examine collected information. ▪ Brainstorm information with the team. ▪ Compare information to evaluation criteria. ▪ Identify root causes of issues through cause-and-effect analysis. ▪ Prioritise issues for improvement.
3	**Develop recommendations and plan improvements** ▪ Determine what can be done to improve the policies, procedures and processes. ▪ Develop recommendations. ▪ Identify tasks to implement improvements and any resources required. ▪ Prepare an action plan for improvement. ▪ Assign responsibilities to tasks required to implement improvements, such as new policies and procedures or software add-ons to improve reporting. ▪ Seek approval from senior management.
4	**Implement and monitor improvements** ▪ Implement the approved action plan. ▪ Ensure relevant staff are aware of changes and any training required in new procedures is carried out. ▪ Monitor performance according to identified time lines. ▪ Assess the effectiveness of improvements. ▪ If successful, inform stakeholders and adopt the improvements as the new standard practice. ▪ If not successful, then reassessment is required and the implementation of adjustments must be monitored. ▪ Set up processes to continue to monitor the improvements. ▪ Determine the timing for the next holistic evaluation.

Perform a gap analysis

A gap analysis can be applied when evaluating business planning and operational tasks. It is a three-step process that compares the current state or actual performance against the desired state or performance in order to identify gaps in performance. Once these gaps have been identified, an organisation can then determine the changes required in order to address the gap and pursue its objectives.

Identify the objectives	- Improved financial performance, e.g. increased turnover or profit - Market share - Shift into new market, area or industry - Reduce staff turnover
Identify the current performance	- Current financial performance, e.g. turnover or profit - Market share - Current market, area or industry - Current staff turnover rate
Identify the gap	The difference between the planned objectives and the current level of performance

Improvement needs and opportunities

Once evaluations have taken place, CI needs and opportunities must be identified.

When identifying and actioning CI decisions and changes it is important that consultation and ongoing communication is maintained, so that the changes stay consistent with the strategic and operational goals of the organisation.

Change as a result of evaluation processes is often made at an operational rather than strategic level. In these instances, it may be that the manager determining the requirement for change is involved in the activities supporting that improvement.

CI needs and opportunities may include:

- organisation restructure within manager's department
- implementing training and communication plans
- amending existing operational processes to eliminate or clarify steps in the process
- increased social media usage within communications team
- new layout of a work area to improve safety or productivity
- changing the steps in a quality assurance process
- changed process for induction of new staff.

Example

Respond to operational issues

The success of any organisation will rely on its ability to respond to operational issues and to be proactive in identifying the issue and taking immediate action. The following table shows examples of operational issues and possible improvement actions.

Issue identified	Actions taken
Customers are critical of delays in processing orders	• Review current policy and processing procedures • Identify possible causes of delays • Seek input from staff involved in the operation • Adjust policy and procedures to address issues inclusive of appropriate monitoring • Provide training and updates to all staff involved • Adjust customer documentation if required • Inform clients/customers of the new process
Staff are not following WHS procedures as evidenced by observation of the workplace and an increase in minor injuries	• Processes to be reviewed • Additional monitoring of workplace behaviour and operations • Development and implementation of WHS refresher courses • Specific training and authorisation for personnel to use designated equipment • Incorporation of reporting on adherence to WHS to relevant personnel • Advising insurance company of improved monitoring processes
Receipt of deliveries and supplies is time consuming and labour intensive	• Receiving facility is analysed and options for redesign considered • Consultation with staff and external stakeholders (e.g. delivery drivers) undertaken • New policies and procedures developed for receiving materials and supplies • Training program developed for all existing staff • Induction program developed and implemented for all new staff • All stakeholders advised of new traffic control and delivery procedures

Practice Task 10

Question 1

Number each step from 1 to 4 in the order you would follow to perform an evaluation process.

◯ Gather and analyse data and information

◯ Implement and monitor improvements

◯ Prepare for evaluation

◯ Develop recommendations and plan improvements

Question 2

Explain how a gap analysis can be used to identify improvements to planning and operational activities.

2E Make recommendations to stakeholders

The findings of a planning and operational evaluation process need to be communicated to stakeholders.

Stakeholders, including those who are affected by planning and operations and/or are involved in the proposed recommendations, need to be kept informed of any changes that impact on their job roles. These may be employees, senior management, external business and operational specialists and consultants, or even suppliers and clients affected by changes in product development or service delivery.

Communication plans must be developed to ensure that all stakeholders are informed about CI strategies. Stakeholders also need access to the required information and data to make informed decisions about any recommendations.

Effective communication of recommendations

Effective communication means the intent of your recommendations about improvement needs is successfully sent and received by the audience.

Although not every stakeholder and front-line worker needs to know all of the details of CI strategies and recommended changes to business operations and planning processes, it is important that they learn about and understand the key elements of the changes that are to be implemented into work operations.

Without effective workplace communication, planning and operations would come to a grinding halt. As changes and CI processes are planned, effective communication will become increasingly important.

Develop a communication plan

The real success of CI is in the implementation, and a large portion of a successful implementation plan is based on effective communication of recommendations.

Leaders need to carefully consider the context and information needs of stakeholders and determine the best way to explain the requirements about recommendations and CI processes to ensure the message effectively reaches their audience. This enables stakeholders to make informed decisions about what to approve in terms of changes and solutions to operational and planning issues.

When delivering important information about CI and innovation requirements, leaders can create a communication plan which outlines a clear roadmap for consistently communicating with team members so that they feel informed and confident in their expectations.

Communication plans should contain the following information.

The key content	This may include: - current issues, opportunities and needs - organisational objectives for the CI initiatives - expectations and measures of performance standards and behaviours to be achieved - direction of the organisation relating to the CI initiatives - details of a new workflow or procedure.
The target audience groups	Who are the key stakeholders and team members that need to know the key content about the innovation process?
Communication methods	Different audiences will require different methods. Examples may include: - team meetings - email - e-letters/newsletters - memos - floor announcements - one-to-one conversation - web-based video call.
Timings for the communication	What time lines need to be meet? When does the information need to be communicated by to ensure each person has the right information at the right time? Timing may align with or be dependent on: - budget periods - school terms - seasons - project milestones - funding reporting periods - on request - in response to market opportunities or community needs.

Determine the audience

Every organisation has different types of stakeholders with varying roles depending on its structure, size and relationships. The focus point of a communications plan is your stakeholders – the people who need information about the change process from you.

Your stakeholders are your audience. A stakeholder is any person or group who has a 'stake' in the organisation. A stake refers to a degree of influence on the company, or someone that is impacted by the change process and improvements that are introduced. Stakeholders can be internal or external to the organisation.

The following table provides examples of internal and external stakeholders that require information about CI strategies and recommendations.

Internal	External
▪ The board of directors ▪ Business owner/s ▪ General manager ▪ Chief Executive Officer (CEO) ▪ Chief Financial Officer (CFO) ▪ Department managers ▪ Store manager ▪ Team members	▪ Government agencies and their representatives ▪ Customers/clients ▪ Associates ▪ External business networks ▪ Shareholders ▪ Technical advisors ▪ Consultants

Communication methods

The method of communication that you use to communicate CI strategies and recommendations will vary depending on the nature of the information and the audience's needs.

The following table explains four common types of communication methods used in business to communicate information to a wider audience.

Forums

- A forum is a meeting that aims to promote open discussion. These are generally face-to-face in a boardroom environment, involving a select group of participants, led by a facilitator such as a manager.
- Digital forums are growing in popularity, in particular where teams are spread across different locations. Members can post discussions and read and respond to posts by other forum users.
- An internet forum is also called a message board, discussion group, bulletin board or web forum.
- The internet forum usually allows all members to make posts and start new topics.

Meetings

- Meetings can be either formal or informal.
- Formal meetings are meetings that are planned to gather information or feedback.
- Informal meetings may be a discussion between two members of the team, or a quick discussion before work commences.

Newsletters

- A newsletter can be paper-based or delivered via email in digital format.
- The aim of most of these formats is to reach as many of the stakeholders as possible to ensure that specific parties are supplied with up-to-date information.

Reports

- Reports are usually written for stakeholders based on agreed reporting systems.
- They are usually written weekly or monthly and aim to identify where goals are not being met, and to implement strategies to enhance CI processes and systems.

Prepare reports for stakeholders

Reporting means sharing information, notifying stakeholders of achievements, problems and issues you experience and communicating progress against a set plan.

Business reports aim to describe the key issues and recommendations to improve business performance. Reports must be professionally written and provide a clear and accurate picture of the current performance and outcomes of CI processes. All information contained within the report must be of a quality standard. This means that they must be reliable, valid, current and sufficient.

Report structure

Reports can be formal, using a specific organisational reporting template, or informal, by simply emailing your findings to management.

The format for presenting your recommendations and CI strategies to your stakeholders will be relevant to the organisational reporting policies, procedures and style guides, as well as the unique needs of your stakeholders.

Reports should have a clear and logical flow and structure, so your stakeholders can easily read and find the information that they are looking for.

A standard structure for a business report
• Report title • Executive summary • Introduction • Findings • Recommendations

Example

Business report template

Report title

└ Includes:
- name of the report
- audience
- date
- author.

Executive summary

└ The summary of key findings and high-level points and recommendations of the report.

Introduction

└ Includes:
- what was monitored
- the monitoring system that was used
- data sources and collection methods.

Findings

└ Includes:
- presentation of the information and evidence including successes and issues
- objective analysis of the operational results achieved including trends, patterns and forecasts
- variations in performance from the objectives.

Recommendations

└ CI strategies and changes that need to be implemented moving forward to meet business objectives.

Report writing guidelines

You may follow a number of key guidelines to ensure your reports are of a professional standard and meet the needs of your stakeholders.

When writing a report based on an evaluation of a CI or business process, be sure to follow the principles for formal report writing to give yourself the best possible chance to achieve the outcomes you are looking for.

You may use the following guidelines to ensure you produce a quality business report.

Accuracy	Report reliable and valid information only. Make distinctions between fact and hearsay, fact and opinion, and fact and conclusions. Be clear about the meaning of words used in the report and avoid jargon if the audience will not understand it. Clarify all abbreviations, such as CRM (which is short for Client Relationship Management). Proofread and edit the report and rewrite as needed.
Completeness	Completeness is achieved by reporting all the information as per the stakeholder's request. When in doubt, include the information, but only if there is clear relevance. Avoid partially stated facts which can be misleading and misinterpreted.
Conciseness	Avoid unrelated, extraneous, incidental, and nonessential information and detail. Pay attention to grammar, spelling and sentence structure. Avoid adjectives, wit, sarcasm, flowery expressions and repetition. Use headings, paragraphs, sentence structure, indentations, underlining and capitalisation to emphasise and give weight and/or visibility to information the investigator deems more important.
Impartiality/ objectivity	Report the material and evidentiary facts without addition or subtraction. Do not conceal or withhold information, do not make your own assumptions and conclusions. Maintain an unbiased and open mind about the results and avoid becoming emotionally involved in the process.
Clarity and report formatting	Arrange the contents of the report in discrete sections to facilitate the reader's review and understanding of the report. Write in chronological order and avoid ambiguous sentences and vague statements.
Positive language	Apply positive language to highlight opportunities for improvement. For example, write, 'the system will require ongoing maintenance and upgrades to keep up with the changing demands of the business environment', instead of 'the current system is not working effectively and is unlikely to meet the needs of the business'.
Descriptive and specific	Use descriptive adjectives instead of umbrella terms. For example, write, 'changing to a customised WHSIS will lead to a more efficient and user-friendly hazard and incident reporting process', instead of 'a change of information system will lead to good improvements in safety'.

Reduce adverbs and adjectives	Avoid the over-use of adverbs and adjectives. An adverb is a word used to modify a verb (action words) or adjective (descriptive words). For example, write, 'a software-based CRM will improve user-accessibility', instead of 'a state-of-the-art and user-friendly CRM system will uniquely improve the productivity of users'.
Images and charts	Reports can be enhanced by the use of graphs, charts or other graphics generated by databases and spreadsheets. This allows the reader to see trends and key issues without spending a lot of time reading text.

Present reports to stakeholders

The final step is to present the report to your stakeholders within the required time lines.

Presenting reports will usually be in the form of an email attachment, in-person presentation, data point share drive or hard copy (internal mail).

Ensure you attach relevant appendices or documents as noted in your report and follow up to see that your recipient has received the report.

Your report may need to be formally presented to key stakeholders as part of ongoing communication and consultation processes. Formal presentations are used to inform stakeholders on the progress of the change process and must be scheduled and planned to ensure optimum outcomes are achieved.

Communication skills and techniques

Clear communication of CI strategies and recommendations helps build understanding and support for changes.

The most effective leaders enable other people to have a clear understanding of their recommendations so they can make an informed decision.

A helpful strategy is to prepare your communication by reviewing some of the key skills and techniques of effective communication beforehand – particularly when addressing more than one person. Sort out the information you want to present, divide it into logical sections and make it as clear and specific as you can. Be sure of your material and give examples where appropriate. Strive for confidence in your delivery.

Below are some skills and techniques you can implement to ensure effective verbal communication of CI strategies and recommendations.

Skills and techniques for effective verbal communication
- Relate your message to your audience members, their needs and their point of view.   - Use language and terms the audience can understand.   - Provide information that is 100% honest and accurate.   - Customise your message to the listener's normal communication style, listening skills and familiarity with the subject at hand.   - Show active listening by paying thoughtful attention to the speaker's message, allowing them time to finish their sentences and responding with useful information.   - If you over-explain or talk down to your audience, they may resent your approach and feel disrespected.   - If you speak aggressively or in language people can't understand, they may retreat, ignore you or feel confused.   - Your tone of voice is important. It needs to engage those around you and maintain their interest.   - Effective speakers learn to recognise their listeners' reactions and adjust their delivery accordingly.   - Always give your audience a chance to ask questions.

Example

Communication plan

Thomas is the warehouse manager for a medium-sized transport and logistics organisation. The business acts as an intermediary between local farmers and the larger supermarket chain warehouses that are located across the country. The organisation employs over 60 staff, including 40 people who work in the picking and processing team on the warehouse floor.

Following a recent gap analysis on the current picking process used by warehouse staff, Thomas has identified a number of significant improvements that can be made to increase productivity within the picking and processing team.

To communicate the recommendations to improve the picking process, Thomas is holding a formal management meeting, which will be attended by the senior management team, as well as two senior pickers from the warehouse. The meeting will run for one hour, so as to not impact on the productivity rates in the warehouse and Thomas has prepared a formal report that will be emailed to the management team at the completion of the meeting. To handle ongoing questions and concerns from the audience, Thomas will document the points and issues raised and respond as part of an email follow-up process.

Practice Task 11

Question 1

Which of the following are internal stakeholders? Tick all that apply.

○ The board of directors and business owner/s

○ WHS regulator

○ Chief executive officer (CEO)

○ Department managers and team leaders

○ Shareholders

○ Team members

Question 2

Which of the following statements are correct? Select yes or no for each one.

a) A communication plan should include the objectives, time frames and recommendations for the CI strategies.   » Yes   » No

b) Benefits of CI strategies and recommendations should be communicated from the perspective of senior management.   » Yes   » No

c) Social media should be used to communicate recommendations with internal stakeholders.   » Yes   » No

d) Staff directly affected by change should be informed using team meetings, email notifications and personalised meetings.   » Yes   » No

e) Use passive listening skills when discussing CI strategies, which involves speaking when the other person is also talking and starting a new topic once they have finished.   » Yes   » No

f) Effective communication techniques include using appropriate terms and tone of voice and accurate information.   » Yes   » No

Question 3

What are five principles you need to follow when writing reports to stakeholders?

Summary

- Sustainable business is about making sure the organisation stays abreast with the demands and impacts of the market and remains profitable over time, with minimal negative impacts to the environment and its people.

- Monitoring performance of CI systems and processes against sustainability performance elements is a crucial part of the continuous improvement system.

- Monitoring CI systems and processes involves collecting information by measuring performance and other factors, and analysing the information to find out what is causing the problem or issue. Identify areas where improvements could be made, deciding on actions that will solve the immediate problem and prevent future substandard performance. You can do this by making changes to processes and systems and making sure the changes have had the desired result by further measurement and analysis of data.

- Knowledge management is the process of capturing and documenting the insights and experiences of workers through formal systems which in turn generates value for the wider organisation. A formal system is needed to ensure progress, insights and experiences are correctly recorded and are accessible to those who need the information.

- Leaders must identify the learning needs of team members and use different management styles that can help them to actively implement, participate in and review continuous improvement processes.

- An ongoing evaluation process of business planning and operations makes it possible to determine whether the organisation's objectives are being achieved.

- To evaluate the planning and operations, leaders need to consider the objectives that the organisation is setting out to achieve and gather reliable information and data to determine the actual performance in these key areas.

- A gap analysis can be applied when evaluating business planning and operational tasks. It is a three-step process that compares the current state or actual performance against the desired state or performance in order to identify gaps in the current performance.

- The findings and recommended changes to CI systems and processes need to be communicated to stakeholders so that they can make informed decisions.

Learning Checkpoint 2
Monitor and adjust performance strategies

Part A

1. Draw a line to match each of the following statements to one of the three choices.

》 Offering general advice about work techniques, suggesting options to deal with difficulties, giving ideas and inspiration about career paths

》 Focus of coaching

》 Suitable for new managers, who need to increase leadership skills and individuals who must learn new technology or skills

》 Purpose of coaching

》 Improving performance to achieve a goal; task-related

》 Types of situations to use coaching

》 Enabling employees to gain better self-awareness, build skills, adjust behaviour or management style and ultimately achieve business objectives

》 Focus of mentoring

》 Developing the individual's personal growth and maturity

》 Purpose of mentoring

》 Suitable with staff who can perform even better and achieve more professionally with additional support

》 Types of situations to use mentoring

2. What are four areas of business planning and operations that need to be evaluated?

3. What are the three key performance areas of business sustainability that need to be considered when reviewing CI systems and processes?

4. What are the four steps that you need to follow when monitoring CI systems and processes against sustainability measures?

5. What are five key principles of effective communication?

Part B

Read the case study, and then answer the questions that follow.

Case study

Deanna was recently promoted to the position of sales manager in charge of nine sales representatives in a customer contact centre. As a sales representative before her promotion, she was pretty much left to her own devices, and as long as her team achieved their sales targets the manager appeared satisfied. In stepping into her role as sales manager, Deanna has picked up on some noticeable issues.

She quickly realises that her previous manager did not utilise any formal sales tracking tools for individual sales representatives and there were no formal processes for monitoring sales skills and the general performance of the team.

The organisation currently has a formal knowledge management system (KMS) that is accessible through the staff Portal. Unfortunately, there have been no entries made by staff in the last six months and some team members do not appear to know that the organisation has a KMS.

Another issue that Deanna has identified is that of an increase in overdue debtor bills. Deanna has reviewed a list of debtor statements from key customers which reveals that many of these accounts are 90 days in arrears. This is 60 days longer than the company policy of 30 days. As the new manager, she realises that it will be her responsibility to get these outstanding debts paid and to ensure that debts are not allowed to extend beyond the recommended time frame in the future.

As an extremely organised and structured person, Deanna's first action is to identify current planning and sales performance of the individual team members and determine how the team can be managed better.

1. What actions should Deanna take to ensure team progress, insights and experiences are being captured in the knowledge management system?
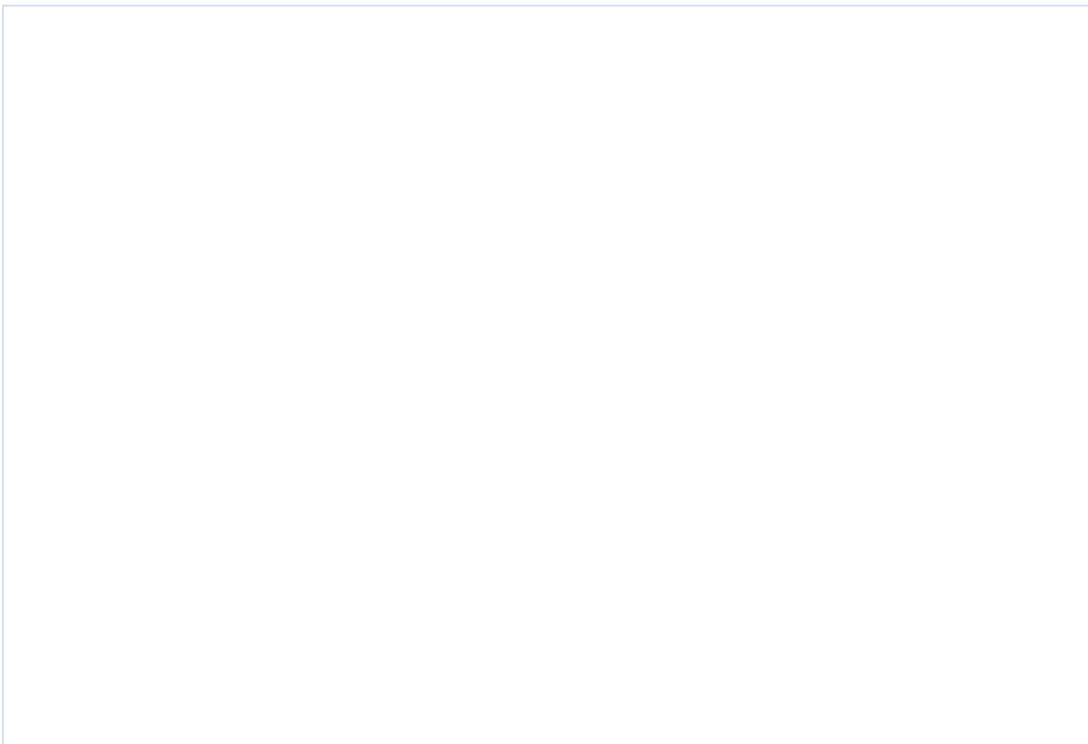
2. Outline a process that Deanna could use to identify and evaluate team planning and sales performance within her new team.
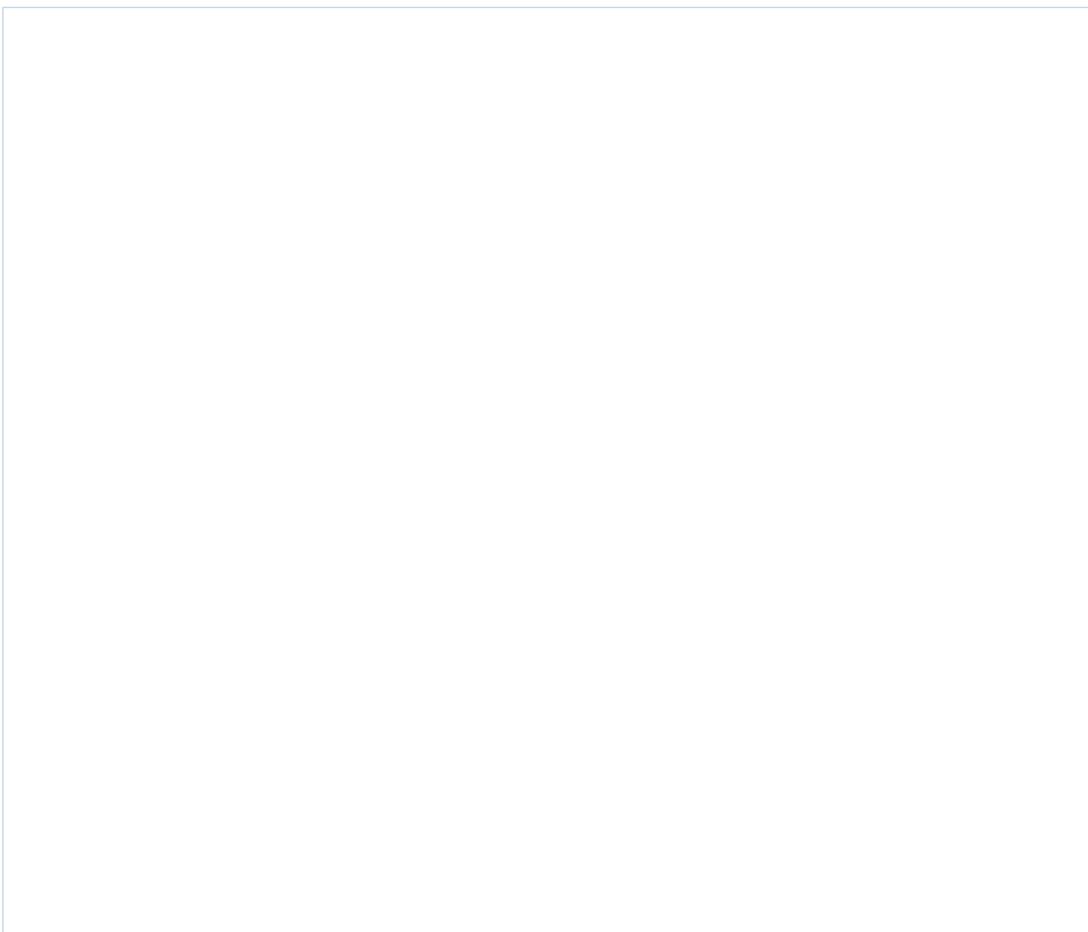
3. Describe two improvements to team planning and sales performance that Deanna could implement.

4. How should Deanna communicate the recommendations in question 3 to her contact centre manager?

Topic 3 | Manage opportunities for future improvement

3A   Evaluate outcomes and identify opportunities for improvement

3B   Seek feedback and identify other areas of improvement for future planning

3A Evaluate outcomes and identify opportunities for improvement

The main goal of continuous improvement is to develop and maintain the quality of the organisation's products, services and systems and improve overall business performance.

An effective evaluation process of CI systems and processes and operational performance will enable leaders to identify whether team members are supporting the CI systems and processes and if the changes that have been implemented are achieving the required objectives.

The evaluation process will also help to determine the overall quality and performance of the organisation's products, services and systems.

Plan-Do-Check-Act

The Plan-Do-Check-Act cycle of continuous improvement involves the regular evaluation and updating of CI systems and operations to accommodate any identified improved process.

Ongoing evaluation of business operations and in particular team performance can identify that a problem exists and improvements need to be introduced – these are the third and fourth steps and perhaps the most important parts of the Plan-Do-Check-Act cycle.

Once issues have been identified through the evaluation (check) processes, action (act) needs to be taken to address the areas for improvement. Following this, the improvements need to be monitored and evaluated again to determine if a tangible benefit has resulted and the initial problems have been rectified.
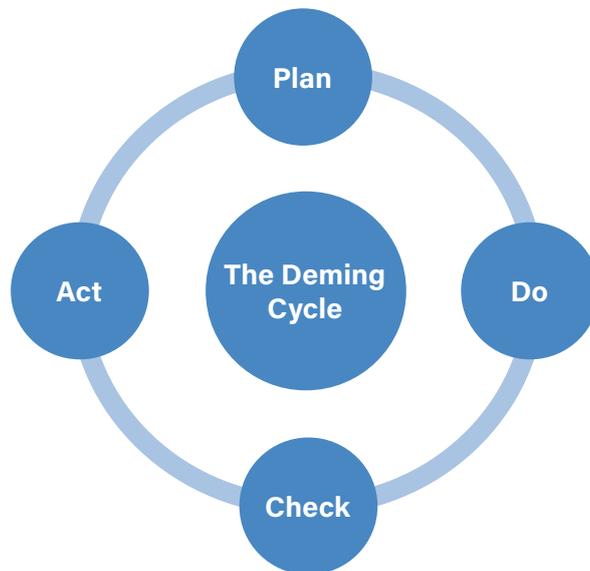
The business or strategic plan will document the improvement from an organisational perspective, describing how the improvement will help the organisation meet its strategic objectives by:

- improving productivity, quality, reducing costs etc.
- providing strategies to achieve the goals
- allocating sufficient funds in the budget to ensure its effective implementation.

An identified improvement must then be incorporated into the team's operational plan which outlines the rationale of the new process or improvement, allocates human, physical and time resources and provides strategies for monitoring and review. Finally, the tasks and activities that will help to implement the improvement are documented into each team member's performance or work plan, outlining responsibilities, available resources, a time line and performance measures.

Evaluating outcomes

To evaluate the continuous improvement system, leaders must take a holistic approach.

It is important to consider the CI systems and processes, and the methods, tools and techniques used by team members to support the improvement initiatives. This evaluation should include results from any previous evaluation that was undertaken before CI systems and processes were implemented.

Evaluations should also include a review of organisational policies and procedures, process mapping documents and performance data.

Information about performance of CI systems and team member performance can be gathered through reporting processes. It is also a good approach to consult with those directly involved in the CI processes to determine actual practice, and compare actual practice to planned objectives.

There are a number of key areas in which you can evaluate continuous improvement systems and innovations. These include the following.

Financial impacts	Review of expenses, waste reports, profit and loss statements and other financial documents
Productivity	Review of productivity reports
Individual and organisational performance	Review of team and business performance across objectives, key performance indicators (KPIs) and quality standards
Quality	Review of errors, returns, customer complaints and other relevant data

Evaluation processes

In general business terms, an evaluation is a formal review of actual performance, against intended performance.

Evaluation requires the establishment of benchmark standards to review performance against. It involves research into what is currently happening, review and analysis of the gaps and identification of improvement opportunities.

A thorough evaluation process will address the following three questions:

1. **What happened?** What are the quantifiable results and how do they compare with the objectives of the marketing plan?

2. **Why?** How did the strategies and overall philosophy of the marketing plan impact on results?

3. **What happens from here?** What needs to be changed and improved to achieve better results?

The four-step evaluation process

Evaluation consists of four linked activities – preparation, analysis, development, action and monitoring.

The following table outlines the four steps commonly involved in evaluating a continuous improvement evaluation process.

The evaluation program

1	**Prepare for evaluation** ▪ Identify the participants. ▪ Identify criteria and set time lines. ▪ Access previous evaluation data, if applicable. ▪ Select the techniques and tools. ▪ Identify the information requirements, and how the data will be sourced. ▪ Specify actual tasks required to perform the review. ▪ Assign employees to tasks and inform them of deadlines.
2	**Gather and analyse data and information** ▪ Collect the data through review of documentation and figures, interviews and questionnaires. ▪ Organise the data. ▪ Examine collected information. ▪ Brainstorm information with the team. ▪ Compare information to evaluation criteria. ▪ Identify root causes of issues through cause-and-effect analysis. ▪ Prioritise issues for improvement.
3	**Develop recommendations and plan improvements** ▪ Determine what can be done to improve the policies, procedures and processes. ▪ Develop recommendations. ▪ Identify tasks to implement improvements and resources required. ▪ Prepare an action plan for improvement. ▪ Assign responsibilities to tasks required to implement improvements, such as new policies and procedures or software add-ons to improve reporting. ▪ Seek approval from senior management.
4	**Implement and monitor improvements** ▪ Implement the approved action plan. ▪ Ensure relevant staff are aware of changes and that any training required in new procedures is carried out. ▪ Monitor performance according to identified time lines. ▪ Assess the effectiveness of improvements. ▪ If successful, inform stakeholders and adopt the improvements as the new standard practice. ▪ If not successful, then reassessment is required and the implementation of adjustments must be monitored. ▪ Set up processes to continue to monitor the improvements. ▪ Determine the timing for the next holistic evaluation.

Action planning

Leaders use action planning not only to translate strategies and goals into action but also as an opportunity to learn by reflecting on what is occurring and why.

Once the various areas for improvement have been discussed and evaluated, action plans for future initiatives and how to implement them need to be developed and agreed upon so that the organisation can repeat successful undertakings and avoid mistakes.

The following information outlines steps of the action planning process and the planning questions that should be addressed.

Critical steps in the action planning process

Critical steps include:
- learning from past experiences
- establishing realistic goals, objectives and targets
- listing all the activities that need to take place to achieve your target
- sequencing the activities in order to get the most effective outcomes
- communicating your plan
- implementing your plan
- checking your progress.

Discussion questions for a planning session

At team level, managers should conduct regular debriefing and planning sessions and discuss the following:
- What problem were we trying to solve?
- What goals/targets did we set out to achieve?
- What worked well along the way?
- What could have worked better?
- What should be done differently next time?

Example

Evaluate the continuous improvement system

Macprairies and Azure Services is a large consulting and training organisation; it is structured according to the consulting and training areas in which staff operate. The major units are Business Services, Executive Education and Community Services.

The organisation has a continuous improvement committee, made up of members from each unit, including the director, quality manager, business development manager and at least one trainer. The committee is responsible for the cyclical evaluation of the organisation's continuous improvement system, which is done in four phases, described in the table below.

Data collection

Data includes client and student numbers, and profit and margin reports. Surveys can be used to generate data to answer specific questions.

Data analysis

The committee enlists the support of the marketing and finance specialist in each unit to perform qualitative and quantitative analysis of survey results and ratio analysis of financial data. They also analyse the variance between planned and actual performance.

Proposing improvements

The committee identifies areas of concern. Using root cause analysis, the reasons for under-performance or success are examined, and risk management informs priorities for improvement. Issues relating to processes are resolved by engaging business process specialists. The marketing managers in each unit are responsible for monitoring the environment to identify opportunities and threats.

Implementing changes

Each change is formulated as a project, managed by a relevant manager in the unit most affected by the change. Change management techniques are used to make the transition to the new situation or state.

Practice Task 12

Question 1

Which of the following elements need to be considered when evaluating CI systems and processes? Tick those that apply.

- ○ Quality of products and services delivered to customers
- ○ Level of support of CI systems and processes from team members
- ○ Financial impacts and performance of CI systems and processes
- ○ Performance of competitors in the industry
- ○ Productivity of team members

Question 2

Outline the two key steps of the P-D-C-A cycle that are mainly concerned with evaluation and improvement of CI systems and processes.

Question 3

What steps do leaders need to take when opportunities for improvement have been identified? List your answers below.

3B Seek feedback and identify other areas of improvement for future planning

CI systems and process evaluations must include methods to actively seek and analyse feedback from stakeholders. This enables improvement opportunities to be further refined before they are implemented.

Feedback is defined as any useful information about work performance, based on the observations and evaluations of others, including supervisors, direct managers, peers or other stakeholders.

It is good practice to seek feedback from a range of key stakeholders in order to gather a variety of opinions and experiences about CI systems and processes. Gathering feedback also provides a means of identifying opportunities for improvement. If there is an issue with a new process, it is best to identify it sooner rather than later and seek feedback from the people who are directly affected.

A failure to seek feedback from key stakeholders in a timely manner may lead to making ill-informed decisions and missing opportunities that could enhance business performance.

Feedback about CI systems and processes can be sought from the following stakeholders:

- frontline workers
- managers and supervisors
- human resources team members
- work health and safety team members
- customers
- suppliers
- middle and upper level management
- change agents
- consultants
- subject matter experts
- other specialists working in areas of the business that are impacted by the CI initiatives.

Methods of seeking feedback

A combination of formal and informal strategies can be used to gather feedback about CI systems and process.

Feedback is important because it can help to identify what is working well and what may need to be changed. Specific feedback about CI initiatives needs to be proactively sought by specifically asking key stakeholders to share their thoughts and experiences and raise their concerns.

Common methods to seek and respond to feedback can be either formal or informal. Utilising multiple sources of feedback provides a more balanced view of your performance. The following table provides suggestions on how you can seek and respond to feedback on CI systems and processes.

Focus groups

Focus groups are used to consult with groups of stakeholders. They are often the most time-efficient method for obtaining information from large groups. When facilitating focus groups, it is a good idea to have questions prepared to promote discussion in the areas that feedback is required. The focus group facilitator, or a chosen note-taker, is responsible for taking notes throughout the discussion to capture the feedback.

Surveys

Surveys are an excellent tool for obtaining feedback from large groups of stakeholders such as customers or a large workforce, particularly when people are situated across a number of locations. Surveys typically involve preparing a paper-based or online questionnaire that is distributed to respondents to complete and return.

Interviews

Formal interviews are very similar to focus groups except that they are conducted one-on-one. As with running focus groups, it is important to prepare a set of questions to obtain feedback in the areas required.

Team meeting

Facilitating a meeting with a number of team members provides an opportunity for discussion of ideas, issues and experiences in an open forum. During the meeting, solutions and lessons learnt can be identified and actions put in place to correct any problems with CI initiatives.

Informal discussions

Informal methods of gathering feedback can include:

- ad-hoc conversations with team members, customers and other stakeholders
- requesting feedback during informal meetings and events
- asking stakeholders to respond to an email, giving their feedback
- following-up complaints and feedback personally using a telephone call, email or text message.

Key principles for gathering feedback

It is important that you welcome any feedback with a positive attitude and respond with respect and courtesy – regardless of whether the information is positive or negative.

When you receive feedback about CI initiatives, try to understand clearly what the other person is telling you. You may wish to compare it to what others say as well as your personal perception.

Assess the information on its merits to determine its validity and use your wisdom to determine whether it can help you to improve in the areas of CI, innovation and learning initiatives.

Although you do not need to take on board and agree with every piece of criticism you receive, you do need to show appreciation to the person who is providing you with their honest opinion, as these conversations can be awkward and uncomfortable for many people.

Follow these guidelines when responding to feedback:

- Ask open and closed questions to better understand the feedback.
- Clarify the action steps you need to take to make improvements based on the feedback received.
- Show that you value the comments and points of view given to you.
- Stay humble and be open to change.
- Do not be defensive or take negative feedback as a personal attack.
- Acknowledge what's been said, even if you do not immediately agree.
- Ask for positive suggestions on how to address feedback that is negative.

Example

Sample employee feedback form

Please complete the following in relation to your current role in the workplace.	Yes	Somewhat	No	Comments
1. Do you feel the new process has made your job role easier?				
2. Were you provided with sufficient support, such as training and information to follow the new process?				
3. Were you given an opportunity to contribute toward the development of the new process?				
4. Are there opportunities to develop and apply new ideas to this process?				
5. Do you feel that you are listened to and things are being done to improve the success of the workplace?				

Document feedback

Feedback should always be documented in line with organisational policies and procedures and where relevant, regulatory or legislative requirements.

An important aspect of a continuous improvement evaluation is to ensure that feedback is documented clearly and accurately so you can identify areas and opportunities for future planning.

Formal records are a reliable source of information that can be used to compare outcomes and for creating an accurate historical record of past performance. The record can then be used to identify trends and opportunities for further improvement, and you can access it when reviewing or planning new processes.

Documentation also highlights whether the process itself is at fault and needs revision, or whether adherence to the process is the problem.

Record-keeping process

An organisation should implement a record-keeping process that meets its particular needs, situation and resources. The system should be reliable, practical, accurate, and user-friendly.

When documenting feedback, there are a number of important aspects to consider. This is particularly important if you have decided to set up your own documentation systems to complement those used by the organisation. Documenting feedback is also crucial if your organisation does not have systems, forms and templates in place. Make sure the system is accessible and doesn't create problems for you or your team members due to being overly complex or time-consuming.

Like all processes, review the system regularly and think proactively about how it can be further improved. The following table provides important aspects to consider when documenting feedback.

Documentation is a necessity
Documentation is a necessity if key decisions about finance, planning and strategic direction are concerned. It can also be used as a record of evidence if the organisation needs to prove its compliance with legislation and industry requirements. Consult the various legal requirements for managers that apply in your state or territory. The nature of the documentation you need to keep varies depending on the issue; for example, non-compliance with work health and safety laws requires documentation by law, whereas other less serious matters can be documented as you see fit.

Objective and factual

Make sure whatever is recorded is objective and factual. Data that is useful for continuous improvement purposes will show a performance picture over a period of time. Always be objective, fair and consistent.

Specific information

If you are recording feedback relating to the decline of a team member's work performance make sure you include very specific, concrete information on what has happened. Support the feedback with factual evidence and if particular incidents occur note the date, time, place and exact nature.

Positive outcome

Document positive outcomes as they occur and acknowledge the effect changes and adjustments have had on performance.

Example

Use documentation in the planning process

Eli is an in-bound call centre manager. His organisation provides services to customers who ring in seeking advice about the products and services they provide. Customers ringing in do not pay for the service; therefore it is important that the team member taking the call is efficient and effective in handling each and every call. The longer each call takes and the more times the customer rings, the greater the cost to the business.

By analysing the performance of each individual receiver of the calls and noting the comments provided by staff at their performance appraisals on this issue, Eli is able to identify the need for his team members to have a better understanding of the products and services the organisation has to offer. He arranges for this to be done by creating a folder and populating it with single-page documents of every product/service on offer and outlining its features and benefits. He then grants all team members access to this folder and explains this new resource in a team meeting. Eli then follows up with an email that includes a link to the folder on the organisation's server.

Practice Task 13

Question 1

List five stakeholders you can seek feedback from when evaluating CI systems and processes.

Question 2

Describe five key principles you need to follow when gathering feedback.

Question 3

Why is it important to retain records of feedback about CI initiatives? Tick all that apply.

○ Records are a reliable source of information that can be used to compare outcomes and for creating an accurate historical record of past performance.

○ Records can be used as evidence to show compliance with legal or industry requirements.

○ The information recorded can be used for future planning processes.

○ Records ensure team members have a fair and reasonable opportunity to express their concerns about issues in the workplace.

○ Records show the organisation is committed to continuous improvement.

Summary

- The main goal of continuous improvement is to develop and maintain the quality of the organisation's products, services and systems and improve overall business performance.

- An effective evaluation of CI systems, processes and operational performance will enable leaders to identify whether team members are supporting the CI systems and processes and if the changes that have been implemented are achieving the required objectives.

- Ongoing evaluation (check) of business operations, and in particular team performance, can identify that a problem exists and improvements need to be introduced (act) – these are the third and fourth steps and perhaps most important parts of the Plan-Do-Check-Act cycle.

- Once the various areas for improvement have been discussed and evaluated, action plans for future initiatives and how to implement them need to be developed and agreed upon so that successful undertakings are repeated and mistakes are avoided.

- CI systems and process evaluations must include methods to actively seek and analyse feedback from stakeholders. This enables improvement opportunities to be further refined before they are implemented.

- A failure to seek feedback from key stakeholders in a timely manner may lead to making ill-informed decisions and missing opportunities that could enhance business performance.

- A combination of formal and informal strategies can be used to gather feedback about CI systems and process.

- An important aspect of a continuous improvement evaluation is to ensure that feedback is documented clearly and accurately so you can identify areas and opportunities for future planning.

Learning Checkpoint 3
Manage opportunities for future improvement

Part A

1. Draw a line to match the actions to the correct evaluation phase.

» Prepare for evaluation

» Develop recommendations.

Prepare an action plan for improvement.

Assign responsibilities for tasks required to implement improvements, such as new policies and procedures or software add-ons to improve reporting.

» Gather and analyse data and information

» Implement the approved action plan.

Monitor performance according to identified time lines.

Assess the effectiveness of improvements.

Set up processes to continue to monitor the improvements.

» Develop recommendations and plan improvements

» Identify the participants.

Identify criteria and set time lines.

Identify the information requirements, and how the data will be sourced.

Specify actual tasks required to perform the review.

Assign employees to tasks and inform them of deadlines.

» Implement and monitor improvements

» Collect the data through review of documentation and figures, interviews and questionnaires.

Organise, examine and compare collected information to evaluation criteria.

Identify root causes of issues through cause-and-effect analysis.

Prioritise issues for improvement.

2. Explain how recording feedback will help identify further opportunities for improvement.

Part B

Read the case study, then complete the following tasks.

Case study

Jasper is a manager for a franchise outlet that sells new cars and also provides follow-up service and support for customers. Given that the industry is extremely competitive, it is important that he and his various teams take every opportunity to improve the services they deliver. The business consists of the following areas:

- new car sales
- financing department
- after-sales services including customer support line
- service department
- purchasing department (includes buying of parts and materials such as oils, cleaning materials, etc.).

In order to identify areas for improvement in sales and customer service processes, Jasper initiates a range of CI processes to obtain information that he can include in the future planning he undertakes with his teams. These processes include customer surveys, follow-up calls to post-sale customers and analysis of sales data and customer feedback.

1. What strategies could Jasper use to evaluate the CI processes he has just introduced?

2. From which of the following stakeholders should Jasper seek feedback about the CI processes? Tick all that apply.

    ○ Customers

    ○ Sales team members

    ○ Customer service and after-sales team members

    ○ Service department manager

    ○ Spare parts suppliers

3. Which of the following are positive ways to gather feedback from stakeholders after the CI processes have been implemented? Tick all that apply.

    ○ Clarify the action steps you need to take to make improvements based on the feedback received.

    ○ Show that you value the comments and points of view provided.

    ○ Ask open and closed questions to better understand the feedback.

    ○ Stay defensive and closed off to change.

    ○ Contest the feedback and provide valid reasons why the change process was the right approach.

    ○ Acknowledge what's been said, even if you do not immediately agree.

4. Describe three systems or processes Jasper could use to identify further areas of improvement in the sales and service departments.