BSBMGT403 Implement continuous improvement

Release 1

Learner guide

aspire learning resources

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Aspire Version 1.1

learning resources

BSBMGT403 Implement continuous improvement Release 1

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Contents

Before you begin

This learner guide is based on the unit of competency *BSBMGT403 Implement 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 and case studies	Examples of completed documents that may be used in a workplace are included in this learner guide. You can use these examples as models to help you complete practice tasks and learning checkpoints. Case studies highlight 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.
Video clips	Where QR codes appear, learners can use smartphones and other devices to access video clips relating to the content. For information about how to download a QR reader app or accessing video on your device, please visit our website: www.aspirelr.com.au/help
Summary	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 outlines specific foundation skills noted for your learning in this learner guide.

Foundation skill area	Foundation skill description
Reading	• Evaluates and integrates facts and ideas to construct meaning from a range of text types in an effort to implement continuous improvement systems and processes
Writing	• Selects vocabulary, grammatical structures and conventions appropriate to text • Researches, plans and prepares continuous improvement documentation for relevant stakeholders
Oral communication	• Participates in a variety of spoken exchanges with a range of audiences using structure and language to suit the audience
Navigate the world of work	• Monitors adherence to organisational policies and procedures and considers own role in terms of its contribution to broader goals of the work environment
Interact the work of others	• Selects and uses appropriate conventions and protocols when communicating with diverse individuals to seek or share information • Collaborates with others to achieve joint outcomes, playing an active role in facilitating effective group communication, influencing direction and taking a leadership role on occasion
Get the work done	• Takes responsibility for planning and organising own workload to achieve required outcomes • Uses systematic, analytical processes in complex, non-routine situations, setting goals, gathering relevant information and identifying and evaluating options against agreed criteria • Evaluates effectiveness of decisions in terms of how well they meet stated goals • Uses digital applications to access and filter data, extract, organise, integrate and share relevant information • Recognises the potential of new approaches to enhance work practices and outcomes

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 Implement continuous improvement systems and processes	1A Implement systems so team members can actively participate	❑ Confident ❑ Basic understanding ❑ Not confident
	1B Communicate continuous improvement processes and obtain feedback	❑ Confident ❑ Basic understanding ❑ Not confident
	1C Ensure effective mentoring and coaching	❑ Confident ❑ Basic understanding ❑ Not confident
Topic 2 Monitor and review performance	2A Use systems and technology to monitor and review progress	❑ Confident ❑ Basic understanding ❑ Not confident
	2B Improve customer service through continuous improvement	❑ Confident ❑ Basic understanding ❑ Not confident
	2C Formulate and communicate recommendations for adjustments	❑ Confident ❑ Basic understanding ❑ Not confident
Topic 3 Provide opportunities for further improvement	3A Inform the team of improvements	❑ Confident ❑ Basic understanding ❑ Not confident
	3B Document work performance	❑ Confident ❑ Basic understanding ❑ Not confident
	3C Manage records, reports and other data	❑ Confident ❑ Basic understanding ❑ Not confident

Topic 1
Implement continuous improvement systems and processes

Frontline managers need to facilitate continuous improvement by ensuring that systems and processes in their areas of responsibility are implemented properly and understood by all. Individuals and teams who report to frontline managers need to be encouraged to participate in the organisation's continuous improvement processes through mechanisms such as mentoring and coaching, open communication and feedback on performance.

Continuous improvement implements systems and processes that support and encourage employees to work constructively and, to the best of their ability, make decisions, take responsibility for their actions and use their initiative. Continuous improvement practices in the workplace stem from the Japanese concept of Kaizen, which means change for the better (*kai* meaning alter, renew, reform and *zen* meaning good).

Many organisations have systems in place to help and encourage individuals and teams to improve their performance over time and look for ways to improve an activity or procedure.

In this topic you will learn how to:

1A Implement systems so team members can actively participate

1B Communicate continuous improvement processes and obtain feedback

1C Ensure effective mentoring and coaching

1A Implement systems so team members can actively participate

A key responsibility of a team leader is to encourage and support each member of the team to function effectively by taking responsibility, making appropriate decisions and offering ideas to enhance the team's work practices. This will be easy to do if there are systems and processes in place that allow team members opportunities to work independently and exercise initiative. It is up to the team leader to see that systems are developed and implemented to promote continuous improvement.

Formal and informal systems

Continuous improvement systems and processes can be formal, such as an organisation-wide quality assurance system that is externally audited and involves regular review meetings and surveys, or informal, such as processes where team members are encouraged to contribute ideas through a suggestion box. The degree to which processes are systemised is not as important as finding the most effective means to encourage and support staff to work in a way that will benefit their organisation. Most managers use a combination of both formal and informal systems. They draw from and implement standard operating procedures, use their management skills to create a culture focused on continuous improvement within their own teams, and devise systems that support this culture.

Use a variety of organisational systems

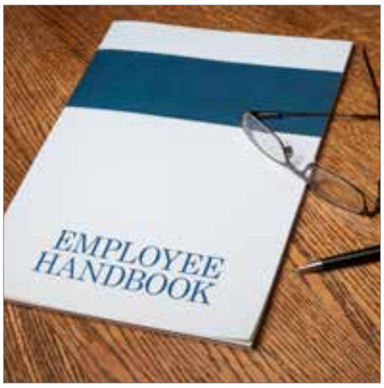
Managers need to use a variety of systems or processes to encourage individual and team effectiveness through improved participation, responsibility and initiative. They also need to select an appropriate system or combination of systems to suit different workplace situations.

Here are some types of organisational systems that are used to create and encourage effective workplace participation.

Organisational systems
• Organisational procedures and policies • Web-based communication devices • Forums • Meetings • Newsletters • Reports • Suggestion boxes

Organisational procedures and policies

An organisation's policies and procedures help to ensure all staff have a framework within which they can operate and act consistently in certain situations. Workplace expectations and operational procedures must be clearly set out and be available to all employees. Employees must understand that their participation in these processes is expected, encouraged and will be reinforced by managers. Policies and procedures are only useful if they are relevant to issues facing the organisation, have the capacity to make a positive difference and are adhered to by all employees. This is important for operational activities (such as shift starting times) and particularly for policies based on legislation, such as those related to workplace safety or sexual harassment.



Access organisational policies and procedures

Employees should be given information about policies and procedures when they begin work with an organisation. However, their usefulness and success will depend on ongoing communication that emphasises their importance – whether adhering to them, their impact on the organisation or how they may be reviewed. Policies must be easy for employees to understand, free of industry or corporate jargon and written so they are relevant to specific roles. Policies and procedures may be documented in folders that are issued to each employee or kept in central locations that are accessible by all.

Tips for using organisational policies and procedures:

- Keep them up-to-date.
- Make sure they are relevant.
- Ensure they contribute to organisational goals and objectives.
- Take time to explain them properly.
- Involve employees in their revision.

Web-based communication devices

Websites, intranet systems and other electronic methods of storing and communicating information can be used to support continuous improvement.

Web-based communication devices allow large numbers of people, often distantly located, to access a centralised repository of information from which to access forms, templates or process steps. These systems enable information to be updated quickly and allow all team members access to the same data at once. This is particularly useful when processes are changed and an intranet site is used to document them, as all employees can access and follow the new process without delay. When tools such as forms or templates are changed or created, posting them on a website makes them immediately accessible to all stakeholders.

Internet tools can also be used to collect data, to raise issues or problems and to log progress against a goal. They can be used to distribute information to internal stakeholders (employees) as well as external stakeholders (customers, suppliers, owners). Customer surveys, updated procedures for suppliers, submission of invoices and orders, and information relating to participation in shareholder meetings can all be processed through the internet. This ease of communication is highly valuable in the context of continuous improvement.

Benefits of web-based communication devices

Electronic mail has greatly improved the effective flow of information both within organisations and with external parties. Email can be used to update people about new systems, communicate results and ensure stakeholders are aware of important issues or problems. Sharing information via email involves people in decision-making processes because it ensures they have the data needed to make informed choices. These systems enable information to be updated quickly and allow all team members access to the same data at once.

This is particularly useful when processes are changed and an intranet site is used to document them, as all employees can access and follow the new process without delay. Whenever you are using web-based communication devices, it is essential the designs are easy to access and use and that you don't let them completely replace other forms of communication. It is also important that you ensure stakeholders make good use of the communication tools – especially when they are distantly located. The disadvantage of any web-based device is not keeping it current. Ensure that web-based content – including communication devices – are maintained regularly and kept up to date.

Forums

Forums are used to communicate information and debate issues. Managers need to ensure forum attendees understand that participation and initiative (in the form of developing new ideas or problem-solving) are not only expected, but also necessary if the forum is to be a success.

In forums, team members can be asked for their input into specific areas. To ensure that time is used well, individuals can be asked to attend the forum with ideas and thoughts on particular problems or issues at the ready.

Here are two forums that usually follow one of two main structures.

Briefings

Briefings are where information is communicated by a manager/s to a group of people. The speaker can allocate time during or at the end of the session for questions, which can be answered on the spot or noted and answered later. A briefing forum is often held to chart the progress of an organisation or team and to remind teams or individuals to look for continuous improvement opportunities.

Discussion sessions

Discussion sessions are where issues and problems can be debated in a managed environment. Such a session should have a program or list of issues to be tackled and be well mediated or chaired for it to be effective and keep participants focused. Holding a discussion forum can be an excellent way to resolve issues that are preventing a team from reaching its full potential. For example, if a team is under-performing, procedures are not being followed or the team is not proactive in its approach, a forum can allow team members to work together on identifying issues, problems and resolutions.

Tips for using forums

Managers should inform all attendees about why the forum is being held and what they hope to achieve. They should provide a program or list of issues before the forum and let attendees know what contributions they are expected to make. Forums held with a view to improving performance can also benefit from the advance collection of data that supports proposed changes. All discussion points and outcomes need to be clearly documented to ensure that everyone can follow up all issues raised.

When using forums, be sure to:

- inform attendees of the reason for the forum and what you hope to achieve by holding it
- provide a program or list of issues before the forum
- let attendees know your expectations of them and what contributions they need to make
- keep a record of issues raised
- make sure you follow up issues raised
- control the forum so attendees stay on track, while allowing them to voice relevant ideas, concerns and issues.

Example: how a forum can reinvigorate the team

Lucinda is the studio manager at a food manufacturing company. She leads a team of six graphic designers who design labels, packaging and merchandising material for the company's products. Recently, a number of the team's design ideas have been rejected by the marketing department and the team has spent a lot of time reworking ideas. Lucinda's manager has discussed this with her and made it clear she expects more from Lucinda's team.

Lucinda decides to hold a forum to identify team members' concerns and discuss the problems with the work. She sets a date and time, invites each team member individually and lets them know their ideas and participation are crucial to the session. She then sends out a program that includes a list of issues, the forum's objectives and some questions for them all to think about.

Lucinda opens the forum with a discussion on why the team needs to reinvigorate itself. She emphasises that she is open to change and wants to deal with any problems the team is having. The team works through the list while Lucinda takes careful note of everything suggested or raised.

The team devises a new set of team rules that includes procedures on task allocation, which the members feel is the root of their problems. They also agree to make changes to the studio itself so their physical environment will be more work-conducive, and to hold regular forums so the impact of these ideas can be measured, and any future issues identified and resolved before they become problems.

After the forum, Lucinda sets a time line for implementation of the team's ideas and discusses the session's outcomes with her manager. Lucinda holds a meeting once every fortnight where the team discusses the impact of the changes. The forums result in the team working more effectively and its material improving greatly, with team members feeling free to discuss and act on issues in the workplace.

Meetings

Meetings are an opportunity to share information, gather issues and ideas, and provide feedback on performance or how work undertaken has impacted objectives. Meetings also enable managers to encourage individuals or teams and extend support during development of a project or task. Meetings should run to time. Having an agenda ensures that team members are aware of what issues the meeting will cover and prepare appropriately. The moderator or chair of any meeting needs to make sure agenda items are covered in their allotted period. If extra time is required, the chairperson should check with attendees before proceeding beyond set times. Sometimes an additional meeting is required, particularly if the relevant issue only involves some of the attendees.

Remember that ideas, issues and action items need to be recorded and followed up. You can do this by keeping minutes of the meeting; that is, a list of agreed actions, ideas or concerns that need to be addressed.

Informal meetings can be beneficial and appropriate in certain situations. Having an unscheduled discussion about the day's events or stopping to have a chat as you meet team members in the workplace can be a very effective way to keep up-to-date with the tasks people are working on.

Tips for running a meeting
• Use formal or informal meetings depending on what you want to achieve. • Make sure the meeting is linked to achieving one or more goals. • Keep regular meetings interesting. • Make sure people receive an agenda beforehand and are prepared for any important issues or areas they need to prepare for. • Keep minutes or notes. • Follow up on decisions.

Example: examine the effectiveness of meetings

Renji holds a team meeting at the end of every week with his four team members. Each meeting has a similar agenda – Renji starts by passing on any news and then they move around the group, listening to what each person is working on. Afterwards Renji presents some information that he feels would be of benefit to the team, such as the company's financial results for the previous quarter. Renji feels the meetings are not as useful as they could be. He is beginning to see a pattern in what people say at the meetings – it is the same each week. He also notices that no-one seems very interested in what others are saying, or in his presentations.

Renji decides to change the format of the team meeting. He changes the time to 9.00 am (instead of 3.00 pm) so people will have more energy. He shortens his initial update session, informs staff that in future they will each have a maximum of five minutes to discuss their work and recommends they bring some new and interesting information each week. He will then hand the rest of the meeting over to one person or a small group who will present a topic of concern.

The presentation section at the end will be rotated among the team, including Renji, so each staff member will have a turn every five weeks. There will be a discussion at the end of each meeting's presentation, and improvement issues will be the focus. After a few weeks the meetings have transformed from tedious and unproductive to challenging and inspiring sessions where ideas flow, people feel freer to talk about issues and ideas are shared.

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Topics for team members to share at a meeting:

- A challenge they encountered during the previous week and how they overcame it
- A problem they came across that they need help in resolving
- The outcomes of a recent project and how they could improve on those outcomes
- An idea or suggestion that would improve performance and how it could work

Newsletters

The purpose of a good newsletter is to share information with others, recognise the achievements of individuals, provide valuable feedback and reinforce participation, responsibility and initiatives. Employee newsletters or other similar publications (such as newspapers or magazines produced in larger organisations) can highlight the achievements of staff, recognise hardworking employees, update staff on procedures and processes and demonstrate the benefits of being responsible and proactive, or invite participation in programs and events.

Newsletters don't need to be expensively produced – a typed A4 sheet using a template is just as effective as a professionally printed one and can be produced in less time. Newsletters can be printed, emailed, downloaded from a website or all of these things, depending on how employees can best access the newsletter. Many organisations have excellent newsletters produced by staff who initiated the newsletter as a means of promoting a more effective and interactive workplace.

Tips for using newsletters
• Make sure it is appropriate in tone and content and linked to a goal; for example, communicating financial results, promoting team spirit etc. • Ask staff for contributions • Make sure everyone gets a copy • Include a mix of information to retain people's interest • Issue one regularly

Reports

Regular reporting is a common way for managers to keep up-to-date with their team members' activities and to summarise information about a team's work over a period of time to senior management. In a continuous improvement context, reports should be a mechanism by which problems are identified so they can be followed up, and trends signalling potential or future problems or opportunities are highlighted so they can be addressed. Reports should also provide an avenue for team members to highlight processes, products or services that are working well, so the successful elements can be understood and applied in other situations.

Reports often include statistics or numerical information. When including this type of information, remember that different readers respond to different methods of presentation. For example, statistics on customer complaints can be presented in a graph, table or paragraph format.

To use reports effectively:

- make sure the report is appropriate for the intended audience and remember that it may be passed on to others
- structure the report clearly
- try to keep the report as brief as possible
- link the content of the report to organisational, individual or team objectives.

Example: manager's reports help team focus

Nick is the manager of a customer service team that uses reporting to communicate information, track trends and identify areas where the company can improve its service.

He has designed templates for his team to use when they are preparing reports, which they do on a fortnightly basis. Each report is two pages long. When a new team member starts, he spends time with them explaining the importance of good reporting. He shows how the template works and gives them examples of useful reports and ones that were not as effective. Each fortnight Nick uses his team members' individual reports to compile his own report to present to management.

Nick provides his team members with a copy of the management report each fortnight so they can see how their reports are used and why they are so important. He makes sure he follows up issues raised in the reports and addresses individual or team concerns in an appropriate setting such as in team or one-on-one meetings.

Although the reports take each team member an hour to prepare, no-one minds writing them. Nick makes sure the reports are the focus for their team activities and goals and underpin all continuous improvement and operational activities.

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Suggestion boxes

An informal way to encourage team members to participate in continuous improvement is to instigate a suggestion box. The box should be centrally located. The team leader should encourage any ideas and make no judgment about what is included. Suggestions that go in the box could be anonymous or people could sign them if they want to. In this way, everyone should feel able to say what they want. It is important to act on the suggestions by opening the box regularly and discussing the issues that arise.

Steps for using a suggestion box:

- Ensure people know that they do not have to use their name.
- Encourage all types of ideas.
- Check the box regularly.
- Discuss each suggestion with the team.
- Follow up each suggestion.

Encouragement

Organisation systems will not succeed unless you encourage individuals to participate and show initiative, which is usually through increased responsibility.

Make sure there are processes in place that give staff the opportunity to contribute to organisational issues in a non-threatening environment, such as a suggestion box.

Employees also need to be able to think creatively to solve problems they encounter during their working day. In most situations, practical demands (time constraints, for example) mean that managers must be able to rely on staff to resolve issues with minimal direction. Having the ability to solve problems as they arise provides for a better and more harmonious working environment.

Here are ways to encourage team participation, initiative and responsibility.

Encouraging participation

Systems used in continuous improvement all emphasise encouraging participation in the process. Encourage the team to think about undertaking work in a more effective way and to contribute ideas. Participation from employees is a crucial part of continuous improvement. You need to make sure there are processes in place that give staff the opportunity to contribute to organisational issues in a non-threatening environment, such as an open-door policy whereby team members feel comfortable about approaching you to discuss an issue, a suggestion box and/or brainstorming sessions.

Encouraging initiative

Initiative is not only important in the context of continuous improvement, but also in all aspects of the workplace. Employees who use initiative are more likely to meet individual and team objectives and be able to identify innovative and more effective work practices and procedures. Frontline managers must provide feedback on the effectiveness and usefulness of the ideas contributed by team members, and measure the impact any changes have on improving processes. Particular thought needs to be given to how you can provide feedback in a workplace that includes people working part-time or in shifts, or who are based in a variety of locations.

Encouraging responsibility

Managers must encourage individuals and teams to take responsibility for their actions within the workplace. Taking responsibility means having a sense of ownership and providing reasons and motives for actions taken; that is, being accountable. Responsibility also means that individuals and teams recognise that they need to be proactive and self-motivated to achieve their objectives and purpose within the organisation. Taking responsibility is especially important in situations that can have long-term consequences, such as work health and safety – where taking responsibility can mean the difference between a safe and an unsafe work environment.

Manager's responsibilities

Managers should also take a critical look at how they encourage and support continuous improvement behaviour.

Managers have a responsibility to:

- encourage and reinforce participation from all team members
- reinforce the need for participation in daily activities
- encourage participation in decision-making activities
- empower staff members to feel responsible for their work
- encourage and support participation
- support employees who use their initiative
- look at a better way to do things.

Practice task 1

How could you provide feedback in a workplace that includes people working in a variety of locations, part-time or in shifts?

1B Communicate continuous improvement processes and obtain feedback

Different organisations use different policies and procedures to systematically review and improve their products, services and procedures. Each organisation will have its own system of audit, review, feedback and evaluation. Continuous improvement processes should rely on the participation of internal stakeholders such as employees, teams and managers, as well as external groups such as suppliers, shareholders and customers. You need to communicate the benefits of change management and the protocols of a continuous improvement process with all these groups in mind. Often, a combination of continuous improvement systems is used – some systems are used across the whole organisation while others are only used in a small team. Some processes are standard for a particular industry while others have been developed in-house and are only suitable for that organisation.

Common across almost all organisations is the attempt to change and continually improve operations in some way. Frontline managers must inform their teams of the organisation's processes for change management and improvement. To do this, you need to know what, why and how processes are used.

Implement quality systems

Three commonly used formal processes are quality management, benchmarking and best practice. Each of these practices has been in use for many years. Organisations develop their own quality management systems based on International Organization for Standardization (ISO) standards and guidelines. These systems are audited by an external body registered by the ISO. The auditor determines whether the system at least meets the standard set by the ISO and, if it does, awards the organisation with ISO accreditation. The organisation must show evidence that its procedures are reviewed and improved at regular intervals, during which the quality management system is re-audited.

Organisations that have been awarded ISO accreditation can use ISO logos and markings in their marketing and promotional efforts, demonstrating to customers and stakeholders the organisation's commitment to continuous improvement. You can read about the generic quality management principles advocated by the ISO on its website at: www.iso.org. Some information is outlined here.

Quality management

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. 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 the way it comes to life; for example, as it is manufactured.

Quality assurance

Quality assurance (QA) is a term used in many organisations to describe internal departments or teams that design, implement, monitor and measure quality processes. QA can also refer to the process itself. 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 tests'.

Total quality management

Total quality management (TQM) is a system that focuses on continuous improvement of an organisation's internal processes. This increases the quality of the organisation's products and services and therefore improves customer satisfaction. TQM aims to embed awareness and focus on quality in all organisational activities – to do things right the first time rather than responding to problems after they emerge. Analysing data using statistical methods is a key element of TQM, as is the use of cross-functional teams known as quality circles, where people who have different duties in a process or activity work together to identify where improvements can be made.

ISO 9000 accreditation

ISO 9000 is an international standard maintained by ISO and is administered by external accreditation and certification bodies.

ISO 9000 accreditation demonstrates that an organisation adheres to a detailed quality management system for ensuring the production of quality products or services. The ISO accreditation is not a standard to guarantee a product or service is of a particular quality; rather, it shows the process of production meets certain standards and guides how processes will be managed and reviewed.

Most ISO standards are specific to a particular product, material or process. However, the family of ISO 9000 standards are known as generic management system standards.

Standards Australia

Standards Australia is Australia's representative to the ISO, the International Electrotechnical Commission (IEC) and the Pacific Area Standards Congress (PASC). Through a committee structure, Standards Australia is responsible for developing and maintaining more than 7000 Australian Standards. The Standards are designed to promote and assist trade between individuals, organisations and nations. In addition to developing standards, Standards Australia promotes excellence in Australian design and innovation through the Australian Design Awards (ADA).

Learn more about the role of Standards Australia by visiting the Standards Australia website at: www.standards.org.au.

Benchmarks

The key principle of benchmarking is the continuous pursuit of excellence at all levels of an organisation. Like all continuous improvement practices, the aim is to minimise mistakes and wastage and maximise opportunities to exceed stakeholder demands. Benchmarking measures a company's attempts to meet stakeholder needs such as on-time delivery of quality goods (customers), creating a supportive workplace (employees), providing a good return on investment (owners and investors) and keeping up-to-date with technology (suppliers). Data is collected and measured against present objectives devised within the organisation, as well as against external organisations recognised as leaders in their field, whether competitors or from another industry entirely.

The benchmarking system offers organisations a way to implement continuous improvement practices by identifying who is the very best at achieving the objectives of stakeholders, how they have managed to do this so successfully and ways the organisation or more people within the organisation could do the same. Benchmarking is a proactive approach that aims to continually improve the way an organisation runs by planning ahead, anticipating changes, knowing what stakeholder expectations are and keeping abreast of what competitors are doing and planning to do.

Best practice

Best practice is closely related to benchmarking. It is the process of identifying, through research, the best way of doing something. This can be on any scale from answering a telephone to building a house. Best practice starts with creating a definition or standard for the most effective procedure. Current performance is then compared with this definition and, if performance is lacking in quality in some way, changes can be made. Performance can even be graded against the standard. Recently, researchers have stopped using the phrase 'best practice' because it implies there is no room for further improvement. Instead, many are now using 'good practice', since 'good' practice can always be better. Good or best practice involves ongoing research into and revision of what is the 'best', which can change over time. Its success as a management tool is only as good as the understanding of what constitutes best practice at the present moment.

Reviews and audits

The main idea behind any continuous improvement program is that it is, in fact, continuous. Formal quality management systems based on ISO standards, benchmarking and best practice, as well as other less formal systems, will only be useful to an organisation if the information is kept up-to-date.

This means conducting ongoing research as well as regular audits and reviews of what has been implemented, so that processes can be evaluated and measured against the effect they have had on performance. A regular review or audit will usually involve checking the activity, process or system that is being used and making sure it is up-to-date and being used correctly. Is it relevant and helping to meet stakeholder demands? Has appropriate training or explanation of the process been given?

It is essential that external groups such as customers or suppliers understand their role in the review/audit process and that this information has been communicated properly, with a focus on how it will benefit them in the long run.

Here are seven commonly used types of review and audit strategies undertaken to maintain a continuous improvement program.

1. **Quality management systems and processes**

   Regular audits of processes should be undertaken to check the effectiveness of the system and adherence to the process. Quality goals and the way they are measured should be reviewed to ensure that the goals are relevant to stakeholder needs and are being measured in an appropriate way.

2. **Process reviews**

   In addition to formal quality management auditing, other systems that may not initially appear to be integral to quality, such as the processes used to log and process a customer order, are checked themselves to ensure they are relevant and useful and implemented effectively.

3. **Performance development reviews and staff appraisals**

   Assessment of the performance of employees against their job description or performance indicators should be undertaken regularly.

4. **Workplace health and safety audits**

   Regular audits of workplace health and safety (WHS) procedures and their effectiveness should be carried out and are legally enforceable in Australia. Reviews include inspections conducted by external parties (such as an ISO quality audit) or self-check by individual employees or teams to assess risk and safe workplace practices.

5. **Equal opportunity audits**

   Regular reviews of equal opportunity policies should be undertaken as part of an organisation's commitment to providing workers with an equitable workplace that is free from discrimination. The process itself should be checked and the impact it is having should be measured. This can be done by measuring the number of complaints made by staff, the number of females who hold senior roles within the company, or the number of employees from culturally and linguistically diverse backgrounds.

6. **Team meetings**

   Team meetings focus on continuous improvement efforts, including communicating information process.

7

Stocktakes

Although primarily used as a mechanism for reconciling stock levels and valuation of stock, stocktakes can also be used to check warehouse processes and stock rotation procedures are being adhered to. Stocktakes can also be used to monitor redundant stock and therefore eliminate wastage – a key principle of any continuous improvement program.

Obtain feedback

Continuous improvement processes rely on having an appropriate system in place that is understood, used appropriately and reviewed on a regular basis. Part of maintaining the process, and integral to the concept of continuous improvement, is the feedback process.

Frontline managers need to be aware that feedback from team members is vital for any continuous improvement process to be effective, as well as important in terms of managing staff on a day-to-day basis.

Feedback as a change mechanism

In addition to feeding the information a team or individual provides back into the process, a manager also needs to use this feedback to help team members cope with changes and use them to their advantage. This can involve spending some time coaching and mentoring team members as they adjust to changes.

How do managers ensure their team is forthcoming with feedback? There are many reasons why a team or an individual may not be upfront in discussing problems or issues (negative or positive) with their manager or other team members.

Reasons why people may not be forthcoming with feedback:

- They feel that if they raise a problem with their manager, they will be blamed for it.
- Sometimes a team has a few strong personalities who overwhelm younger, less-experienced or more-reserved employees.
- They may have had a bad experience with a previous team or manager.
- Some teams and managers are so busy that individuals feel there isn't enough time to provide feedback or discuss issues.
- Some teams do not have appropriate settings in which feedback can be given.

Feedback should always be a two-way process

Feedback must function two ways. As a team or individual provides feedback, they also need to receive it. Organisations that have appropriate feedback mechanisms in place will be more likely to make positive changes to operations or the work environment. A clear understanding of these issues is the result of effective communication.

Mechanisms discussed earlier, such as team discussions, forums, meetings, newsletters and web-based communications are all useful ways to ensure information is delivered to the right people and that avenues are established to send and receive feedback. When providing two-way feedback, thank those who give regular feedback and tell them why it is so useful, and show how feedback has had an impact on your work. In most cases, sharing valuable ideas with others in an organisation and ensuring originators of ideas are acknowledged properly will help build team morale.

Here are some continuous improvement tips.

Continuous improvement tips
Know the reasons for implementing the continuous improvement process.
Ask why a particular process has been chosen over others.
Inform an individual about their role in the process, and what is expected of them.
Inform work colleagues on how, where and when they can provide feedback in relation to the effectiveness of the process.
Explain how the feedback will be used and who will review the feedback.

Key points for effective feedback

When asked to provide feedback, try to provide constructive criticism or praise regarding the performance of a team or individual, as this will help them become more proactive in solving problems on their own. Don't forget that listening carefully to what people say and taking action on issues is essential to providing constructive two-way feedback.

Management consultant Michael Armstrong, in *Performance management: key strategies and practical guidelines*, has developed guidelines for managers for providing effective feedback in a continuous improvement environment.

Here are eight of Michael's key strategy recommendations.

Key strategies and practical guidelines

1. **Build feedback into the job**
   Make feedback an integral part of everything you do and make sure that if it is in relation to any specific activity or task, it is provided within 48 hours.

2. **Provide feedback on actual events**
   Back up any criticism with examples and evidence; don't assume you know the reason for any negative behaviour.

3

Describe, don't judge

If you receive a complaint about a team member, don't say 'You haven't been doing your job properly'. Instead, tell them what information you have that is of concern and ask them to comment on it.

4

Refer to specific behaviours

Don't give feedback – good or bad – on a feeling or general impression you have. Make sure it is related to an actual event, activity or observed behaviour.

5

Ask questions rather than make statements

If you have something negative to say, rather than simply telling someone you're unhappy with them, ask them what they think they could do to improve the situation, or how you could help.

6

Select key issues and restrict yourself to them

Even if you have some serious issues with a particular team member, take it one step at a time. Avoid making general, broad-based statements.

7

Focus

Focus on behaviours or skills an individual or team can improve on. If it is something beyond their, or your, control, acknowledge and tackle these issues with people who can make a difference.

8

Provide positive feedback

Don't just focus on the negative things – make sure you spend time congratulating people on a job well done and acknowledging areas in which people have made an effort to improve.

Feedback and the change process

Some organisations, particularly those with formal quality processes and policies in place, have a strict process that must be followed for collection of feedback, assessment of ideas and implementation and measurement of changes.

When changes to product or service offerings are suggested, the process for change will usually involve the people responsible for product and service development. This could be a marketing unit, product development team or other group.

Some organisations have a process to follow when problems occur with a product or service, or when proactive ideas for improvement arise. The process might involve talking to a member of the relevant team or sending an email with your suggestion in it. Standard operating procedures within other organisations may stipulate that all such correspondence be directed through managers.

Employees will need to understand how the change will benefit them. Here are some ways to obtain and evaluate feedback.

Obtain ideas

Obtain feedback on current systems, processes, services or products

Informal system

- Ask employees for their concerns and ideas and keep a note of them
- Share any concerns and suggestions with the team
- Seek and analyse feedback on product and service quality from customers

Formal system

- Cross-functional quality team speaks with other teams and individuals working in the divisions they represent
- Ideas for improvements are made informally and written up on a specific form as part of the company's continuous improvement process documentation
- The form should be structured to include areas on 'issues being experienced', 'summary of suggestion', 'why this will improve the current processes' and 'implementation resources and steps'

Evaluate ideas

Evaluate ideas for modification or improvement to systems

Informal system

- Team discussion
- Manager considers idea and determines whether possible benefits outweigh resources needed

Formal system

- Cross-functional team meets quarterly to discuss and present ideas and review organisation processes

Use information obtained from feedback

Once you have received and evaluated feedback you will need to use it to improve the performance of your team. If the feedback generates a change in the way the organisation operates, this information may need to be shared with those who will be affected. For example, sending a letter out to customers explaining a change and how it will help the organisation deliver better service will minimise problems the team might experience with customers in the future.

Here are some steps for making effective use of feedback.

Plan tasks	**Informal system** • Work out what micro steps need to take place in order for the idea or suggestion to take effect. **Formal system** • Team debates ideas presented and ranks the ideas based on their likely impact on improvement. • Team votes on whether to amend the current process based on the information provided in the relevant form, costs and benefits of the suggestion and how it contributes to organisational improvement.
Implement process	**Informal system** • Create tools and communicate new process. • Make sure everyone has access to materials or tools and are trained (if necessary) on their use and the new process. • Alert other departments that may be impacted by this. **Formal system** • Follow the continuous improvement process that includes clear steps on what needs to be done, forms, communication templates and approval processes for the use of new tools and procedures.
Evaluate and monitor	**Informal system** • Ensure the change is evaluated by formal or informal means and is checked regularly to ensure it is making positive changes that are linked to the organisation's goals or team objectives. **Formal system** • Review the new process weekly (for the first month) for compliance and effect. • If there are problems, a team member works to address these and, if necessary, convenes a special meeting of the team. If all is going well the process is checked again in one month and then quarterly.

Implement a change system

In encouraging and supporting your team to participate in continuous improvement efforts, an implementation system for changes can be useful. A change system need not be complicated or take up a lot of time.

At the minimum it can work as a checklist, making sure that when changes are made they are as effective as they can be. Setting up a system may involve getting approval and agreement from other departments that may be involved in the process.

Implementation steps for product improvement:

- A team member has a product improvement suggestion based on customer feedback.
- The member communicates the product change idea to the appropriate manager in an email.
- The manager discusses the idea with the member and gets additional background information.
- The manager presents the idea to the product development team.
- The product development team assesses the idea and provides feedback to the manager.
- If the idea is accepted, the product development team monitors its effectiveness after its implementation and provides a report to the manager.
- The manager shares the outcomes with the team member who suggested the improvement.

Feedback on the continuous improvement process

There is no end to continuous improvement. Effective evaluation should be built into the cycle of the continuous improvement process; for example, reflecting on whether the costs associated with implementing an idea are outweighed by the benefits.

Measurement and monitoring of the continuous improvement process should be thought of as ongoing. Evaluation mechanisms include surveying staff on the system's usefulness, measuring how the system is used at certain steps in the process, and creating measurements that examine how organisation or team objectives are enhanced when the system is used properly.

Continuous improvement measurements

Measurements need to be linked to the reasons for which the change is being made. For example, if a customer service team decides to manage calls by state or territory, what is the reason behind the change? If it is to provide better customer service by building close relationships with clients, then customer relationships need to be measured. If it is because clients in different states use different products and specialising by state will enable customer service staff to have a deeper understanding of specific products, then the team members' product knowledge needs to be measured.

Continuous improvement measurements can include those shown below.

Informal discussion

Informal discussion – asking team members if the system is working and why.

Formal discussion

Formal discussion of specific issues – asking team members a series of questions about the effects of the change.

A record of data

A record of data – for example, a record of customer complaints following a service improvement – to compare 'before' and 'after' statistics.

Surveys

Surveys and questionnaires that use statistical and non-statistical information – for example, asking customers questions that rank product effectiveness before and after an improvement is made.

Auditing

Auditing – companies that use formal quality systems (such as ISO systems) need to have them audited by a registered quality auditor.

Other sources of data

Other data such as reports and other information available from staff or recording mechanisms can also indicate the effectiveness of any systems, processes, products or services.

Practice task 2

Within your organisation or one that you are familiar with, describe what you and your team would need to do to pass on ideas and suggestions to improve:

- current processes and systems you follow (such as standard operating procedures, quality steps and workplace safety procedures)
- services or products your organisation offers.

1C Ensure effective mentoring and coaching

The implementation stage of a continuous improvement process may involve tracking existing staff skills, helping them acquire new skills or updating existing skills to deliver a high-quality service or product. The team might choose to conduct a special training session where all members are briefed on the new procedure and taught how to use new equipment or systems. Alternatively, individual sessions with team members might be conducted, or regular and ongoing training sessions can be built into the team's schedule.

Encouraging participation, feedback and expression of concerns from some individuals is very simple. All you need to do is make it clear that their contribution and ideas are welcome and they will join in or speak up with little or no prompting. Others need more time and encouragement to speak openly about their concerns, or may feel unable to participate in the implementation process or review for a variety of reasons.

Both mentoring and coaching rely on the principle that managers can help their team members work to their full potential by helping them develop their skills and knowledge, rather than by giving orders. Some examples follow.

Ways managers can support and encourage their team
• Work within continuous improvement processes and procedures. • Contribute to the development of such processes. • Adapt to changing work environments. • Provide feedback. • Openly discuss problems and concerns. • Raise ideas and suggestions to improve work practices. • Assist in the implementation of new or updated processes.

Mentors

A mentoring relationship involves two people, one of whom is more experienced than the other. The relationship enables junior or less-experienced people to benefit from the wisdom and experience more senior people can offer. Mentors can explain short-cuts they have learnt, describe strategies for solving problems and provide networking opportunities. Workplace mentors help people learn about work through their own career experiences.

Mentoring is designed to help people discover and develop their potential. Managers who assume a mentoring role take a genuine interest in the goals, capabilities and improvement areas of other staff. They work with employees to help achieve work and career goals.

Mentors are guides, trainers, counsellors and advisers all rolled into one. A mentoring relationship should provide an environment where the less-experienced person can openly raise questions, issues and concerns with no fear of being frowned upon or reprimanded. Providing advice, listening to ideas and frustrations, and helping junior staff see possible solutions to challenges is part of the mentor's role.

Here are some tips you can use when you are mentoring someone.

Things to keep in mind when mentoring someone
Be structured in your discussions. Jointly set a topic or theme for each session so they are not spent discussing the same problem.
Regularly check your progress against the goals you set out to achieve.
Allow the protégé to find their own working rhythm.
Listen carefully and keep notes.
Act as a sounding board, providing ideas, motivation, guidance and support. Mentors should not make decisions for protégés or tell them what action to take.
Only commit to being a mentor if you have the time and genuine interest needed to cultivate the relationship.

Coaches

The basic concept of coaching is that teams and individuals are capable of success. As a manager, your job is to help them be successful. Many managers are asked to coach their staff, with coaching often included in job descriptions and other documentation that outlines a manager's functions.

If you have ever been coached you will appreciate the concept and understand that a coach is simply trying to direct you in reaching your goal. Obviously the choice on how you get there is yours, but the coach will strategically assess and monitor your process along the way and be on hand to provide advice to ensure coaching effectiveness and efficiency.

An effective coach:

- understands that their role is to help people learn and develop
- gives guidance on what needs to be learnt and feedback on efforts and performance as learning progresses
- approaches learning with proactive, simple responses
- listens to individuals and teams and completely understands how to help
- uses past and new experiences as a tool and opportunity for learning.

Example: the difference between mentoring and coaching

An organisation in the United States, the Centre for Coaching and Mentoring (CCM), conducted a survey to see how junior staff perceived mentoring and coaching. Survey respondents felt that, in a mentoring relationship, the focus was on developing the individual's personal growth and maturity, whereas a coach would work with a less-experienced staff member on improving performance so that a particular goal was achieved.

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Mentors were expected to offer more general advice on issues that could fall outside the context of job-related activities. Respondents felt coaches had a more specific agenda, whereas mentors didn't and were not as outcome-driven as their coach counterparts.

Respondents said they felt mentors were more likely to be someone they chose whereas coaches 'came with the job', concurring with the more outcome-driven focus of a coach.

Most saw coaching as a management role – that as part of their responsibilities, managers needed to act as a coach and, in doing so, help their staff achieve goals and outcomes. 'Mentor', on the other hand, was more like a badge of honour – a mentor wasn't a mentor until the protégé in the relationship saw them in this way and they had earned the title.

Managers using coaching methods

Managers are likely to use coaching techniques more than mentoring techniques, although good managers will routinely use aspects of both in different situations and with different people.

A manager who acts as a coach is trying to support a team to 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.

Managers will often use coaching to assist teams and individuals in continuous improvement processes by helping and empowering their staff to help themselves, while providing feedback along the way. They will also encourage problem-solving skills to enable staff to focus on higher-level challenges.

Practice task 3

1. Consider a time when you have been involved in a coaching or mentoring relationship. What was the outcome for both people involved?

2. How are coaching and mentoring different to each other?

Summary

1. A key responsibility of a team leader is to encourage and support team members so they can function effectively as a member of the team by taking responsibility, making appropriate decisions and offering suggestions and ideas to enhance the team's work practices.
2. Managers need to use a variety of systems and processes to encourage participation such as organisational procedures and policies, web-based communication devices, forums, meetings, newsletters and reports.
3. Every organisation will have its own system of audit, review, feedback and evaluation to systematically review and improve products, services and procedures.
4. Formal processes such as quality management, best practice and benchmarking may be put in place.
5. Part of maintaining continuous improvement is the feedback process. Building feedback loops into everything a team does helps managers and teams cope with the challenges of a changing workplace and to proactively seek further change. It should always be a two-way process.
6. Mentoring and coaching are useful techniques to help team members implement continuous improvement processes. Mentoring can help people discover and develop their potential. Coaching provides encouragement, direction or motivation as team members work towards the achievement of particular goals.

Learning checkpoint 1
Implement continuous improvement systems and processes

This learning checkpoint allows you to review your skills and knowledge in implementing continuous improvement systems and processes.

Part A

1. What are the benefits to an organisation if teams and individuals are proactive in the continuous improvement process?

2. Explain the role of mentoring and coaching in the continuous improvement process.

3. Explain how you could encourage team members to participate in the workplace decision-making process, exercise initiatives and take responsibility for their actions.

4. Describe two types of organisational systems or technologies used in the workplace that help identify how business operations could be improved.

5. Describe three improvement techniques that could be used to improve customer service standards in your workplace.

Part B

Read the scenario, then answer the questions that follow.

Scenario

You are the manager of a team of five customer service staff at a travel company called Mayan Magic that develops and markets tours to Central and South America. Your team handles inquiries from travel agencies who call to get details about different tours. Mayan Magic has been operating for about 20 years and is the most experienced Australian tour operator in the region.

Data shows that the popularity of Central and South America as a tourist destination is growing and the area is no longer just a destination for backpackers and adventure travellers; all sorts of people want to experience the Americas. Although more people want to visit these places, you are also experiencing more competition than ever before – new operators are starting up almost every month and are competing hard for customers. Instead of enjoying better sales as a result of the increased interest in Central and South America, Mayan Magic is finding that sales are harder to come by because competition is so fierce.

The senior management team recently held a three-day meeting where these issues were discussed and debated at length. Your manager, Bernardo, has told you that Mayan Magic is reinventing itself. The managers have come up with a new mission statement:

'Mayan Magic will be the premier Australian provider of tours to Central and South America. We will work hard to create a reputation in the industry that is second to none. Our customer service and attention to detail in all aspects of our operation will be of the highest quality.'

Implementing continuous improvement processes

The company will achieve these goals, meet new competition headfirst and capitalise on the opportunities the increased interest in the region offers by implementing continuous improvement processes throughout the organisation.

Services you offer will be benchmarked against services others provide. The marketing department will be conducting in-depth research into what constitutes best practice by analysing how other tour companies operate. All aspects of the Mayan Magic operation will be reviewed and checked for quality by a special cross-functional team that has been assembled.

Mayan Magic is also moving into a partnership with two other tour companies who are very successful and operate in Africa and North Asia respectively. Mayan Magic plans to use management models and other ideas from these companies to improve their services.

The team leader's responsibilities

You have been told that, as customer service manager, the performance of your team is critical to the success of this new effort to regain market share and become the premier provider of tours to Central and South America. Although your performance hasn't been bad, you have had high staff turnover during the past 12 months and seem to spend a lot of time resolving conflicts and personality problems within the team and addressing complaints from customers. You know the team could do better and that all your team members are capable of achieving more. You know that as a manager you need to help them work more effectively and become a division the company is proud of. Bernardo has stressed to you that customer service staff are the first contact potential clients have with Mayan Magic and he wants to see a big change in the way things are done.

Plan a continuous improvement program for your team using the following questions to help you.

1. What are the current issues, problems and challenges that are barriers to your team reaching its full potential? Include all workplace issues that are obstacles to working effectively.

2. What systems or practices could improve the effectiveness of your team?

3. What continuous improvement process could help your team become more effective? Specifically, what work needs to be done in order for the following processes to be researched, developed, implemented and reviewed?
   - Quality management systems
   - Benchmarking
   - Best practice
   - Reviews and audits

4. What other continuous improvement processes would be suitable for your team?

5. How will you communicate changes to your team? Outline your communication plan for the initial stage and on an ongoing basis.

6. How do you plan to obtain feedback and input from your team regarding the new continuous improvement processes? What feedback mechanisms will you use and why?

7. How do you plan to ensure your team fully cooperates with and participates in the continuous improvement process?

8. How will you manage the process of ongoing change with your team?

9. How do you see mentoring and coaching working as a management style that will support the effective implementation of these processes?

Topic 2
Monitor and review performance

One of the critical functions of a continuous improvement system is the review process. During review, information is collected, monitored and analysed to determine whether problems exist or whether they could exist in the future.

Action is taken to improve one or more aspects of the organisation's operations so the negative effect of a problem (or future problem) is minimised or avoided completely. Action could involve making changes to a system or process or changing the way something is done for the better.

In this topic you will learn how to:

2A Use systems and technology to monitor and review progress

2B Improve customer service through continuous improvement

2C Formulate and communicate recommendations for adjustments

2A Use systems and technology to monitor and review progress

There are several steps that frontline managers need to take when monitoring and reviewing information in a continuous improvement environment. Without these, the monitoring and review process will not provide the correct data for measuring the work performance of the individuals in their team.

The main objective behind collecting work performance information is to monitor the output of work and to ensure the organisation is meeting expected time frames and quality of work.

A manager will collate a variety of information and analyse its content, with the aim of identifying areas where improvements might be made – either operational or task oriented. It will also be their aim to recognise the cause of any problems or issues that may be affecting workplace productivity, quality of customer service, or products and services being offered. Once the initial analysis process has been completed, it will then be time to decide on action to solve the immediate problem and prevent future substandard performance. Changes need to be monitored to ensure they have had the desired result.

Sources of information

Sources of information for managers to monitor and review a continuous improvement system can include reports and other data generated by computer systems and formal and informal surveys and feedback from team members, customers, suppliers, shareholders, other staff and managers. Other popular ways to source information include having regular discussions (formal and/or informal) with key staff members, managers and others within the organisation who can keep you abreast of incidents and trends.

Managers may also like to consult surveys and reports issued by industry bodies and other information produced by external parties, either requested or available freely, such as newspaper reports or commissioned market research data.

As a manager you will need to ensure the information sought is helpful and relevant for monitoring and reviewing purposes.

Understand the available systems

Frontline managers need to understand how the systems available within their own organisation can help them to support their teams to continually improve performance. Almost all organisations, small and large, have a range of systems and technology that collect and present information for analysis. Frontline managers can use this information to help them make decisions, measure progress and inform themselves. However, management tools, systems and technology can only help managers perform their duties and are not a replacement for the analysis, review and evaluation that managers need to undertake themselves.

The way systems and processes are used to monitor and review progress varies, depending on whether they are formal or informal and how information is collected and produced.

An example is the process of confidentially interviewing employees who have resigned. Exit interviews help workplaces identify reasons why staff leave so that problems can be resolved through developing and improving policies and systems that affect employees.

Use performance measurements

Most managers are familiar with the practice of comparing actual performance against targets or goals. This practice enables them to quickly see whether their team is on track to achieve objectives. In a continuous improvement environment, this process can also help managers understand and measure their team's progress as they work towards certain goals.

It can also aid in the evaluation of whether new or upgraded processes are having the desired impact on performance, by measuring progress before and after the changes have been implemented.

Measurements of performance include:

- profitability
- productivity measures
- process quality
- areas of waste and corrective action
- workforce performance measurement
- customer information
- marketplace and community data.

Example: use performance measures

Mary is the customer service manager of a company that distributes imported homewares across Australia. She has a team of six employees whose responsibilities include answering queries from customers who telephone, taking orders and completing a set number of sales calls each week to potential distributors. Mary asks her staff to keep a log of their activities each day. It is a simple task for them to manage as Mary has created a form for them to fill in. Staff just put a tick in a different box depending on what they do. This way Mary can see how many orders are taken, how many calls are product queries and how many outgoing sales calls her team makes.

Each team member has to make at least 10 calls per week and is given a list of who to contact every Monday morning. Mary can measure her team's progress against their weekly target of 60 calls by simply tallying up the ticks in the 'sales calls' boxes on each team member's activity log. This system also enables her to know who hasn't yet made their calls as the week's end approaches, so she can work with individual team members and help them plan their tasks to ensure the job gets done.

Profitability

Businesses use this measure as an indicator of success or failure for good reason: making money that can be returned to shareholders and owners is the principle reason for the existence of most companies. In general, profitability is the difference between what a business needs to spend in order to function effectively, and the money they make through revenue streams and other income sources. Profitability data is numerically based and therefore improvements or downturns are easily determined by comparing current data with historical information. An indication that an organisation may be performing well would be a steady growth in profit levels across a number of years. However, it is also necessary to understand why such growth has occurred.

Here are some suitable measures for reporting organisational profit.

Reporting profitability measures
Budget information that shows anticipated costs and income versus actual results
Sales figures that show sales over time (year to date) or over a time period (monthly sales, weekly sales)
Expense reports
Annual, half-yearly and quarterly reports

Example: profitability

A company experienced profitability growth for several years because its costs of operating stayed the same, while its sales increased. On closer inspection it was found that market demand for their product type had grown extensively. The company's market share may have actually lowered and other companies were emerging to take advantage of the demand.

In this case, profitability indicated that the company was doing well, but could be doing better. Its growth was not due to improved operational effectiveness but was simply a case of being in the right place at the right time as demand grew. A comparison with market share figures revealed significant room for the company to improve because it hadn't taken full advantage of the increased demand for its products.

While profitability information is very useful when monitoring and reviewing a company's performance, it (like all such measures) should always be considered in the context of other data.

Similarly, a downturn in profitability may not necessarily mean that a company is performing poorly, but should be a cause for concern nevertheless. Once substandard processes, products or services have an impact on an organisation's profitability figures, the damage has already been done. This is especially the case in businesses where the main objective is to increase shareholder wealth. Signs of damage to an organisation reinforce the need for collection of research information.

Productivity measures

Productivity has a very close link to operational effectiveness and productivity measures are used when closely monitoring teams and departments.

Productivity measures could include the following:

- The amount of raw materials needed to produce a certain number of products; for example, how much paper does a real estate agency use each month to produce its rental list? Normally it is 30 packets, but reports show lately they have been using 50 packets. Why?
- The amount of energy used to heat or cool work sites – if energy consumption has risen, is it because of factors you can't control (a hot summer or a cool winter) or does the air-conditioning system need servicing?
- Stock levels – if the stock levels are low, is it because you've been sending out more than the usual number of orders or is it because a new shipment of goods hasn't arrived on time?

Example: cost information that is linked to productivity

An accounts team manager uses a cost report that shows the amount the company pays each of the team members per hour. She can see from this report that the team members are all working a lot of overtime, which is costing the company additional money.

This report allows her to see the financial impact of the problem on the company. She might decide that, because the cost of paying overtime is so high, she will investigate getting planned additional computer training for her team sooner rather than in a month's time. Waiting a month might mean that the cost of overtime has a major impact on her salary budget for the year.

Cost reports provide information on the following aspects of productivity.

Raw materials

Raw materials needed to produce a certain number of products

For example, if a real estate agency is using an extra 20 packets of paper, this is costing them an additional $300 each month. Is the cost of the extra paper offset by generating additional income for the firm? Is the firm acquiring additional revenue through rentals because they are copying and distributing more rental lists?

Energy

Energy (electricity, gas) used to heat or cool offices

Is the cost of $1000 per quarter your company could spend on getting the air conditioner serviced worthwhile given that the extra energy costs amount to $200 a month if it isn't serviced?

Stock levels

Having a high level of stock on hand

In companies that distribute ice cream, for example, this could be significant; having large levels of stock in the warehouse can mean higher refrigeration costs. Would the discount a company gets if it orders all of its office supplies for the year at once be exceeded by the cost of purchasing an additional storage cabinet to keep it all in?

Process quality

In an organisation that values and promotes continuous improvement, it can be argued that monitoring the cost of processes is the most important measure of all. Processes the organisation uses to operate effectively are very important: if they aren't established and monitored properly then problems will arise. Processes are established because, if they are well designed and used properly, they help avoid or minimise problems by guiding employees through the most effective way of performing activities or tasks.

One of the key success factors in any continuous improvement process is identifying and eliminating waste. Information on these factors is gained through reports (either standard reports that are produced on a regular basis, or reports that are produced on request and to specific requirements), observation, information passed on through staff, or a combination of these. Once the waste is identified, the next step is to identify the cause of the problem and then alter the process (or create a new process), which will result in a reduction in the amount of waste.

Areas of waste and corrective action

There are many areas of waste that an enterprise may need to manage, such as product defects, overproduction of manufactured items and turnaround or waiting time. Other aspects of waste management include controlling transport time, processing of waste, excessive inventory and excess motion.

Here are some examples of different sources of waste and some suggested actions for each.

Sources of waste and suggested ways of managing them

Defects

The customer relations team at a recruitment company produces a monthly newsletter for their clients. This month's copy has just come from the printer and the customer relations manager reviews it before it is sent out. Straight away, she notices three spelling mistakes on the front page. She decides they can't be sent out and needs to check the whole content for spelling errors and get it reprinted.

The newsletter is eventually sent out a week late and her printing bill is double what it should be. The spelling errors have wasted both time and money.

Action:

The manager needs to confirm whether there is a system in place for the newsletter that includes a spell check and edit of the contents before it is printed. If not, she needs to set up a system or amend the current process to include this step. If there is a process already in place that includes this step, she needs to find out why the system failed. Are there lessons she can take from this situation that will help avoid waste next time?

Overproduction

Staff within a company producing corporate gift baskets decide to work ahead to make sure they have enough baskets ready for their usual Christmas rush. They hire extra staff to work on creating Christmas baskets throughout November. Their storage room is full of baskets and they are able to send them out immediately when an order is placed.

By 24 December, however, the operations manager does a stock check and finds they still have 100 baskets in stock – they just didn't get as many orders this year as they did last year.

None of the baskets can be sold beyond Christmas Day as they contain Christmas-themed food that won't last. Staff end up giving the excess baskets to charity. While the product went to a good cause, the company still wasted time and money preparing the unsold baskets.

Action:

The staff review their processes and find that while they were trying to anticipate demand and avoid a rush to fill orders at the last minute (another problem), they didn't accurately plan for the number of incoming orders. The rush to stockpile the product resulted in a glut. Next time, they will try to work ahead by gradually building up their stock and creating baskets in line with actual orders.

Waiting time

The sales manager at a small business that makes custom tailored clothing receives a report each month that shows how long it takes for customers to receive their orders after the first fitting.

He sees that the time customers are waiting for their clothes to be finished has increased over the past four months. It used to take approximately 10 days, and now the average time is three weeks.

He discusses this with the production manager who tells him the extra time is because they have to wait for their fabric supplier to fill orders. The supplier's problems result in the tailor wasting time and resources waiting for the fabric, and also in customers becoming annoyed with the long waiting times.

Action:

The production manager agrees to investigate and use other suppliers who can guarantee a shorter waiting time on the delivery of material when it is ordered, and to work with the sales manager to review and amend the production system they use, so that the level of service customers receive is improved.

Transport time

Measuring transportation time is very similar to waiting time but involves the transport of raw materials or goods that in some way affects a production process or delivery of items to clients.

Action:

Problems can be resolved through more effective distribution systems; for example, delivering some items by air.

Processing waste

In many offices, paper and other items such as printer cartridges and boxes create a large amount of waste. This increases the impact of a company's operations on the environment.

Action:

Organisations could consider conducting an audit of waste processes. This might include ordering special reports, talking to staff or observing how various functions are undertaken and identifying wasted resources. What opportunity does the waste present? A company that receives items in cardboard boxes, for example, could reuse them to store items. Can money be made by selling it onto another company? Can it be reused internally and reduce expenditure?

Excess inventory

Excess inventory means that a company has a lot of money tied up in an asset they own but haven't sold. Excess inventory reports are common in organisations that manage physical stock, or use physical stock such as catalogues or marketing material to support the sale of services.

An excess of stock can indicate that a company's assets have grown when in fact the stock needs to be sold. This is another example of why, with any measurement, you need to look at the cause of the figures rather than just the figures themselves.

Action:

Find out why your results are the way they are – ask questions of people who know and think proactively about problems and solutions. If an excess of stock is being held, look at the processes used within the company. Is there a problem at one or more points in this process; for example, have all the orders received been entered into the system? Have the marketing plans been implemented properly? Could the process be changed or improved in one of these areas? How can the company work to ensure the stock is moved? How can you develop better processes and systems that help to minimise excess stock in future?

Excess motion

Measuring excess motion relates to excess effort used to complete a task, when there is a more efficient way to do it (perhaps faster or cheaper).

For example, a company updates its telephone contact list each quarter by giving all employees a form to fill in with their contact details (extension numbers, office location, mobile, email, emergency contact details). The forms are returned to the office manager who then creates a new contact list and distributes it to staff.

It is estimated that each staff member spends 10 minutes every quarter filling out the forms. There are 270 staff in the company, which means that every quarter 45 hours are spent filling out forms. At an average wage cost of $40 per hour, the revised contact list costs the company $1800 every quarter, not including the office manager's time. Surely there is a better way – that would waste less money and time – especially when most of the details stay the same.

Action:

The office manager decides to implement a new process where a copy of the form is available for staff to download from the company intranet or collect from reception. When any person's contact details change, they need to fill out the form and send it to her. The manager finds that she gets six forms in the first quarter while the other employees' details stay the same. The time and cost this takes is only one hour and $40 – a huge reduction.

Workforce performance measurement

The performance of a workforce can be measured using several criteria. For example, employee productivity (hours worked versus outputs or tasks achieved over time), customer satisfaction surveys (which measure workforce performance indirectly) or safety results (such as the number of lost days due to injuries or actual injury statistics). This information is usually included in organisational reports, and can be collected on a team basis by asking members to note down hours worked on a particular task, or by keeping a log of safety incidents.

As a team leader, you can measure the performance of your team using not only standard reports and other information your organisation produces (such as safety reports) but also team-based data you collect yourself. Consider issuing your team members with satisfaction surveys, measuring staff turnover over a period of time, keeping a log of sick days and absenteeism, and looking carefully at the results produced. All this information will help you build an accurate picture of current and possible future performance and point to the reasons behind any improvements or problems in the performance of your team.

For example, if you conduct a satisfaction survey, you will be more informed about issues that are affecting your team's performance, as well as trends that could lead to a downturn in performance or reduced workforce effectiveness.

Customer information

Information from customers, or from the customer's perspective, is a measure of performance that can help an organisation continually improve the goods and services it produces. Another organisation may be contracted to undertake some or all of this process. The benefit in having a third party undertake this work is that a contractor offers a more objective viewpoint and is more likely to collect information in an unbiased manner.

Customer information can be collected in many ways. Formal methods of data collection include surveys, interviews, recording the rate of returns, focus groups and testing that involves using a product or service and providing feedback. Informal methods include asking customers what they think of the product or service, or observing reactions on an ad hoc basis.

Meet customer needs

Meeting customer needs is critical in very competitive industries where customers have many similar products or services to choose from. Using such information effectively means that managers can make improvements to products, change the way services are promoted, or alter processes for a positive effect on the way a product or service is handled. In this way customers remain loyal and spread the word about your organisation.

Here are some of the ways organisations customise their products and services to meet the needs of their customers.

Quality

Is the product in good physical condition when it is received? Does it work properly? Does the product or service do what you say it will do, and what the customers want it to do? Are there many complaints about it at scheduled servicing times or other times when your company has contact with the customer? Do customers feel the service or product represents good value for money?

Logistics data

Is the product or service delivered on time? Was it delivered in full or were some parts or items missing? How quickly was it delivered?

Pricing

Is the product or service priced appropriately? Does the value of the service or product to customers reflect its price?

Customer desires

Does the current product or service reflect what customers want now in its style, image and function? What do customers want of the product or service that it doesn't currently do (both now and in the future)?

Support functions

For example, sales, customer service, help desks – is the product or service supported in an effective way? Could support mechanisms improve?

Customers

Are they coming back (repeat business) or are you having to attract a new customer each time you sell the product or service? Are existing customers buying or using as much as they used to? Are accounts growing in size? How can you retain customers?

Marketplace and community data

Marketplace data shows how a company rates on certain measures compared with its competitors. Measurements include individual product rankings that show how a particular product is rated (perhaps by sales or customer opinion) against other products or services in the same category, or market share data that shows how much of the total available sales a company has.

Community information includes environmental impact studies, community surveys and evaluations of an organisation's public image (larger organisations measure this annually under the name of corporate social responsibility).

Example: use data to access performance

Here are two examples of using data to access performance.

Example 1

A customer service manager at an airline participates in an industry study in which travel agents are surveyed on their opinions of the quality of customer service offered by airlines. He finds that his customer service team is ranked eighth (out of a possible 20) in terms of the overall quality of their customer service. This indicates that although their performance is satisfactory, improvements can be made that will benefit the company. Better customer service means that more travel agents will be likely to use their airline.

Example 2

A marketing coordinator uses a third party to collect market share data on her company's product. She finds that their products have a market share of 20 per cent. The report she receives also shows that there are 12 competitors in the same product category sharing the remaining 80 per cent. Her company is therefore a market leader.

Use technology to monitor and review progress

Computerised systems such as databases, and project management and word-processing software, can be used effectively to promote continuous improvement within a team. Such tools help managers store and access information, highlight wastage and opportunities, present data for analysis, and understand how tasks and projects can be planned and managed in the most effective way.

Telecommunications devices such as telephone, video, email and web-based systems provide managers with the means by which information is collected, understood and acted upon. These tools are particularly useful for teams with members based in different locations, or across a number of teams that are unable to work together at the same site or at the same time.

Below is a summary of how you can use information derived from technological tools and systems.

Talk to others	Talk to other managers and find out what information they find useful, how they obtain it and why they believe it helps them.
Learn about the systems	Learn more about the computer systems and other technology used in your organisation – a good place to start is to talk to the people or person who manages information technology.
Ask about available information	Ask for or compile a list of reports that are available for you to receive; find out about standard reports that may be generated on a regular basis, or standard reports that are only available on request.
Remote employee access to technology	If you work with team members who are not all present at one site at one time, source tools that help you to communicate with them. Find out how to use these tools most effectively.

Using technological systems

Workplace-specific technology also helps managers with monitoring and review. Examples include systems in doctors' surgeries where incoming and outgoing test results are entered into the computer system automatically; systems installed in libraries that track books as they are borrowed and returned; and security systems that monitor and report on the security of premises.

Here are some tips to assist you when using technological systems.

Types of reports

Find out whether the computer systems in your organisation can produce adaptive or non-standard reports where you are able to decide on the content and modify the way in which information is reported to suit your needs.

Information presentation methods

Assess whether the information you receive or produce for others is as clear and well presented as it could be; ask yourself whether it is easy to understand and how it could be made clearer and more precise. Take every opportunity to improve your reports or information and provide others with constructive feedback about theirs.

Data access

If you or your team works with information that is stored on a database or other information storage tool, review the way it stores data and provides you with information.

- To measure the system's effectiveness, consider the following:
- Create a list of functions you would like the system to perform and information you want it to produce.
- Compare a wish list against the actual list of what the system does and evaluate its effectiveness.
- What doesn't the system do that you'd like it to?
- How important is it that the system does all of these things?

Ease of use of technology

Consider the following:

- How well can you and your team members use the technology available to you?
- Do you have manuals and workbooks that came with the systems?
- Have you undertaken training?
- If you or your team members have completed a basic training course, can you attend an intermediate or advanced course that will extend your knowledge?
- Is it worth purchasing some books or help guides for your team to consult?

Review the use of telecommunication devices

A review of computer and telecommunications procedures can be undertaken annually or more often depending on your information requirements, your organisation and the industry you work in. The review process builds on the idea that requirements and desired outputs of systems and technology are compared with outputs and other information they actually produce. The comparison will highlight gaps between what you need and what you have. You can then assess how critical it is to have these gaps filled based on how much more effectively your team's performance could be reviewed and monitored.

Use telecommunication devices

Find out what your organisation's policy is on telecommunications devices. For example, some organisations routinely issue all staff at a certain level or in particular job roles with mobile phones; others may ask that individuals use their own phones and reimburse them for work-related calls.

Ensure your staff understand your organisation's policies and implement these in the most effective way possible. If you have a team of staff who are based at different sites, and physical meetings with all team members are not possible most of the time, find out what telecommunications tools your organisation has that can help you communicate with your team as you monitor and review performance.

Here are some questions that could be posed about using particular telecommunication devices.

Telephone conferencing Can you use telephone conferencing to conduct meetings so that remotely located personnel can be included in team discussions?	**Using a telecommunications system** Would more effective use of a telecommunications system enable you to better manage your team, gather and provide feedback, communicate more effectively, and encourage and reinforce continuous improvement initiatives?
Using email How well do you and your team members use your organisation's email system?	**Access to information** If you and your team are not in an environment where all members can use email systems, how do members of the team without access to email keep up to date with information?

Identify ways to improve planning and operations

Once information about current or potential problems has been collected and analysed, you need to take action by identifying ways in which operations and planning can be improved.

Depending on the issue, there are several ways that planning and operations can be improved within an organisation. Here are two examples.

Wasted resources as a result of poor systems

Information needs to help you understand how and why waste is occurring and suggest possible solutions.

Example:

Money in the office administration budget is nearly all spent. You look into the problem and find there is no system in place to order stationery supplies and staff are ordering without thinking about costs, resulting in a huge bill each month.

Solution:

You set up a stationery ordering system and delegate responsibility to one employee who places one bulk order every month for the whole office within the set budget. Next, you implement a policy that allows only moderately priced supplies to be ordered. You make sure all staff understand the new system.

Team members are missing deadlines

Information needs to help you understand why this is occurring and help you decide how the problem can be resolved.

Example:

You are the manager of an IT helpdesk. Your manager calls a meeting with you. He is concerned because the training manager has told him they haven't been able to start training staff on the new computer system because the IT helpdesk team has not finished installing new software. You are not able to provide any explanation for this; you've been busy researching and purchasing a new server and thought that your team had things under control.

You decide to investigate and find out your team will have to work for at least another week on the installations, yet there is no apparent reason why your team members haven't been able to finish earlier. Their work area looks disorganised and they are complaining about being busy, but they don't seem to be accomplishing anything. You decide that a few changes need to be made.

Solution:

You set up some processes to help your team members get organised. This includes weekly work plans. You also arrange a half-hour meeting every Monday morning to review the work for the coming week. Every Wednesday afternoon you spend some time with your team members, getting updates on how they are progressing and helping them with any issues they are having. Based on the time you spend with team members, you also compile a brief report for your own manager that highlights how they are progressing with achieving their weekly objectives, so his confidence in you and your team is restored.

Implement the change

You may need to take a number of steps to implement improvements and take advantage of the opportunities you have identified. Some of these may be quite complex, and others simple and straightforward.

If improving the way your team works requires the input and assistance of others, budgetary approval or resources outside the normal ones allocated to your team, the process of improvement may take some time. It may involve preparing reports or papers for consideration by senior managers or your own team. You may be required to submit evidence in support of your recommendations, give presentations or complete paperwork such as a business case, budget or standard forms and templates used by your organisation.

In some organisations, particularly those that use quality systems, the processes or steps for recommending improvements are themselves documented. In such cases you need to ensure you and your team are aware of the steps involved, use any templates or forms provided as a part of the process and follow the steps properly.

Question the change

In many organisations no change processes exist. Managers and their team members need to create their own procedures as they communicate suggestions for changes.

Here are some ways you can question the change to see what it will involve.

Question to ask yourself regarding change processes
Who will the changes affect?
Is the change something that needs to be communicated outside your team? If so, who else needs to know about it?
Do you need approval to make the changes?
What information do you need to collect and document in order to support the need for change?
Does the change fully address the problem?
Has the change been clearly explained?

Example: promote good relations

The office manager of a suburban-based company has received an angry letter from a local resident who complains that he can't access his driveway because employees from the company park in his street all day. He is also frustrated that the company's staff (who finish work at 8.00 pm) are noisy when they leave the office.

Receiving this letter makes the office manager realise that she has a problem on her hands that could end up costing the company money. At worst, if relations with local residents continue to decline, they may have to shift premises. She issues staff with instructions about where they can park without causing problems for neighbours, and how they should conduct themselves at the end of their shift. She places a notice on the inside of the front door, so that as staff leave they are reminded to be quiet. She then informs the neighbour about these steps and apologises; he is pleased something has been done.

The office manager decides to promote good relations with their other neighbours by personally apologising for the noise to others in the street and sending a letter out to locals.

Practice task 4

Imagine that you or your team members have identified a means of improving the way planning and operations are undertaken within your organisation. For each of the following scenarios, write a list of tasks or steps necessary for the idea to be communicated and understood effectively. Bear in mind any quality processes or other guidelines for making changes that may be in place.

1. Your team has identified a way that team rostering could be organised to allow them to spend their time more effectively. You have discussed this at team meetings and now want to implement it. What steps should you take?

2. You have attended a training session conducted by an external company. During the session, the facilitator told the attendees about a way to run an accounts payable system that would be a vast improvement on your organisation's current system. You work in customer service and don't have much to do with accounts, but you decide to present the idea to the company accountant anyway. What do you need to do?

3. You have noted that your team members are having trouble meeting deadlines, which is leading to problems in the sales department. You have investigated and have found that the cause is not within your own team, as they are working hard and generally doing their best, but in the process. You realise that the process needs to be changed and you will need the support of other teams and departments if the problem is going to be solved. What do you do?

2B Improve customer service through continuous improvement

Broadly defined, customer service is the way in which organisations or teams interact with their clients. All organisations rely on their customers and all teams have customers who need assistance, service or advice. When an organisation analyses its customer service strategy, it is usually aiming to maintain its customer service focus and pride in its strong connections with customers.

It is essential to note that every team and individual in a workplace has customers, even if their contact with external clients is limited or non-existent. For example, a team of support staff within an engineering firm has customers – the engineers. Treating all internal customers with the same respect that is traditionally afforded to external customers can help teams measure their performance and deliver products and services that are valued and targeted and, in a continuous improvement context, becoming better all the time.

The difference good customer service makes

Good customer service is valued by customers and influences the purchasing decisions they make, directly affecting an organisation's revenue. This concept is not limited to customer service departments or teams – all employees can in some way make a positive difference to the impression customers (potential and current) have of their organisation.

The difference good customer service makes can be seen in almost all industries. In a marketplace that is crowded with similar products and services that perform the same function and openly compete on price, getting and keeping customers can be difficult.

One way to do this and differentiate your organisation from others is to offer clients superior customer service. Many business leaders and researchers consider customer service to be an opportunity not simply to keep customers satisfied, but to delight them and win their ongoing loyalty by exceeding their expectations in terms of service delivery.

Who are your customers?

Every team has customers it needs to satisfy. Within an organisation there can be many customer groups that require different services, have different expectations in relation to how services are provided, or need varying levels of attention from different teams.

Many organisations define customers as internal or external in an effort to highlight that all teams have customers, even those who have limited contact with people external to the organisation. Internal customers are people or teams within the organisation that rely on your team to provide a service or perform a function, helping them to meet their own objectives. External customers are people or teams outside your organisation that rely on your team to provide a service or perform a function.

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Using feedback and other information provided by internal customers helps improve service delivery mechanisms, work practices and the product or service being delivered to meet the needs of the internal customer more effectively. For example, a team of support staff in a legal firm can routinely ask its customers, the lawyers, about the quality and timeliness of the creation of legal documents. Feedback might indicate that small changes are still being made to the documents after they have been handed over by the support team. This implies that quality checks within the support team need to be improved.

Match the service to customer needs

Organisations and teams need to bear customer differences in mind when they develop customer service policies and procedures and when they market their goods and services.

The following shows the importance of appropriate marketing for different customer groups. It highlights how teams need to consider different approaches to customer service, and the particular needs of their clients.

Similar product, varied users

Customer groups may be completely unrelated, needing different services to each other.

An example of this is where a car manufacturer makes vans or utility trucks (for commercial use) and small fuel-efficient cars (for domestic use).

Different users, same product

Customer groups may be different users of the same product or service.

An example of this is where a fuel supplier provides fuel for the transport industry (long-haul trucks) as well as domestic car owners.

Example: importance of appropriate marketing

A dog food manufacturer has different categories of customer groups. The manufacturer's customer service division may have direct contact with both the customer A (supermarket chain) and B (dog owner) groups and may field calls from the customer B group on behalf of the customer C group (the dogs).

It would be fair to say, however, that the primary customers for this customer service department would be the purchasers of the products.

Here are some other service providers, their customers and the type of service they provide. In each case the marketing needs to be directed to the customer group.

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IT helpdesk

- Internal – staff within the company
- Service provided – helping staff operate computers effectively

Government agency

- External – subsections of the general public
- Service provided – delivering products and services to an appropriate standard and within budget

Accounts payable

- External – companies that are owed money by the organisation
- Services provided – paying bills on time, correctly and within company policy

Administration/support staff

- Internal – individual staff members or teams
- Services provided – assisting staff with document preparation, filing and information gathering

Find out more about customer service

The Customer Service Institute of Australia is a not-for-profit organisation dedicated to the professional development of organisations and individuals in customer service. The organisation's website (www.csia.com.au) includes management resources such as the International Customer Service Standards, an e-magazine and customer service awards.

The institute acknowledges the importance of continuous improvement in any customer service effort: 'Exceptional customer service has now become a leading component in the mission and vision statements of many organisations. To succeed in these goals, organisations and individuals need to achieve peak levels of performance – that means continually improving and being better than your competition.'

Continuous improvement and service performance

Continuous improvement processes are ideally suited to customer service environments. Why? Because customers are always changing, their expectations often change (usually by increasing) and competitors are always bringing out new and better services. Customer service can be a focal point for an organisation's continuous improvement efforts because, like all continuous improvement initiatives, it provides an opportunity for your organisation to make changes for the better.

Measure and improve service quality

Customer service performance quality can be measured by using performance measures such as customer feedback, sales results or employee satisfaction. Many teams have objectives or performance indicators that are based on achieving certain levels of customer service. As the opinion of the customer is paramount, the best way to measure customer service quality is to seek out and record customer opinion and quantify it in some way.

Opportunities to improve customer service are identified if customer feedback or other measurement systems show that some clients are dissatisfied. Customer service initiatives may need to be altered when contact is made with existing clients as opposed to potential clients. As a general rule, existing clients need to feel that their decision to use your products or services again was a sound one, whereas potential clients need to be enticed to move from an existing provider. In many situations customers only have one choice of provider; for example, staff who have contact with a company's human resources department cannot go to another human resources department for advice or assistance.

Turn a negative into a positive

Many teams use a customer-based framework to set the standards for services that are satisfactory and help their clients achieve their objectives. In this context, using a customer-driven model of operations can encourage and reinforce continuous improvement practices in work units that are traditionally not customer-oriented in nature.

Here are some tips on how to turn negatives into positives in the context of a customer complaint.

Tips for thinking positively
If a customer's complaint is heeded, they are more likely to use the services again.
Customers who believe they have been heard will often tell others of their experience.
If the real cause of the problem is identified, treated and resolved, then you are not simply treating symptoms of the problem.
Consider the experience a learning opportunity for the team so they can fully engage in the process of continuous improvement.

Example: how customer service increases revenue

Jan Carlzon, the CEO of Scandinavian Airlines (SAS) in the 1980s, wrote a book about customer service opportunities called *Moments of truth*. His new approach to customer service meant that, in a highly competitive market, SAS went from losing money to becoming one of Europe's most successful airlines. Carlzon was one of a growing number of managers who looked at customer service in a new way. He believed a customer's impression of a company is formed across a number of moments or interactions with the organisation.

At these times, you have the opportunity to turn customer service into a memorable and positive experience. Ideally this means that customers return to the organisation, resources aren't wasted in fixing mistakes or changing negative impressions, and the word spreads about how your company delivers a better service than your competitors.

SAS's realisation of the importance of customer service not only set a new standard for an industry but was so welcome that customer expectations of other airlines, and of other companies' customer service efforts, increased. Employees were encouraged to think proactively and creatively about how they could help deliver better customer service.

'Moments of truth' for an airline are when customers:

- call to make a reservation to take a flight
- use the internet to make a booking
- arrive at the airport and check in their bags
- are called to their flight
- are greeted at the gate
- are helped to board the aircraft
- are greeted at their destination.

Practice task 5

Describe two initiatives for each of the following continuous improvement systems and explain why you would use them.

1. Quality management systems

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2. Benchmarking

3. Best practice

4. Reviews and audits

2C Formulate and communicate recommendations for adjustments

Central to the process of continuous improvement is adjusting or changing work practices so that processes and systems, activities and tasks are completed more efficiently.

Problems, potential problems or shortcomings in performance should be identified and analysed to better understand the causes and effects of these issues within a team or organisation. The goal of any manager involved in the process of continuous improvement is to then identify possible methods of improvement.

Here are several methods that can be used to identify areas of improvement.

Methods to identify areas of improvement

Reflect on the task

Reflect on how to perform a task more effectively, based on observation and experience.

Collect data

Collect, analyse and compare data that reveals a potential or actual problem.

Recognise poor performance

Recognise poor performance or lack of achievement (of an individual, team or organisation) that is the signal of process or system problems.

Best practice

Compare your team's or organisation's practices with those of other groups (best practice).

Set targets

Set targets and standards that an individual, team or organisation can strive to achieve (benchmarking).

Quality system

Establish a formal quality system that enables easy comparison and measurement between how something should be done and how it is actually done (processes such as total quality management).

Take action

Once you have identified a method, strategy or way to improve something within your workplace, you will then need to communicate this to the appropriate person or department. Taking action to ensure an improvement is identified will also require you to feel confident enough to voice your concerns.

Taking action will often include:

- speaking to your manager about the issue
- deciding to research possible solutions and make a recommendation about required changes
- conducting an anonymous staff survey to find out exactly how important the issue(s) are and what suggestions they have for improving the situation
- making recommendations.

Example: information gathered to support a change

A human resources manager quantified the amount of time and money a problem was costing the organisation. Together, the managers gathered data to support a change, including staff turnover rates, information on how other organisations managed the problem, and industrial relations guidelines.

Here are some of the ways the managers gathered information to support change.

Presented information

The managers arranged to make a brief presentation at the next board meeting and distributed a summary of their findings to board members beforehand.

At the meeting they confirmed that the board members had read the findings and were aware of the issues. The presentation summarised the findings and made the case for change and more fully explained the costs and benefits involved with implementing the recommendations. The board agreed to all the recommendations made because the long-term benefits had been clarified and they knew the proposals had overwhelming staff support.

Made recommendations

An announcement was made to staff about the plans for improvement, which included establishing a small on-site crèche, looking at a job-share system or work-from-home schedule.

The human resources manager was responsible for implementing the plan, keeping to the budget set for the project and communicating with staff and the board on the progress and effects of the program.

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Confirmed result

Staff members were delighted. Employee turnover dropped and morale improved dramatically. The company developed a reputation in the industry as a preferred employer and found that the quality and number of applications for job vacancies increased, meaning managers were able to choose from the very best candidates the industry had to offer.

Formulate recommendations

In most organisations, and depending on the nature of the potential change, staff and managers will need to make recommendations to colleagues, managers or teams on the changes and adjustments they believe would benefit the organisation.

Formulating recommendations is usually the result of identifying and resolving a problem. Sometimes, however, a more effective procedure becomes apparent even before a problem is identified. This could be the result of benchmarking or best practice processes that encourage organisations to focus on the best or a better way of doing something, rather than searching for problems and then creating solutions. In some organisations, cross-functional teams are assembled to develop a solution to a particular problem or challenge the organisation is experiencing. While the dynamics of group decision-making are highly complex and different to decisions made by an individual, the same basic steps and processes need to be followed. The tools and principles of decision-making are applicable to both individual and group decision-making forums.

Individual managers or groups of managers can formulate organisational recommendations. Staff members, small groups of staff or those within an organisation who have particular knowledge or expertise, regardless of their position, can also make suggestions. For instance, if data shows the occurrence of faulty products is increasing and suggests a particular machine in a factory isn't working well, the best person to speak to about the performance of the machine might be the machine operator.

Successfully execute your ideas

If you are able to successfully execute your idea for change or continuous improvement, it can mean that influential people within your organisation or industry view you and your team favourably. Reports need to be well presented and researched; facts and evidence need to be collected and clearly explained to support your recommendation; and you need to be able to demonstrate exactly what a change would involve and the benefits it would bring.

There are aspects that may need to be addressed when making a workplace change, some of which are provided below.

Aspects to consider when making a workplace change
• Preparing reports or papers on the problem, the opportunity to improve and the potential changes • Asking for and receiving staff feedback and ideas on how processes can be improved or adapted • Asking other key stakeholders (such as management groups, suppliers, owners and distributors) for input and ideas • Setting up, preparing an agenda for, attending and reporting on meetings designed to discuss problems or issues • Following quality systems and steps that are a part of a wider quality management system • Completing templates or forms that summarise the problem, possible resolutions and your recommendations • Informing other managers, specialists and quality experts within your organisation who are affected by any possible changes and can assess and review recommendations • Seeking and evaluating feedback provided by other managers and staff on your ideas and incorporating this feedback into your final recommendations • Reviewing recommendations for changes made by others and providing feedback on how they could affect your team and the organisation as a whole • Creating, or assisting with creating, an implementation plan that helps other managers and team members understand the impact of changes and the costs of making changes

Decide on a solution

Ideally, after information has been gathered as to the cause and effect of the issue or problem, a number of possible solutions or alternative procedures should become apparent. How do managers make a choice between alternative courses of action? Which of the possible solutions or ideas should be recommended?

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A very simple way of deciding on which solution to recommend is to compare facts you've gathered during your research. This is a straightforward method that many people use on a daily basis to help them make decisions. Writing down advantages and disadvantages can help clarify information and highlight the benefits of a particular course of action.

Decision tree analysis

A decision tree analysis is another tool that can help you make informed choices between more than one possible course of action. Decision trees are easy to use and can be applied to a variety of situations. They are useful when trying to determine which possible solution is the best to recommend.

When determining a solution:

- Clearly present the problem so that all options can be questioned and examined
- allow managers to fully analyse the possible consequences and resource requirements of a decision
- provide a framework to quantify the values and benefits of outcomes and the probabilities of achieving them
- help people make the best decisions on the basis of existing information.

Example: illustrate the benefits of two options

Costa is the manager of a team of five import clerks at a shipping company. He and his team members have identified a problem that needs resolving if they are to continue to meet their objectives. Because the business is growing, they have been struggling to get their work done on time.

Costa has looked into the problem and identified two major choices: he can put in a request for an additional staff member, which would mean that his budget allocation for salary and wages would need to be reviewed; or he and his team could be better trained in using a new software system the company has recently installed.

Within each of these choices are a few options that would solve the problem with varying degrees of success. Costa draws a decision tree that represents the benefits and costs of the two choices. He starts with one point and draws the two choices as arms coming off it. He then adds the different options, their costs and the outcome that would be likely as a result of implementing that option.

Using this method, he is able to quickly compare his options and decide on the most appropriate one to recommend to his superiors. He decides to recommend that his team be fully retrained in all aspects of the computer system and that new processes be set up within his team that facilitate more efficient work practices.

Practice task 6

Have a look at some written recommendations that your manager has made in your organisation or one that you are familiar with. Note the way they are worded, any supporting data and the way they are presented. Practise writing a letter of recommendation that outlines your concerns and carefully word any supporting data to ensure that your recommendation is communicated clearly. Ensure you include the business' details and your contact information.

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Summary

1. One of the critical functions of a continuous improvement system is the review process.
2. Team leaders need to collect and analyse performance information, identify areas where improvements could be made, and take action to improve processes and systems.
3. Team leaders should measure their team's performance in terms of profitability, productivity, cost, process quality, workforce performance, customer satisfaction, the marketplace and community data.
4. Technology can be used to support continuous improvement by helping managers store and access information, highlight wastage and opportunities, present data for analysis and understand how tasks and projects can be planned and managed effectively.
5. Know your customers, match service to their needs and monitor customer satisfaction to improve customer relations.
6. Formulate recommendations based on your research and present them to the relevant people in the most appropriate way.

Learning checkpoint 2
Monitor and review performance

This learning checkpoint allows you to review your skills and knowledge in monitoring and reviewing performance.

Part A

1. Describe two types of organisational systems or technologies used in your workplace that help identify how business operations could be improved.

2. Describe three improvement techniques that could be used to improve customer service standards in your workplace.

Part B

Read the scenario, then answer the questions that follow.

Scenario

Your manager Bernardo congratulated you on your continuous improvement plan. He told you that the management team feels confident that you can implement the plan within your team at Mayan Magic and lead it to deliver exceptional customer service.

Because the customer service team is central to Mayan Magic's operation, the management team wants to hear more from you about how you'll monitor and review the performance of your team. Bernardo wants you to think about three key areas:

- What systems and technology will you set up and use to help you with your management duties?
- Exactly how will customer service be improved?
- How will you go about making recommendations for changes?

Currently, you receive reports on sales data from the IT manager and a quarterly budget summary. You don't have much information about calls the team takes or customer satisfaction. The managers want to know what you'll do in future, and what information you need to do your job better. Create the plan by answering the following questions.

1. What information needs do you have?

2. What will you use the information for?

3. What information in the following formats could you use and why would it help you?
   a) Reports
   b) Formal surveys of and feedback from team members
   c) Formal surveys of and feedback from customers

d) Opportunities to meet with and discuss issues with fellow managers and other staff members
e) Industry surveys and reports issued by industry bodies

4. What computer systems or additional technology would benefit your team and help them perform more effectively, and why?

5. Identify three major tools you plan to use or systems you will implement to help you understand how well your staff are managing their tasks.

6. How could each of the following performance measures be useful for you as you monitor the performance of your team? For any that could be particularly useful, provide examples of how they would be helpful.
   a) Profitability
   b) Productivity
   c) Cost
   d) Customer satisfaction
   e) Marketplace
   f) Process quality
   g) Workforce
   h) Community

7. What are two possible moments of truth your team is responsible for?

8. Explain the opportunities your team members have to create a positive first impression with potential clients and improve the relationship your organisation has with existing customers.

9. How would you facilitate and support this approach within your team? Outline management tools and styles you could apply and note how you will use any processes, systems or tools.

10. How would you identify a solution to a problem and then communicate a recommendation to the management team?

Topic 3
Provide opportunities for further improvement

During the design and planning phase of any continuous improvement program, you will need to consider how continuous improvements will be implemented. Critical to the success of a program is the inclusion of processes that detail how team members are informed of changes as they occur; how work performance is documented so additional opportunities for improvement are identified; and how records, reports and recommendations for improvement are managed within existing operating procedures within the organisation.

Without these steps, the effectiveness of any continuous improvement program is at risk. Significant time and resources expended on the program can be wasted if further opportunities for development are not continually identified and implemented.

In this topic you will learn how to:

3A Inform the team of improvements

3B Document work performance

3C Manage records, reports and other data

3A Inform the team of improvements

You should not only involve team members in the process of identifying opportunities for improvements, but also ensure that team members are fully informed of the savings, productivity or service improvements that have occurred as a result of these efforts. By comparing budgets, sales targets and other numerical data, you can see how changes to a system, procedure or activity affect performance results. Savings (which represent a reduction in wasted financial resources) can be ascertained by comparing costs, expenditure or money in a bank account or cash box. Productivity and service improvements can be measured in similar ways that may involve comparing 'before' and 'after' data.

Here are some ways to measure workplace improvements, which can be communicated to your team.

Productivity

- Completion of tasks on time (measured numerically or by percentage)
- Number of finished products completed (measured in time periods of a week, month etc.)
- Hours worked (number of individual or total team)

Service

- Customer feedback (formal or informal)
- Proportion of repeat business or number of referrals
- Amount of follow-up required (hours)

Key performance indicators

Many teams have goals that summarise team objectives and represent standards the team operates by and strives to achieve. Often these goals are known as key performance indicators (KPIs), as they indicate whether a team is performing effectively in important areas. These can be measured and reported on, and the results shared with team members on a regular basis. In a continuous improvement context, changes to processes, systems and activities have an effect on these results. The impact of any change or adjustment in operations can be evaluated by measuring and comparing performance before and after the change.

Example: key performance indicators

In the call centre of a gas supply company, the KPI of answering 95 per cent of calls within 30 seconds was not being met. Staff were only answering 84 per cent of calls within this time. The team leader gathered data on the type of phone calls the centre was receiving and found that almost 25 per cent of incoming calls were redirected to other areas within the business, such as disconnections and accident reports.

The team leader talked to her team about the problem and saw that they were frustrated, especially as they were forced to deal with customers who were angry about being kept waiting.

Together the team members identified a solution: to introduce a short recorded message for all callers, asking them to indicate on their phone keypad if they wanted to report an accident or get a service disconnected. Callers were quickly directed to the area they needed and had their calls answered quickly, which meant fewer angry clients.

After the system was implemented, the team began answering 98 per cent of calls within 30 seconds. The positive effect of the new telephone system was proven and the team was able to meet and exceed its KPI.

Share information

Sharing information with staff is an important feedback mechanism and crucial to the success of a continuous improvement program. The more team members are involved in the entire process, the more likely they are to see its benefits and feel inclined to participate fully.

Providing feedback is especially important when team members have been involved in other stages of the continuous improvement process (such as participating in identifying a problem, helping monitor and review performance, gathering information or formulating a recommendation).

Sharing information means that information is communicated to and understood by team members. The process of informing team members about improvements can involve simply relaying information, or it can be an ongoing process where team members participate by asking questions, reviewing information and then applying knowledge.

Ways to inform staff about planning aspects include:

- holding team meetings
- using email or intranet services
- developing newsletters and other communication devices
- holding briefings and information sessions
- preparing reports.

Reinforce continuous improvement

One of the fundamental aspects of a continuous improvement program is that all experiences are used as opportunities to learn, thus informing staff of improvements can be used as a key learning opportunity. Managers need to encourage staff to reflect on how individuals and teams have contributed to improvements, ask questions and discuss the issues associated with how the change and subsequent improvement came about, and think proactively about future changes.

In this way, informing team members and communicating information is not simply a one-sided process, but a valuable tool for managers to reinforce continuous improvement practices.

Example: keep teams informed

At the end of each quarter, Debbie (the office manager) and her team of six support staff at a suburban solicitor's office meet to discuss the issues raised during the past three months and plan their activities and goals for the coming quarter.

Debbie and her team provide document management, meeting support and event organisation and generally run the office for eight solicitors. Although Debbie's team has quality processes, service deliverables and standards they work to, she and her team are fairly informal in the way they work.

At the quarterly meetings, they talk through issues, discuss their individual work over the past quarter, outline what they have learnt and then turn to goal setting. Debbie asks questions such as, 'What do you think we could have done to achieve better results?' 'Which areas do you feel you've contributed to the most?'

Usually before the quarterly meeting Debbie finishes the regular reports on the team's productivity and issues a survey to the solicitors, which is essentially a customer feedback form.

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Hold team meetings

Managers and their staff usually attend regular team meetings. These meetings provide an opportunity to update team members on savings, productivity and service improvements as well as general performance results; acknowledge the contribution of particular staff members or the whole team; and instigate and encourage discussion on experiences, learning and future continuous improvement activities.

As the meetings can be formal occasions and are attended by all team members, they are useful for making announcements (such as performance results) or recognising achievement related to continuous improvement. Minutes should be kept and distributed so that all members have a written reminder of what was discussed at the meeting.

Managers can spend a small amount of time in regular team meetings reviewing improvements, but set aside a special meeting on a less regular basis (for example, when results are reported on) to discuss improvements and how further changes can be made for the better.

Use email or intranet services

Email and web-based systems such as intranets are used to communicate information and inform staff. When used well, they can promote the effective flow of information among team members. However, they are best used in conjunction with other communication methods so that team members can actively participate in discussions about the improvement program.

Here are some tips for using email or intranet services.

Tailored emails
If you receive an email you would like to pass onto your team members, add your own comments and tailor the email to employees' needs before you forward it. For example, if you are passing on a report produced by another department that shows how your team has performed, highlight this fact and make sure the team is aware of who gets this information. Check that the language other people have used is clear and comprehensible to your audience.
Highlight Information
Highlight particular information that will be of interest to your team. For instance, if you are sending an email about performance improvements or posting information on an intranet site for your team, you may want to include references to team activities or agreements so they can see the impact their performance has in the wider organisation.
Link information
Link information in reports or other documents back to your own team's objectives and the organisation's business plan.
Acknowledge contributions
Acknowledge the contribution of particular individuals or the whole team in achieving goals. Doing this in writing and sending it either to just one person or the whole team is a meaningful yet simple way to demonstrate you appreciate the efforts your team members make. For example: 'The client luncheon last week was a great success, with a 90 per cent attendance level and glowing feedback from our attendees. I would like to thank Lisa for all her hard work in organising the event and making it the success it was. Well done Lisa!'
Collaborate information
Use the information contained in an email as the basis for discussion in team meetings, informal chats or other opportunities to discuss your progress with team members. Letting people know that you'll be discussing information with them later is an incentive for them to read it. For example: 'I thought you would all be interested in the attached report. It shows our standing in the annual customer service survey has improved from last year's number five placing to number two. Your efforts in helping the company achieve this have been noted by senior management and I will set aside time at the next team meeting to discuss your efforts further. Well done!'

Face-to-face versus email
Negative feedback or poorer-than-expected performance improvements are best communicated in person or in a face-to-face situation. If email or intranet services must be used, discussions should be held to find out how communication can be improved in the future.

Develop newsletters and other communication devices

Newsletters are a popular method of communicating within a team, and are particularly useful when improvements are linked to the team's objectives and the organisation's business plan.

There should be no inconsistencies in the way information is delivered so that, provided it is read, everyone is informed of developments and changes in a uniform way. Wherever possible, written communications should be supported with verbal (preferably face-to-face) discussion.

Magazines and newsletters can be used to profile staff who have participated in or benefited from continuous improvement processes. They can promote the benefits of change and help manage the change process by fully informing staff on a regular basis of what is happening and why, and help them understand how they can assist and contribute to continuous improvement activities.

Staff bulletins

Staff bulletins can also be used to distribute information and news of interest to employees. Bulletins are usually not issued at regular intervals but on a needs basis – if there is something to share, a bulletin is issued, in the same way a press release is issued to the media.

Organisations can choose to use bulletins for all types of news and information and can distribute them to all employees or just relevant groups. Bulletins are distributed by email or in hard copy or both. For example, they can be emailed and posted on electronic bulletin boards as well as physically placed on boards in lunch rooms, lifts or meetings areas.

Written updates can be used in the same way as bulletins, but are perhaps more commonly used for particular projects where progress is relayed to a key group of stakeholders on a regular basis.

Hold briefings and information sessions

Some managers feel more comfortable using face-to-face communication. This method offers benefits that written communications lack, in that staff can be informed through two-way conversation and discussion. As well as reading a statement or running through a list of items that need to be discussed, staff can ask questions, raise issues and express their concerns immediately. Face-to-face communication is also useful for recognising employee efforts in front of colleagues.

Here are some tips that you might find useful for briefing staff.

Be prepared	Make sure you have information at hand that links the improvement you are about to discuss with the team's or organisation's objectives.
Make notes	If you need to, write down exactly what you want to say or make detailed notes so nothing is overlooked. Presenting in front of a group can be stressful – don't make the situation any more so by forgetting key information.
Outline the session	Tell people what the session is for and when they will have the opportunity to ask questions or comment on what you say.
Questions	If team members ask questions that you don't know the answer to, or raise important issues you want to remember, write down their comments. Make sure you find out answers to their questions and get back to them quickly with feedback or results.

Prepare reports

Sometimes you will need to prepare a formal report and present it to the team for comment (for example, an improvement that is going to be implemented, industry trends, a problem and options for resolving the matter). Make sure you give team members sufficient time to read the information before you ask them to react to it.

Set out your report with clear headings that arrange the information in a logical order.

If you are going to provide your team members with reports that are lengthy or even slightly complex, make sure everyone knows how to read them; sometimes reports can have unusual headings or use abbreviations (such as YTD for year to date earnings) that readers may not be familiar with. Before you decide to send out reports or other documentation, spend some time running through what it means and encourage team members to ask if they are unsure of anything.

Reward staff

Some organisations have formal programs in place where staff are rewarded for participation in continuous improvement activities. Sometimes incentives or rewards are managed on a team-by-team basis.

Remember that different people are motivated by and appreciate different types of reward. For some people the best reward you can give them is acknowledgment of their efforts, either privately or within a team setting. Others will appreciate more tangible rewards, such as movie tickets or a team lunch.

Whatever you decide to do, make sure it is consistent, within any budgets you have allocated for this type of activity and appropriate to the contribution employees have made.

Practice task 7

Think about a time when you needed to inform members of your team, or a team you have been involved in, of improvements or other important information.

1. How did you communicate the information?

2. What tools did you use and why?

3. From your experience as a receiver of information, which tools or combination of tools work best in different situations?

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4. What goals did your team work towards achieving? How did you measure your team's progress against these goals?

5. Explain how you shared performance results with your staff and describe the effect the process of sharing this information had on your team's commitment to improving performance.

3B Document work performance

You have looked at a number of methods that managers use as they work with teams and individuals to encourage and reinforce continuous improvement. One of these methods is performance management, where work performance is recorded, compared with present objectives and then evaluated in terms of how effective the individual or team has been in the way they worked on various tasks or activities.

Documentation of a quality system, its processes and the performance of staff against standards underpins the success of the system itself and forms the basis for continuous improvement activities that are central to any quality program.

Adhering to these systems and properly documenting the various stages and outcomes of activities is critical if organisations are to be awarded quality certifications. Organisations using quality systems (such as ISO 9000) have forms and templates that provide managers with detailed support in documenting quality processes and standard operating procedures. Consistent documentation and performance measurement tools also offer benefits to organisations that don't have formal quality systems or procedures in place.

The benefits of documentation

Documentation of work performance offers managers who are implementing a continuous improvement program many benefits. In addition to including information in job descriptions, managers can discuss performance levels with individual staff or in a team situation on a regular basis. Such discussions help both managers and team members understand the challenges various tasks and activities present, as well as explore how different factors affect performance, how performance can be measured and why meeting and exceeding performance standards is important.

Discussion also helps both parties define standards and continually raise the bar in terms of setting higher yet achievable standards to aim for.

Performance program

The information collated into an individual's performance program becomes a vital tool that supports their ongoing professional development and progress. Here are some ways to collect information to support continuous performance programs.

Ways to collect information to support continuous performance programs

1 **Written performance results**
Written performance results (both quantitative and qualitative) are a reliable method of comparing outcomes and creating an accurate historical record.

2

Consistent data-keeping

Consistent data-keeping provides managers with the means to record performance of team members equally.

3

Providing references or examples

Managers who are asked to provide references or examples of commendable work on behalf of their team members will be able to discuss specific examples if information has been properly documented.

4

Controlling information

Information is controlled in that forms and templates provide a guide as to what information should be recorded and how it can be used in continuous improvement activities.

5

Performance outcome information

Detailed information on various performance outcomes helps managers interested in improving performance to pinpoint exactly where a process is breaking down.

6

Documented performance data

Documented performance data forms the basis for creating any number of reports frontline managers need to create for their own managers, clients or other units within the organisation such as human resources.

7

Consistent forms or templates

Consistent forms or templates used to collect and document performance data can help managers organise and plan discussions and meetings (such as performance review sessions) in an ordered, logical manner.

The presence of organisation or team templates for documenting work performance can demonstrate the importance of the activity and emphasise that this process is one that is taken seriously by both managers and staff.

8

Staff performance

If staff performance is below expectations or agreed standards, having documented information on this will help identify needs for development, training or in disciplinary action.

Example: formal and informal performance assessment

Mira is the team leader of two support staff members in a suburban veterinary clinic. The three of them are ex-veterinary nurses and together manage accounts, prepare a regular client newsletter, issue pharmaceutical items, develop information sheets, order supplies and manage the staff roster.

They also handle phone calls, organise for equipment to be serviced and collect and distribute ongoing professional development material to the veterinary surgeons and nurses. All three work two and a half days per week, at various times.

While the clinic has no formal quality systems in place, Mira uses a range of documents and has developed her own systems that facilitate the smooth running of the clinic. She has two methods for measuring the work performance of her staff members, which are shown below.

Informal method

One is a log that compares weekly tasks assigned to each staff member to their achievements for the same period of time.

Mira lists tasks as they are allocated, who is responsible for completing them and the date they need to be completed by, ticking them off as they are done. The system works so well that her staff have taken to ticking things off themselves and leaving notes as they do so, so they are able to communicate with each other via the notebook, which is kept in the team office. This is particularly useful as all three may not be in the office together for several days.

Formal method

The other method is a more formal system that Mira uses for staff performance measurement activities, which are held twice a year. This system is supported with two documents: one is used to plan performance and development, the other is used to review it.

The first document is in the form of an agreement where Mira and each staff member set objectives for their own performance, jointly identify and agree to what measures will be used to assess performance and highlight actions – which include areas in which the staff member can improve. The second document helps Mira conduct the review itself and lists the planned activities, the performance results and comments on the outcome. Opportunities for further improvement are then recorded in an updated planning agreement as the system repeats itself over the next six months.

Plan a documentation process

When documenting work performance, there are several important aspects to consider. This is especially true if you have decided to set up your own documentation system to complement what your organisation already uses or if your organisation does not have systems, forms and templates in place. When employees' performance is documented, you should remember that the act of recording their performance and placing it in a file or lodging it with human resources means that the information (whether positive or negative) is available for others to access.

Here are some tips to ensure you successfully document staff performance.

Be 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. Document positive outcomes as they occur and acknowledge the effect changes and adjustments have had on performance. Include the expected time frame for improvement. This is for the employee's sake as well as for your own. You can monitor the employee's performance to determine if and when the next step in any disciplinary process needs to take place.

Consider the nature of the document

Documentation is a necessity if an employee is to be disciplined. Consult the various legal requirements of managers that apply in your state or territory. The nature of the documentation you need to keep varies depending on the issue. For example, noncompliance with work health and safety laws requires documentation by law, whereas other lessserious matters can be documented as you see fit.

Be objective

Always be objective, fair and consistent. As you document performance and see evidence of a problem (and therefore an opportunity to improve), record all steps you implement to solve the problem, as well as the people you've consulted within the business. If major changes are inevitable despite your steps, showing evidence that small solutions haven't worked, and why, will help you make a strong recommendation for further change.

Be specific

If you are recording the decline of a team member's work performance, make sure you include very specific, concrete information on what has happened. Support it with evidence and if particular incidents occur note the date, time, place and exact nature. Record some contextual information that helps you and others recall the situation in the future. For example, if you are documenting employee work performance, doing this will show you are concerned about their situation.

Document information

Some teams make good use of documentation such as attendance records or punch cards that show when team members began and finished work. If you believe you could benefit from documenting information such as this, create a system or invest in technology that will facilitate it. Make sure the system is accessible and doesn't create problems for you or your team members because of high complexity or time use. Like all processes, review the system regularly and think proactively about how it can be further improved.

Performance documentation compliance

Remember that the act of recording an employee's performance means the information (whether positive or negative) is available for others to access. This could be very important legally – for the employee, the organisation and yourself. It is important that managers understand the importance of performance documentation in regard to workplace and industry legislation. Do some research on the internet. Several sites contain detailed information about processes supporting compliance with various policies and laws as well as downloadable forms and certificates that facilitate the compliance process.

Here are some examples of forms and documents that facilitate compliance and where to locate them online.

Forms and documents that facilitate compliance

Workplace health and safety

Workplace health and safety (WHS) links to federal and state and territory legislation as well as laws and guidelines specific to different industries can be found on the Australian Government website ComCare at: www.comcare.gov.au.

Australian Human Rights Commission

The Australian Human Rights Commission website at: www.humanrights.gov.au contains information on discrimination laws and privacy responsibilities and obligations employers have to their staff.

Australian environment and heritage

Managers should be aware of federal laws and policies that protect Australia's environment and heritage. Some laws demand that businesses complete and submit performance and compliance documentation. These can be accessed at: www.environment.gov.au.

Practice task 8

Reflect on your current workplace or one that you are familiar with. Perhaps you could recall people that you have worked with in the past.

1. Name the types of performance measurements used, and why they were selected.

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2. What did they involve? How were things measured?

3. What did your manager do with the data and how did the documentation of information assist in continuous improvement activities?

4. How could the data have been used more effectively than it had been?

5. What legislative requirements affected the type of documentation kept at your current workplace or at previous workplaces?

3C Manage records, reports and other data

Just as work performance needs to be managed and documented appropriately within the organisation's systems and processes, so do records, reports and recommendations for further improvement.

An effective continuous improvement program needs to include defining the format, role and purpose of records, reports and recommendations. Many formal quality systems and processes include data collection and reporting protocols and tools for managing records. Managing records is important for continuous improvement.

Identify opportunities

The principles of any continuous improvement program include identifying opportunities for further improvements on an ongoing basis. Information contained in records, reports and recommendations for improvement demonstrates how this phase of the process was managed in particular circumstances and provides valuable evidence. Ensuring such information is captured throughout the improvement cycle is part of the challenge of designing an effective continuous improvement system that is process driven and supports and reinforces good management practices.

Reports and records can provide information on:

- how well the process itself is working
- whether staff (including managers) comply with the process
- whether opportunities to improve were identified and acted upon
- whether recommendations were adopted and why (or why not)
- how different managers responded to the challenges presented to them of recording data, reporting on it and making subsequent recommendations

Tools to support the documentation process

As with documenting work performance, creating forms, templates or guidelines that are available for managers and staff to use is a simple way to manage the reporting, recording and recommendation steps and to ensure they are integral to the process itself.

Creating templates for reports and data collection to help managers make decisions and recommendations can also help staff focus on continual improvement.

Checks involved in making a recommendation include:

- using forms to collect data as evidence
- identifying a range of potential solutions and their resource requirements
- thoroughly exploring the impact and effect of particular problems
- completing forms submitted to management that outline the need for change.

Examples: use a series of steps to manage improvements

A company that produces WHS training kits keeps a register of sales on a database. The database has a number of reports that can be run at various times, including several that allow sales and marketing managers to compare past and current sales with different customers or by other criteria such as geographical region, salesperson and product. In this way, they can identify areas where sales and marketing efforts need to be improved or changed.

The quality processes of a manufacturing company have a series of steps related to how recommendations for improvement should be managed. The manager of the customer service unit keeps a folder containing these steps on her desk. She uses the steps and corresponding forms and checklists that support them to ensure the recommendations she makes to her managers will result in any changes being as effective as possible. Once a problem or opportunity arises, she consults the checklist that guides her through the steps involved in making a recommendation for change. The process also includes a template that is completed by senior managers in response to the recommendation itself and provides reasons why the recommendation was or was not adopted.

Capture information

Information that is gathered can be fed into the organisation in different ways. For example, some teams submit reports by attaching a completed electronic template to an email they send to their manager; others photocopy a form and put it into a folder where incident reports are kept and reviewed by a safety officer. Some team members may collect information by filling out a form each day on the job and summarising it at the end of the month in an email they send to another staff member.

When designing, implementing and managing a continuous improvement program, it is important to ensure that information is captured in ways that support improvement. For example, if safety incident reports are filled out and placed in a folder, they cannot make a positive contribution to improvement if they are not reviewed and analysed by someone responsible for identifying opportunities for change. Information should be accessible and presented in a way that makes opportunities for improvements evident and easily identifiable.

Example: processes that benefit your team

Oscar runs a small IT team that supports staff at the head office of a national chain of bakeries. The volume of work his team has to manage has increased as the business has expanded and the number of head office staff has increased.

Oscar's team, like the rest of the organisation, has not used many processes or formal systems in the past. Oscar has realised that if the team is to cope with the increasing workload, it needs to find better ways of doing things on an ongoing basis.

He and his team need to develop some procedures and standards to which they will all work, and create some supporting documentation and other tools that will help them comply with the relevant processes. Oscar also wants to raise the profile of his team within the business. He knows how hard they work and how important their function is, but he feels that few other managers realise the extent of what they do. He also knows that if he is to recommend that his team increases in number to cope with future expansion of the chain, he needs to start documenting what they do so that he has the evidence he'll need to get his request approved.

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Include team members

Some organisations make forms, templates, checklists and procedures available electronically. Others store them in hard copy in folders that staff can consult and photocopy. Regardless of how the steps related to the management of recording, reporting and recommending are presented, it is important to ensure that they are:

- available for all staff to access
- understood and able to be used by staff
- used often and complied with
- reviewed for their own effectiveness and value at regular intervals.

If you are designing or implementing an organisation-wide continuous improvement system, or a system that is specific to your team, you should review activities and processes with team members and other staff such as specialist managers. You should ensure that as many supporting tools as necessary are available to help employees and managers capture and use information. If you don't have available forms and templates for this purpose, think about what documents you could create that would help your team improve the way these functions are currently managed and help in wider efforts to improve performance.

Practice task 9

1. How could forms and templates for recording information, reporting and making recommendations assist you in your current role or in previous positions you've held?

2. If your organisation has standard forms and templates that support managers in these activities, explain how they help you.

continued ...

... continued

3. Can you identify any opportunities to improve them?

Summary

1. Team members must be fully informed of changes as they occur.
2. Team leaders need to collect and analyse performance information, identify areas where improvements could be made, and take action to improve processes and systems.
3. Key performance indicators (KPIs) must be measured, reported and the results shared with team members on a regular basis.
4. Sharing information with staff can be done via team meetings, email, newsletters and information sessions and reward programs.
5. Work performance must be recorded, compared with present objectives and then evaluated in terms of how effective the individual or team has been in the way they worked on various tasks or activities.
6. By documenting work performance, you can:
   - carry out structured performance appraisals
   - compare outcomes and create an accurate historical record
   - identify skill gaps and the need for training.
7. Always be objective, fair and consistent when documenting work performance.
8. It is crucial that all records, reports and other documentation are organised in a consistent manner, are accessible, and regularly reviewed and analysed so improvements can continue to be made as part of the continuous improvement cycle.

Learning checkpoint 3
Provide opportunities for further improvement

This learning checkpoint allows you to review your skills and knowledge in providing opportunities for further improvement.

Part A

1. How can the documentation of a newly implemented work process help a team recognise the need for further opportunities for improvement?

2. Why is it essential that any recommendations for improvement are managed within an organisations record and reporting process?

Part B

Think about your past/current workplace or use the following case study and create a plan for implementing further improvement.

Case study

The Mayan Magic continuous improvement program has commenced. Managers are busy working on finishing their plans and working out resources and processes to support the effective implementation of the system. As the customer service manager, you are in the process of writing out your plan as you need to present it and discuss it with your own manager, Bernardo, next week. While most of the plan was developed from the work you have already done, there is one section of the plan that you still need to do. This remaining section involves ways you can implement further opportunities for improvement within your team.

Your task is to focus on ongoing continuous improvement opportunities within the Mayan Magic customer service team, and ways in which processes, documentation and other information collection and reporting steps (including making recommendations for changes) could be best managed.

1. List the productivity and service goals your team will strive to achieve. State how each of these will be measured.

2. For each of the following methods of sharing information, discuss how you could use them and in which situations they would be most appropriate.
   a) Regular or occasional team meetings
   b) Email or intranet services
   c) Newsletters or other communication devices such as magazines, staff bulletins or updates
   d) Briefings and information sessions
   e) Reports

3. What systems do you plan to establish that will help you and your team members:
   - document work performance
   - report on successes, trends, opportunities and problems
   - record information that could be useful from a continuous improvement perspective?

   Include the performance variables that will be measured.

4. Explain how documentation processes will help you and your team identify further opportunities for improvement.

5. How will records, reports and recommendation information be collected and captured?