

Communicating KPIs in the Modern Workplace

Pleased with myself following the positive reception I received for an article I wrote a few weeks ago on Senior Management's role in Lean implementation, I took the unusual step of sharing it with my personal network, rather than just my professional one. I usually try to avoid boring my relatives to death with the application of Lean Six Sigma.

I had one response from an Uncle who has been working in the same public-sector organisation for over 35 years, which was "I know about Lean – I have to work under KPIs and I despise them!". I replied that if he despises his KPIs then they've not been implemented properly, and maybe I should give him my business card to pass on to Management at work. He politely declined by the way.



K KEY
P PERFORMANCE
I INDICATOR

This exchange came back to me when I was driving home one night listening to Thinking Allowed, the Sociology discussion programme on Radio 4. They had an episode called 'Work – What Is It Good For?', which included testimony from employees in various industries about their experience of KPIs. A Warehouse Picker spoke of the stress caused by a handheld device which constantly beeped to let him know when he should have found the required item and moved on to the next one; a lady who worked in a bank revealed an e-mail from her manager warning of the potential for disciplinary action if her customer satisfaction rating remained only at "Very Good" – the target was "Excellent".

As a Lean Six Sigma Black Belt, leading improvement projects and training others to do the same, I have always known that communication of the project I am working on is critical. At gas plants, the sight of someone in office clothes carrying a clip board and a stop watch is enough to send ripples of discontent throughout the entire workforce, before anything is even measured. I've had many conversations with union Shop Stewards to appease their concerns about the potential impact of whatever it is I'm working on.

As far as employee relations is concerned, it has always been very clear to me that any proposed changes will not work unless the employees are bought into them.

If people are not happy with the new way of working then the project has failed, because once the facilitator moves on, the employees will go back to working how they always did before. However good your Control Plan is, if people simply refuse to do what's being asked of them then your improvement will not be sustained.

Of course, that situation can be avoided by ensuring that the employees are involved in designing the change in the first place. If they accept the need for change, recognise a benefit not just to the company but also to themselves, and are confident in and comfortable with what they're being asked to do, they will not be a barrier. If not, the project is likely to fail.

Maybe I must face a new reality though. Every organisation I have ever worked in has relied upon teamwork, collaboration, and a collective desire to get the job done well. In those circumstances, people might be sceptical of improvement programs aiming to increase efficiency, but they can be won over when they see that everyone will benefit. There is a type of place where I've never worked though, work places where a relentless drive for efficiency has seen employees pushed to their physical or mental limits without regard for their wellbeing, and where high staff turnover is considered the norm. These are work environments where efficiency drives have been pushed way beyond what would be acceptable to the workforce, but they are given no choice other than to leave. Is this an example of Lean Six Sigma being pushed too far?

The answer is definitely no! In fact, this is not Lean Six Sigma at all. Even people who've attended a one-day Lean Awareness course can tell you that Lean has the well-being of people at its heart. In DMAIC, measurement of the process is essential, measurement of the people is not even recommended. In Six Sigma terminology, people and their individual characteristics may be one of the observed Xs (inputs) which cause variability in your Y measure (the output), but the data will almost always point towards other factors which can be changed to achieve your desired outcome. Or, to quote 20th Century Lean pioneer W. Edwards Deming, "eighty-five percent of the reasons for failure are deficiencies in systems and processes rather than the employee. The role of Management is to change the process rather than badgering employees to do better".

The challenge for modern Lean facilitators, as highlighted both by my Uncle and by the program on Radio 4, is the image of tools like KPIs. We know the theory that an organisation needs clear goals in terms of what it wants to achieve, and that one way to make this happen is to align employees' targets with those of the organisation. What we have to recognise now is that we might be dealing with employees who have experience of the language of targets and KPIs being deployed in an environment which doesn't like Lean Six Sigma.

The lady from the bank who was criticised for only being Very Good pointed out that at least one person in every branch had to be considered "Under Performing". It is obvious that statistically someone in an office will be the lowest performer, but it is also entirely possible that that person's performance is perfectly good enough, it just happens to be marginally lower than everyone else's. Forcing local managers to implement a target driven system which labels at least one person as Under-Performing, and attaching salary related consequences to that label, is statistically absurd, and leaves people no longer working as a team, but competing against each other.

Conclusion

The notion that productivity improvements can be achieved through implementation of a system which turns employees against each other and disciplines people for acceptable performance is not something which Lean should be in any way associated with, but there are increasingly likely to be people in the workforce who will make that link. Successfully implementing change within an organisation has nearly always been about the way it is communicated. It seems in modern times, when we must counter this efficiency-at-all-costs narrative, this is becoming more crucial than ever.

If you would like to find out more about this subject, or how we can help make your business, better then give us a call on 01926 633333, or email us at info@bourton.co.uk.