Understanding Obstacles to Change Towards Continuous Improvement Programs in Manufacturing Sector

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Abstract: *Despite the benefits of continuous programs, most improvement programs start off with lot of energy and enthusiasm, but end in disappointment and failure. This study is concerned with the understanding the obstacles to continuous improvement programs in manufacturing sectors. It contributes to with the help of the existing knowledge to get an in-depth understanding of the issues, and the key factors to undermining it. This paper reports on the obstacles to continuous improvement. Further the obstacles are divided into technical, economic, managerial, organizational, and cultural factors. It was observed that despite the rapid growth and gains in the early phases of continuous improvement, long term results were unsatisfactory due to poor management of changes and organizational culture shift. This happens mainly due to lack to strategic dissemination at all levels of management/by the attitude of the middle and lower level management to change.*

Keywords: Continuous improvements, Performance excellence, Change management

1. Introduction

Continuous improvement programs have proven every time that they are applicable to all organizations of all levels and all verticals. It has an excellent track record for sustainability of businesses and building a competitive strategy with a change. The organizations are always in a paradox whether they need incremental change or a monumental leap? Continuous improvement encompasses a variety of tools and techniques to improve the various business processes and achieve better results. Continuous improvement programs have to start from the behavior of top management and not from the lower management. It is to be understood that continuous improvement program is a long-term strategy which focus on customer satisfaction, quality of the product, flexible productivity, increased efficiency and minimized cost.

Quality based organizations strive to achieve perfection by continuous process improvement. Achieving the highest level of performance requires a well structured approach to continuous improvement. All the organizations to sustain, and to make a remarkable impact in the market, it has to implement the most appropriate continuous improvement programs to get the desired results. Top management thinks by applying the silver bullet like 6-sigma, lean, agile, sometimes it may not work and the organizational processes can become its own enemy. The biggest dangers lie in the lack of complete understanding and the tendency to imitate others. The chosen model of performance excellence may not gel with the organization culture.

Most successful companies have developed their own unique approaches to fit their own requirements. Research has proved that imitation of efforts made by a successful company may not lead to successful results to other companies. Building and sustaining performance excellence requires a positive attitude to change, the adoption of sound practices and implementation of strategies.

But if we look into the detailed aspects of change and growth, what makes the organizations fail to have a sustainable impact and employee's loose motivation and fallback to the old habits is to be discussed in this paper.

A major strategic change that all organizations can pursue performance excellence is the change in culture. Employees are bound together in the organization by its culture to have a synergy at work place. Culture operates within an organization without being talked about, as culture being widely shared in the organization. It is also considered as culture; a powerful influence on the behavior of employees.

When we discuss the issue with the quality managers of various organizations w.r.t continuous improvement, it is predominantly noted that they aim at the silver bullet to take a quantum leap and bring a radical change in quality performance. The issues are more often revolving around cultural aspects, and mind set (not my job attitude) of the employees. The problem therein lies as employees not paying attention to organizational culture which is consequent to undermine continuous improvement. Employees resist change as each one is different in caliber, capacity and willingness to accept change based on personality, perception, attitude, learning, past experience with change. Sometimes the quality initiative programs go terribly wrong in implementation and will negatively affect the performance. To prosperously accomplish the benefits of a constant enhancement procedure, an association has to seize deliberate deed as plainly consenting change after it happens to appear is not enough. If this doesn't appear a firm could experience a period of deterioration because if the procedures are left unattended it could invariably become inferior all by them.

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It is to be understood by the top management that, the focus is to be on the approach and discipline, rather on techniques or procedures. The effective change requires an appropriate blend of leadership skills, knowledge base, performance measurement criteria, resource allocation, and focused actions.

Continuous improvement is achieved by the following initiatives:
- Enhance the value to the customer through new and improved products and services, anticipating the needs of the customer.
- Reduction of waste, rework, defects; to achieve improved productivity and operational performance.
- Improving flexibility, responsiveness and reducing the cycle time.
- Maintain a positive dissatisfaction with the present level of performance.
- Investigating activities that do not add any value to the processes and eliminate them.

2. Key Criteria for Continuous Improvement

1) **Top Management:** The commitment from the top management and involvement with unwavering focus on customers are the important key success areas when a decision on continuous improvement takes place in the organization. When top management allocate resources and give importance for continuous improvements, there is a significant and sustainable development could be observed in the processes. The management has to coach the employees towards the quality programs and need to do necessary follow-up activities regularly.

2) **Systematically Perform the Continuous Improvement:** when the continuous improvement programs are initiated in the organization, a lot of challenges could arise like continuous improvement programs are to be aligned with main objectives of the organization, and at all the functional areas it should reflect the integrity of the program. Human focus should not be compromised at any level to maintain the synergy within the teams. The teams should contribute to the knowledge repositories to bank the sensitive and specific problem areas. Continuous improvement is about everybody in the organization to integrate and contribute.

3) **Methods of Continuous Improvement:** the goal of the continuous improvement is to reduce waste, standardize the procedure and follow a systematic approach of the processes. System standardization (5S) is one of the methods through which the systems and processes and streamlined to the requirements and produce a world-class products or services. Achieving continuous improvement is by acquiring both knowledge and the required skill sets to perform a job in a right way for the first time. Other methods include the Deming's PDCA cycle as a continuous improvement tool.

4) **Creating Knowledge Rather Than Consuming:** in a process of implementing a continuous change and improvement, analyzing the results and learning the lessons should be recorded. Both success and failure may give rise to a new set of knowledge which should be banked, as a reason reflective learning is imbied within the teams resulting in higher level of achievement. The employees are encouraged to ask questions, challenge the assumptions and seek different dimensions for knowledge building. Later this knowledge is been documented as explicit knowledge for future use.

The above key criterion for continuous improvement when looked upon by the levels of management, the perception and assumptions of each varies drastically. The prime target is to how to achieve continuous improvement in the processes without any hindrance, but various obstacles come into picture to halt the improvement programs due to behavioral aspects.

3. Obstacles for Continuous Improvement of Business Processes

1. The fear of change: The employees may love change management but may dislike the management change to worse and the way it is changed. In the advent of the technological growth and innovation, business environment have forced the organizations to change the business processes. It is necessary for the management or the manager who is going to implement the change has to be skilled with change management to be more effective. Unfortunately in all the organizations employees will not enjoy the change with fun and zeal. The prime reason could be where the employees may feel insecurity and fear they may lose their job and they feel they are losing their control over their work environment. There could be some reasons also like; taking any initiative at work and later burdened, lack of rewards and recognition, office politics where the trust and support is questioned, peer pressure to perform in the new environment or it could be the previous bitter experience.

Figure 1: Obstacles to continuous improvement

2. Ill suited management tools: There are a variety of business process management software options for your business to choose from. Oftentimes before a large change and IT department will spend extensively on a huge process management tool and after what is likely to be a large investment; they will force their employees to use it, despite it not being quite understandable to all. You need to find the right tool for your business or you will be weighed down by process management tools which are too complicated or too inadequate for serious use. It is blamed that process management tool is complicated; always there is a perception that IT department in any organizations always blow up their yearly budget and spend more on automation, which presumes competitive advantage. It's always fortunate that automation is an important aspect of improving the processes continuously and it is very specific with different set of audiences.

3. Lack of professional and human development: Most of the training program and career path are focused on the technical aspects of the education, rather connected to human development. Even the employees are bothered about the achieving progress in their jobs. The HR department should also involve and include employees in overall development.

Lack of employee engagement: Sustainable employee engagement describes the intensity of employees in connection to their organization. It is considered as a vital element for success. Engaged employees are those who are passionate about their employer, and believe their contributions are valued and support management strategies. There are few challenges that every organization has to address to successfully implement the employee engagement, they are:
a) The communication channels are not being effective to reach every employee of the organization. The communication of the employees with their peers is also vital and the top management has to create a healthy platform for the employees to share innovative ideas, resources, and knowledge.
b) It is a mere challenge for the top management in an organization to their non-white collared employees with strategic intent, as not all the employees have easy access to the computer.
c) In an organization we cannot find a homogeneous work place as many employees come from different states and countries and have a lot of difference in culture.
d) The planning and implementing of the employee engagement is been is focused by either HR dept. or internal communication. In these aspects the departments should draw on resources that include IT, Marketing, social media, public relation.

4. Prioritize improvement efforts: It's very important for any organization to prioritize on the processes for improvement. Not all managers are able to prioritize the process as per requirement or on need basis, for some organizational strategy may be clear, for others it may be jus to escape from their responsibilities. It is imperative to assess improvement initiatives and evaluate them in terms of value and priority to the organizational strategy. When the process improvements are been identified and the solutions are defined, it's a top management strategy to prioritize the projects before starting them. While at many instances, there is a scope of improving quality and decrease wastage within the processes, it is unfair to assume each of the processes may yield measurable results.

In the best case scenario, we can expect significant difference in results and are realized under reasonable time frame. The project team which had identified the solution is recognized and rewarded for their contribution to the company which best meets the customer requirements. However, if the process improvement meets considerable bottlenecks and lacks management support will not be able to yield quantifiable results. Not only organizational performance is at static, but also the responsible team will be demoralized and loose enthusiasm for any future roles.

5. Lack of resource allocation: It is an area where every business entity has to allocate the resources and funds to the respective processes. When we have discussed about the cultural change and employee engagement, each and every employees have to be involved. Sometimes despite developing strategies, all may not be successfully implemented. Cognitive support is essential as it helps to facilitate the work being completed most effectively and efficiently. Without the right tools and hardware support and job is considered incomplete or low in efficiency. Resources may also include the infrastructure of the work place and the physical environment of the organization. A prerequisite of technical knowledge and interpersonal skills are need of the hour for the successful completion of position responsibilities, also continual training for knowledge update.

4. Managerial Implications

Continuous improvement is a culture, and a methodology which is critical to manufacturing companies to gain a competitive advantage in the market, failure to which causes a loss in market share, and ultimately not accomplishing the organizational objective. It is implied from the study that the sensitive obstacles to change in the continuous improvements are organizational and managerial, as in a major gap persists between the top management and the workers as they feel lack of support, motivation and commitment. The middle level managers tend to become sandwich between the workers and top management and usually leaning towards the workers point of view. The top management has to create a quality culture within the organization and allocate resources to continuous improvement programs. They should also encourage and empower employees, and reward the best use of continuous improvement.

5. Conclusions

Obstacles to continuous improvement are mostly people oriented rather than technical issues. The management has to empower the employees and the need to communicate the strategy of the improvement program and create a learning culture. It is been learned that the obstacles to continuous improvement should not be ignored. It is the responsibility of the top level management to address the change and

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manage it. The organizations who have successfully implemented continuous improvement program have addressed the particular problems and identified the issues, where the management has to terminate the roadblocks of the employees. The initiatives of continuous improvement program could be spoiled by a single employee as well, so it is important that top management has to create a healthy work environment and a great work culture within the organization. "Prevention is better than cure" is the mantra to be adopted and be proactive in anticipate/identifying the obstacles in advance. Continuous improvement program is a journey and not a destination.

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