



## TenStep Supplemental Paper

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### High Performance Organizations

*Kaizen – A must tool for a High Performance Organization*

#### Key Learnings:

- Understanding High Performance Organizations (HPOs)
- How you can help make your organization a HPO
- How Kaizen helps in evolving as a HPO

When it comes to High Performance Organizations (HPOs), what is it that first strikes the mind? Is HPO synonymous with world-class organizations? Or is it synonymous with organizations having state-of-the art technology and infrastructure? It is true that HPOs recount their success stories with pride, but what makes them successful? What makes these HPOs enviable? The answer to most of these questions is “*sustenance*”.

#### What are HPOs?

In the face of fierce competition, every company goes through trying situations. Success and setbacks are a part and parcel of all the organizations. Yet, what differentiates HPOs from other organizations is their ability to uphold performance over time despite the changing market status and tough competition.

High Performing Organizations have the knack of generating extraordinary results not only for themselves but also for their stakeholders. Apart from excellent customer service and stakeholders’ gain, there is more to these HPOs.

HPOs are places that host opportunities for people to learn, accomplish and grow consistently. Irrespective of the line and size of business, HPOs differentiate themselves as places of productive innovation.

The following characteristics help differentiate HPOs from under performers.

1. **Organizational viewpoint:** HPOs believe that people are the central focus. HPOs provide their employees a strong foundation of values and beliefs. Since punishing is not their style, HPOs suitably reward employees who voice their failures faster than others. This practice encourages transparency and openness among employees and dispels fear of failure. In the process, they motivate employees to take initiatives and think creatively.
2. **Employee viewpoint:** HPO employees are typically characterized by a state of extreme high energy and restlessness to the extent of dissatisfaction for want of better quality. Employees also have a constant urge to learn, unlearn, and relearn. Employees at HPOs neither believe in nor respect job-hopping. For most of them, loyalty is the only sure way to ensure personal success and peer-respect.

#### How does Kaizen help in creating HPOs?



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Kaizen implies continuous improvement. It is a team activity that encourages employees to come up with enhanced methods to add value to work from the customers' viewpoint. Kaizen creates opportunities for employees to empower themselves to do their work. In HPOs, Kaizen events can be the right investment for employees who crave for knowledge and skills.

Team meetings that follow Kaizen events also provide scope for professional development as employees get together to share their experiences. Each kaizen event can be considered as a mini-HPO. Let us consider the case of a major National Bank that implemented Kaizen.

### **Kaizen event at a major National Bank**

The prime intention behind conducting a Kaizen event is to have a crystal clear view of various functions in the work area. Employees from different functions constituted the Kaizen teams. The team members took some time out from their jobs to attend the Kaizen events.

The Kaizen event at the bank was different from the events conducted at other organizations. In a typical Kaizen event, full-scale implementation begins right from the last day of the event. However, at the bank the kaizen event is limited to getting ideas, which are later implemented at a full-scale with the aid of internal consultants.

### **Five-day Kaizen schedule**

On **day one**, participants are taken through the fundamentals of Lean and Six Sigma. A process or work area is chosen for improvement. Participants are then intimated about the goals and objectives to be met.

On **day two**, participants search for information related to the chosen process. For this, they are taken around the work process so that they can have an overview of the entire process. Participants get a chance to learn about different functions. Team members together garner information regarding cycle times, transportation times and work in progress (WIP) amongst others.

On **day three**, team members discuss alternatives to overcome flaws of the chosen process. Brainstorming sessions are conducted. These typically involve discussions on the future course of action. Action plans thus emerge.

On **day four**, action steps are chalked out based on action plans. Anticipated changes are implemented and improvements measured. Participants figure out if the proposed changes have resulted in reduced cycle time and WIP and in overcoming other flaws.

On **day five**, team members present their observations to the manager.

### **Results**

The bank has benefited tremendously from these Kaizen events. Cycle times have improved and the time taken to resolve a complaint reduced from one month to just 8 days. This is also an indicator of good customer service. Various projects where Kaizen has been implemented have shown cost reductions and performance improvements.



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### **Conclusion**

Kaizen is a powerful tool that helps convert an organization into a High Performance Organization (HPO). By turning your organization into a HPO, you can provide your employees opportunities to improve consistently. Kaizen events herald a move towards performance enhancement of your organization.