

“Readers of this book will surely find new ideas and encouragement to make improvements in personal health, performance at work, and their own well-being.”

—MASAAKI IMAI, CHAIRMAN, KAIZEN INSTITUTE

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THE
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SPIRIT OF
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KAIZEN

CREATING LASTING EXCELLENCE
ONE SMALL STEP AT A TIME

ROBERT MAURER, PH.D.

author of One Small Step Can Change Your Life

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THE

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KAIZEN

*Creating Lasting Excellence
One Small Step at a Time*

Robert Maurer, Ph.D.



New York Chicago San Francisco Lisbon London
Madrid Mexico City Milan New Delhi San Juan
Seoul Singapore Sydney Toronto

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ISBN: 978-0-07-179618-7

MHID: 0-07-179618-5

The material in this eBook also appears in the print version of this title: ISBN: 978-0-07-179617-0, MHID: 0-07-179617-7.

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*For Ben and John Sikorra,
the bravest men I have ever known,
and for their amazing parents,
Lori and Joe*

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ACKNOWLEDGMENTS

This book is the work of many people, and I am grateful to have the opportunity to share their wisdom and talents with you. Leigh Ann Hirschman, my cowriter, put lyrics and melody to these kaizen concepts. Jennifer Griffin, my agent, provided encouragement and enthusiasm for the project. My father, Mort Maurer, demonstrated the power of kaizen and the importance of creativity through his lifetime of experience and success in many business enterprises. Knox Huston, senior editor at McGraw-Hill, guided this book to publication. My friend Steve Albert's humor and love have always kept me from taking myself too seriously.

Finally, I'd like to offer much appreciation for my family: Dia, Larry, and Dru. Thank you for sharing my passion for this project.

Chapter One

A SWIFT INTRODUCTION TO KAIZEN

Business culture loves the idea of revolutionary, immediate change. But turnaround efforts often fail because radical change sets off our brain's fear response and shuts down our powers to think clearly and creatively. A more effective path to change begins with the small steps of kaizen. These quiet steps bypass our mental alarm system, allowing our creative and intellectual processes to flow without obstruction. The result: Change that is both lasting and powerful.

Leaders are often called upon to make significant improvements to their organizations—to cut costs, to create new products, to reduce mistakes, to improve service, and so on. It is possible to make these improvements by gritting your teeth, squaring your shoulders, and forging ahead no matter what the obstacles.

Possible, but not likely. Some managers enjoy this kind of bareknuckled attack on their organization's problems, and a few even succeed at it. Their stories are dramatic ("I led our team through a complete reorganization in six months!") and feature admirable determination ("I was poor and uneducated, but I didn't let anything stand in my way; now I'm the head of my own multibillion-dollar business!"), so they are the ones that draw our attention. If you absorb enough of these stories, you can easily get the impression that the only way to reach your management goals is to hurtle yourself at them, tearing down the fast track to success at breakneck speed and obliterating all barriers in your path. You can also draw the conclusion that if you haven't reached your goals, the reason must be that you're lacking in skill or good old-fashioned grit.

Not so. Most of us are programmed to resist radical change. Let me say that again: *We are built to resist radical change.* As you'll see in the coming pages, our nervous system wires us for resistance to a big overhaul of any kind. This truth applies not just to managers but also to the employees we need to carry out our programs for change. So if you've tried to change your organization and met with disappointment, there is no reason to feel guilty.

But there *is* reason to feel optimistic. Most groups can achieve success when they step off the fast track and take an alternative path. This path is soft underfoot and shaded overhead. It's such an unassuming little byway that it doesn't attract the world's notice, but believe me, some of the most successful people and organizations

have been using it for decades with consistently good results. This path starts with the smallest of steps. It causes no stress, no fear ... and you can take it all the way to your goal.

But before I tell you more about kaizen, I'd like you to meet some struggling business owners.

“WE NEED SOMETHING BOLD AND INNOVATIVE!”

At the time this story began, I was a clinical professor at the University of California, Los Angeles (UCLA) School of Medicine; I specialized in teaching behavioral health. It was not long past graduation, and many of our students had been hired by existing physician groups or had banded together to start large groups of their own. Four of the doctors, however, had decided to create a small private practice devoted to family medicine. They were deliberate about this decision. They wanted to give their patients thoughtful, personal care, and they worried that their freedom to practice as they wished would be stifled by joining a bigger group.

When the practice opened, I called to congratulate the young doctors on their new business. However, the voices on the other end of the conversation sounded far from celebratory. They were in trouble, they explained. They'd committed to a lease on a beautiful office in a prime Santa Monica location and had taken on heavy debt to pay for state-of-the-art equipment. In addition, each doctor had his or her own student debts to pay off. All of these obligations would have been manageable, they said, with a steady flow of patients. But the patients weren't coming. Their city, Santa Monica, had more than its share of doctors, and my former students were realizing that they had entered a very competitive business world, one that their medical training hadn't prepared them for. Although they were bright, focused, and creative, they were also terrified of losing everything.

Sensing their distress, business consultants were knocking on the practice door, offering them assistance and assurances of future prosperity—at a steep price. The doctors were trying to figure out where to get the money to hire one of these consultants, or maybe a public-relations expert. One physician partner, with strain cracking her voice, was arguing to take on more debt. “If we want to win big,” she insisted, “we have to play big. We need something bold and innovative to drive patients to our doors.” Yet she, like the others, was unable to come up with a specific idea that might work.

I sympathized. These were good, caring doctors who could bring excellent care to their community. I wanted them to feel hopeful and creative again. But the one thing I didn't want them to do was to try to innovate their way out of the problem.

INNOVATION WORKS, EXCEPT WHEN IT DOESN'T

Why not? What's wrong with innovation?

First, here's a definition. Sometimes the word *innovation* is used to refer to a new idea or a clever solution, but in this book I'll adhere to the meaning that's taught in business schools. There, *innovation* means change, but not just any kind of change; innovation is a dramatic, sweeping change, one that's usually undertaken in a short

amount of time. Innovation can be a clearly positive, exciting change, such as the Apple computer's marriage of scientific function and elegant design. Or innovation can be a much more difficult change, like an austerity program that lays off thousands of workers.

Other examples of innovation include:

- Changing the focus of your organization.
- Adapting a never-before-used technology.
- Hiring all new department heads.
- Declaring bankruptcy.
- Merging with another company.
- Transforming the company's image.

When innovation goes well, the result is new products, creative solutions to old problems, and vigorous organizations. And it's fast! If you know you can achieve a goal quickly, why wait a minute longer than you have to?

The problem isn't with innovation itself. It's with our single-minded approach to innovation. When we believe that radical change—the fast track—is the *only* path to survival, growth, and ingenuity, we lose some of our effectiveness. If we think that wrenching change is the sole solution to problems, well ... we tend to let those problems go for a long time. A major overhaul can feel too hard, too painful, and too time-consuming to manage, especially when we have so many other things to do. And so the problem grows. When the problem is too big to ignore, we finally decide to do something about it ... and charge fiercely toward a solution. We say, "Let's turn this culture around!" Or "We're going to do the impossible around here!" If we succeed, that's terrific.

But when change tears through an organization, managers and staff may not feel as invigorated as you'd like them to. They often freeze up or feel overwhelmed. That's a big problem because radical change usually involves radical risk: a huge investment of money, time, people, or goodwill. When radical change fails, it can take down an entire department or even a whole organization. The difficulty of sustaining an innovative approach to change is the story of NASA in the 1990s, and of Ford and Xerox at the turn of the millennium; these are all examples of organizations that tried innovation and were left weakened and on their knees. You can probably think of examples from your own experience: breakneck deadlines that resulted in sloppy, slapped-together products, morale initiatives that caused skepticism and scorn, and demands for creativity that led to stalled-out groupthink.

That's why I didn't want the family-medicine group to turn to innovation. They were already feeling scared and overwhelmed. With their emotional resources depleted, they were in a weak position to carry out any kind of radical change. They also lacked the money to revamp their practice. I hated to see them dig deeper into debt with such unsure results.

Kaizen and Innovation: Two Strategies for Change



When you need to make a change, there are two basic strategies you can use: innovation and kaizen. Innovation calls for a radical, immediate rethink of the status quo. Kaizen, on the other hand, asks for nothing other than small, doable steps toward improvement.

Fortunately innovation is not the only way to create change. There's an alternative, one that it is so simple and painless that people tend to dismiss it. Yet this method is extremely effective, whether you want to make a small adjustment to your staff or transform the globe. And all you have to do is take one small—very small—step at a time.

KAIZEN: GOOD CHANGE

I'm talking, of course, about kaizen. *Kaizen* is a term from the Japanese language. It's a wonderfully perfect word that literally means "good change." The Asian origins of the word are a little bit misleading, though, because you can easily get the impression that kaizen is at its core a uniquely Japanese philosophy, one that might be difficult to translate into Western culture. Actually, kaizen was born in the United States during World War II, a time that drew out the very best qualities in Americans—our imagination, our bravery, and our willingness to work shoulder-to-shoulder to get the job done.

When France fell to Nazi Germany in 1940, the American government realized that it would need to supply the Allied nations with arms, ammunition, food, and equipment. The speedy conversion of factories from producers of domestic goods to producers of wartime material was a heady challenge in itself. Then the United States entered the war. Just when we needed minds and hands to produce supplies, many of our best managers and workers were leaving for overseas combat. It was a grave situation. We needed soldiers to fight the Axis powers, but without guns and tanks, those soldiers would be fighting in vain.

In response, the U.S. government created a series of programs called Training Within Industry (TWI), which taught corporations how to become more efficient and more productive. One of TWI's most important insights was that companies needed to resist the impulse to perform a total makeover. "There isn't time," counseled the TWI course manual. "Don't try to plan a whole new department layout or go after a big new installation of new equipment." Instead, TWI experts offered a philosophy you've probably heard before: *continuous improvement*. "Look for hundreds of small things you can improve," they advised. "Look for improvements on existing jobs with your present equipment." The experts were insistent that supervisors pay respectful attention to every employee, viewing each one as a potential source of ideas,

information, and suggestions.

Pay attention to employees. Look for small improvements. Make do with what you have. It doesn't seem like much of a management philosophy, especially not when lives and nations were on the line. Yet historians will tell you that the small steps of TWI worked. A significant reason for the Allied victory in World War II was the United States' ability to produce high-quality, reliable equipment and to get that equipment overseas quickly. When the war ended, however, so did TWI. Former soldiers took up their old places in the manufacturing sector, and they brought back their old, pre-war habits of work with them. Business settled back down to normal, and continuous improvement was left behind.

In Japan, however, business was anything but normal. Not only had it suffered the loss of life and morale that went with its wartime defeat, Japan's industries were decimated. The U.S. government had an interest in improving Japan's economy, reasoning that a strong Japan would act as a buffer between the United States and North Korea. To that end, the United States provided management-training courses to Japanese businesses. One of the advisors to Japanese industries at this time was an American statistician named W. (William) Edwards Deming. Dr. Deming had been instrumental in formulating assistance to American businesses during the war. Now he took his ideas—about continuous improvement, small steps toward progress, reduction of waste, respect for workers, and service to the customer—to the Japanese leaders. They paid very close attention, and the rest is history. Based on the small-step philosophy that it came to call “kaizen,” Japanese businesses rose to dominance in the second half of the twentieth century.

In 1980, American businesses were increasingly nervous about the competition they faced from an efficient, energetic, quality-driven Japan. NBC ran a special on the television show *NBC White Paper* called “If Japan Can ... Why Can't We?” featuring W. Edwards Deming and his ideas. Dr. Deming became a wildly popular consultant and speaker in the United States, whose businesses once again listened to his suggestions for continuous improvement. Kaizen was embraced by many U.S. businesses, mostly as a highly technical production and operations concept. In the United States, kaizen lives today through practices that include lean production, just-in-time (JIT) delivery, and statistical control of processes.

THIS IS NOT YOUR B-SCHOOL KAIZEN

The application of kaizen to operations has been a terrific advancement for businesses. It has reduced production waste, increased quality, and encouraged frontline workers to contribute suggestions and ideas, not just go through the motions. Along the way, however, we've missed something. We've missed the opportunity to apply kaizen to management and use it as a psychological tool for solving problems and fostering good change.

I've spent my career as a psychologist studying the mechanisms of success. In both my consulting work and as a faculty member at the UCLA and the University of Washington medical schools, I help people who are wrestling with the problems of change. I teach them:

- How to make successful changes in their own lives.
- How to help other people change.
- How to manage the fear that comes with change.

In particular, I've seen plenty of businesspeople who need to create change. Improving quality is a perennial management concern. How, my clients wonder, can I get staff to care more, to make fewer mistakes, to waste less, and/or to attend to the details? Clients may need to confront employees whose rotten attitude is polluting the office environment. They may face crushingly tight budgets. They may need to inspire their staff to develop better products and services. Increasingly, managers also may have to become health gurus and find ways to hold down health-care costs—even if that means getting their employees to eat better and exercise more. If you are a manager of any kind, there's a lot coming down on your shoulders.

When I work with managers and executives, it's often because they've tried innovation and it hasn't succeeded. Sometimes they consult with me because they are looking for a fresh way to solve their problems. Sometimes they consult with me because the burden—all those demands on their shoulders—and that feeling of having failed is giving them physical symptoms such as backaches, headaches, insomnia, and other forms of malaise.

What I offer these clients is kaizen for managers: small, tiny steps toward improvement, some of which lead to surprisingly large-scale changes. And this is what I suggested to the young doctors, discussed earlier in this chapter, who told me about their troubles. As former students of mine, they'd heard about applying kaizen to health problems, and they'd seen their patients benefit from small steps such as exercising just one minute a day. (I know exercising for one minute a day sounds crazy, but it's effective. I'll talk about kaizen for health later in the book, in [Chapter 7](#), "Reduce Health-Care Expenses.") But they couldn't imagine applying kaizen to their business problems, especially when those problems seemed so big. "Let me come to your office for one hour," I said, "and I'll give you a free talk about kaizen for business."

The doctors and their staff spent their lunch break one afternoon listening to the kaizen strategies that I'll outline in this book. The staff members—the nurses, receptionists, and back-office and billing personnel—caught on right away. Kaizen invites every member of an organization to contribute, and the employees liked the idea of being part of a solution. The doctors were less sure. They worried that small steps would take too long; their debts were mounting and there wasn't a lot of time. Near the end of the meeting, I divided the audience into groups of three, with a doctor, a nurse or receptionist, and a back-office worker in each. I asked each group to think of the smallest step possible that could improve the practice. There were two rules:

1. Because resources were in short supply, the step could not cost anything.
2. The idea had to benefit the customer (the patient).

One nurse immediately offered a suggestion. A few weeks previously, she'd taken her car in for service at the dealership. The next day, the dealer's service representative

called to see if she was pleased with the cost, service, and results. The nurse said, “Why not introduce this level of customer service to our practice? The doctors aren’t that busy right now. They can call their patients the day after the office visit. When the practice gets busier, we can all help make the calls.”

The suggestion followed the two rules, and the group was willing to try it, although the doctors remained skeptical that such a small step had the power to ignite their business. But patients were surprised and delighted by the small extra attention. Word quickly spread about these new doctors in town and how well they treated their “customers.” New patients began to call for appointments, and they in turn recommended friends to the practice.

As the practice grew, the office continued to rely on kaizen to solve problems. One nurse, noticing that patient complaints appeared in an inverse proportion to the time a patient spent with a doctor, suggested that doctors dictate their notes *during* the visit instead of after. It took about the same amount of time as dictating the notes at the end of the day (the custom of most doctors), but it would give the doctor more face time with the patients. The patients loved it. When they saw the doctor carefully and thoroughly summarizing their appointment, the patients felt cared for. They also had the chance to offer clarifying information or ask questions.

Later, a receptionist listened to a doctor griping about the percentage of no-shows each day. No-shows are a common problem in medical offices; even with reminder calls, the average national no-show rate is 15 percent. The receptionist mulled things over, thinking about how no-shows wasted the precious resource of medical care. She wondered if the no-shows made the connection between their actions and the effects on everyone else. She then placed a sign on her counter that read, “Please keep appointments. Help us make medical care affordable for all. Thank you.” The receptionist included this message in her reminder calls. Much to everyone’s surprise, the no-show rate dropped to less than 5 percent.

These were three tiny, comfortable steps that cost the practice a total of zero dollars. But 10 months later, when the local newspaper published a consumer’s survey called “The Best Doctors in Los Angeles,” this small, new practice scored *at the top*. The medical practice, which was already financially thriving by this point thanks to word-of-mouth business and the low no-show rate, was now an official blockbuster. And the practice’s malpractice claims were the lowest in the area. This good news was mostly due to the doctors’ medical skill, but also in part to their habit of making chart notes with the patient present. Because the chart notes were taken immediately, when the doctors’ memories were fresh, they tended to be very accurate. And because the chart notes were taken in the patients’ presence, the patients felt respected and involved, and therefore less likely to take their complaints to court.

When you apply kaizen to management psychology, you are going to the heart of what TWI and Dr. Deming preached to wartime executives. You are:

- Drawing on your existing resources.
- Inviting your employees to participate.
- Remaining alert for problems to solve.

- Looking for ways to improve service to your customers.
- Making very, very small steps toward change.

Some steps, like the ones taken by the medical practice group, are so small that they can seem ridiculous. But again and again, kaizen works.

HOW KAIZEN WORKS

To appreciate how kaizen works, you need to know why innovative change often *doesn't* work. Why is radical change so hard? It is because change is uncomfortable. It's more than uncomfortable, actually. It can be terrifying. Over the long course of evolution, our nervous systems have developed an unfortunate feedback loop; our brains are designed to respond to change with fear, but our brains are also designed to respond to fear by shutting down access to the mental resources we need to create change.

To understand this loop, consider the physiology of the brain. To be more accurate, consider your three separate brains. Each of these brains plays a part in regulating your body and mind, but each evolved at a different time.

About 500 million years ago, humans developed their first brain, called the brain stem. This small but vital structure sits atop your spinal cord and sends instructions to your heart, your lungs, and other organs that keep you breathing and functioning.

Just above the brain stem is the midbrain, which is about the size of your fist. This brain came along about 300 million years ago and is called the mammalian brain, because all mammals have one. This is the brain of the emotions, of temperature regulation, and of the survival mechanism.

Surrounding the midbrain is the cerebral cortex, the third and (at a mere 100 million years of age) the most recently developed brain. The cortex is home to the higher functions: thinking, reasoning, and creativity. The cortex is what allows you to make decisions. It lets you analyze your difficulties and imagine solutions. The cortex makes language, inventions, ideas, music, math, science, and art possible. If you want to make changes in your workplace—or anywhere—you need unfettered access to the cortex. Without it, you'll be stuck with the extremely limited, animalistic repertoire of the brain stem and the midbrain.

And there's the rub. When you want to change, it seems only fair that you should put in a request to the cortex and have it get to work on your problem. But instead, the midbrain jumps in and blocks the request. In particular, the amygdala, which you can find at the base of the midbrain, doesn't want the cortex working for you. The amygdala is host to the survival mechanism, the fight-or-flight response that sets off alarm bells whenever it perceives danger. It's designed to keep you safe in times of serious physical peril. It does this by delivering energy to your arms and legs, pumping up your heart, and amping up your stress hormones. It helps you through a crisis by doing one of two things: running away or fighting. Unfortunately, it gets the energy for these activities by stealing them from other sources. Like your digestion. Like your reproductive desire. Like your thinking.

In other words, fear reduces your ability to think creatively and clearly. When you

consider the way that the brain evolved, this “problem” makes sense. For hundreds of thousands of years, humans were hunter-gatherers. If you saw a lion charging at you at 40 miles per hour, your brain wanted you to be frightened! And it definitely didn’t want the brain’s newcomer, the cortex, to stop and ponder the implications of being attacked by the lion. It wanted you to run or pick up a big rock, pronto. So the amygdala shut down the cortex so you could stop thinking and act quickly. It let the cortex mull over the lion much later, when you were safe.

Today, you still need your amygdala to take over in times of real physical danger. The problem is that your amygdala evolved *before* the cortex. The amygdala is not that smart. It can’t tell the difference between a charging lion and your shareholders. In fact, it smells danger whenever you try to change your routine—because to the amygdala your routine feels secure, good, and safe. This subconscious mind-body reaction to change is why you may find it so hard to make positive improvements, whether that change is cleaning off your desk or complying with a new reporting system. In the case of the four young doctors, all they wanted to do was find a way to bring in more patients—hardly a threatening life-or-death showdown. Yet they were unable to come up with creative ideas because their alarm systems had closed off access to their best thinking.

You may know a person who reports thinking *more* clearly and experiencing the world *more* vividly when under duress. That’s because he or she is able to convert the fear response into something else: excitement. You may have even experienced this on occasion yourself; maybe you once led a charge for major change and relished the task. But most people simply aren’t wired to love change, not all the time. For most of us, the mere thought of change makes us frozen or combative. This is not a choice. It’s instinct. You can see this effect in employees who respond to change requests by dragging their feet, staring at you blankly, or throwing tantrums. Maybe you’ve seen it in yourself; maybe you’ve found it difficult to come up with creative solutions when you’re faced with a dire emergency. And that’s why innovation, or radical change, rarely works.

Kaizen, however, is different. A kaizen approach asks you to take small steps toward your goal. These steps are so small that they may seem useless, but that’s why they work. If the amygdala is like an alarm system, small steps are like cat burglars. Quietly, slowly, and softly, they pad past your fears. Your alarm never goes off. Your body remains relaxed. You retain your access to your rational, creative thoughts.

In the technical, production-oriented applications of kaizen, small steps are seen as a way to produce cumulative change. One tiny change after another tiny change followed by another tiny change, and so on, will eventually deposit you on the doorstep of your goal. This process is summed up in the saying of the ancient Chinese philosopher Lao Tzu: “A journey of a thousand miles begins with the first step.”

This kind of accumulating change can be true for management as well. In his business classic *Good to Great*, which analyzes how companies make the shift from ordinary performance into excellence, Jim Collins describes the power of incremental steps:

We kept thinking we would find the “one big thing,” the miracle moment that defined breakthrough. We even pushed for it in our interviews. But ... no matter how dramatic the end result, the good-to-great transformation never happened in one fell swoop. There was no single defining action, no grand program, no one killer innovation, no solitary lucky break, no wrenching revolution. Good to great comes about by a cumulative process—step by step, action by action, decision by decision, turn by turn of the flywheel—that adds up to sustains and spectacular results.¹

But from a psychological perspective, kaizen works in other ways, too. You don’t always have to take a long series of steps to get where you want to go. In some cases, one or two small steps are all you need, because those steps have a power that’s much bigger than their size. This was the case with the receptionist who used a sign and a recorded reminder call to inform patients that no-shows and high medical costs are linked. She took a big problem (the no-show rate) and two small steps later, that problem was solved.

Other times, small steps work in a less direct fashion. In some cases the real power of small steps is that they are creating new neural pathways in your brain. They are literally creating new habits. Before your fears can wake up, a system for change is underway—and it feels familiar, not scary. Eventually, the same actions that would have brought you to your knees earlier now seem safe and easy. This method is especially effective for unblocking your employees’ creativity (or yours) and promoting better health habits among your staff. Without fear, and without frustration, very small steps can lead to a revolution.

A kaizen philosophy of small steps will take you to your management goals. In the following pages, I’ll show you how small steps can help you:

- Boost morale.
- Contain costs.
- Improve quality.
- Develop new products and services.
- Increase sales.
- Reduce health-care expenses.

In the book’s final chapter, I’ll give you some suggestions for what to do when even one small step seems too hard.

If you are facing a particular problem, kaizen can help you solve it. But if you let it, kaizen can become more than just a tool. It can become a philosophy that guides your organization to efficiency, service, and creativity. I hope you’ll take the journey toward excellence. It begins with one small step.

Chapter Two

BOOST MORALE

You can improve morale in as little as three minutes a day—by showing appreciation, by defusing difficult people, and by encouraging employees to take small steps toward solving their problems.

Here's a scenario you've seen before: Management realizes that morale is low. Management hires expensive consultants who package a program for improving employee satisfaction. The package includes days for staff picnics and awards ceremonies, free turkeys on Thanksgiving, and summer days spent performing team-building exercises at the beach. Employees who put in heroic "Superman" hours are offered large bonuses. Morale plummets.

What's the reason for morale-building disasters? W. Edwards Deming, the statistician who laid the groundwork for kaizen, felt that it was crucial to pay people fairly for their work. Beyond a reasonable paycheck, however, large rewards and financial incentives tend to fizzle. What people really want, Dr. Deming argued, is to feel appreciated. They want to be heard, to be known, to make a contribution, and to be protected from grossly unfair or unpleasant conditions.

In difficult economic times, when wages are stagnated or low, employees resent the money that's spent on picnics and gifts. They think, "I'd rather have 25 dollars than this turkey." They are also cynical based on the last two or three prepackaged initiatives that have come and gone. Worse, management may be using morale initiatives as a way to avoid supplying the small daily rewards—appreciation, protection, and empowerment—that create a satisfying workplace. Naturally, the best way to create this ideal kaizen environment is one small step at a time.

SMALL GESTURES OF THANKS

I once consulted with a large aerospace firm and was asked to focus on morale problems. Employee surveys reflected widespread dissatisfaction with the management, but the managers couldn't put a finger on the source of the discontent. I began by sitting down with the chief executive officer and asking her for hunches. She listed several reasons employees may have been unhappy, including:

- Recent layoffs.
- Freeze on wage increases.
- Discontinuation of some favorite perks, such as discounts in the cafeteria.

She suspected that the company would have to ride out the unease until the

recession ended, hiring could be restarted, and wages and benefits would be back to normal.

Plausible reasoning, but when I interviewed employees at all levels of the organization, the items on the CEO's list seldom came up. Most of the staff understood that the economic climate, not management, was to blame for the company's financial difficulties. Every other corporation in the industry had the same woes. Their actual complaints were much different:

"When I walk by the CEO in the hall, she doesn't look me in the eye or greet me."

"I've never seen her smile. Maybe things are worse than I thought. What is she not telling us?"

"I gave up a weekend with my family to get a report in, and no one thanked me."

"I was presenting to the management team, and while I was talking, they were texting."

Over time, these slights and snubs eroded the staff's belief that they were seen and appreciated. One employee described the accumulating sense of discontent: "No one ever asks us for our ideas," he said. "All we are around here is bad news."

When I shared my findings with the CEO, she was defensive. "I'm not here to hold hands," she said. When I asked her why not, she said, "I don't have time for it! I'm exhausted as it is!" She gestured toward the piles of reports and budget drafts on her desk and to the bank of urgently blinking lights on her office phone.

She was right. She didn't have time for a deeply emotional encounter with each employee. Fortunately, a kaizen program for improved employee relations wouldn't take a lot of time, only about three minutes a day. Kaizen made sense for another reason: The CEO was clearly resistant to changing her style of interaction. This was to be expected: remember, resistance to change is natural, because change sets off your brain's alarm system. Very small steps would bypass the alarm response.

I explained that although the steps were small, the dividends, in the form of increased morale and productivity, might be significant. The CEO was reluctant to try a strategy that she felt was outside her job description, but she agreed. She would devote three minutes each day to "hand-holding" activities. These included:

- Greeting employees who passed her in the hall.
- Asking staff about their weekend plans.
- Saying "thank you" when an employee turned in a project.
- Using staff members' names when she knew them.
- Putting away her smartphone during meetings and asking her staff to do the same.

Once she had satisfied her three minutes of employee relations each day, she

could go back to her usual ways. (The rule about putting smart phones away was an exception. She and her staff would have to fully commit to that one.) We agreed on a test period of one month.

At the end of the period, the company's human resources department took another survey of employee morale and engagement. Both were up by 60 percent. The CEO's morale was up as well. She reported that when she walked through the building, employees seemed happy to see her; some would stop and ask her questions. She noted, with some surprise, that she enjoyed the interruptions. Rather than see them as a waste of time, she realized that they helped her understand the concerns of the staff more clearly. Her staff meetings, too, had become less formal; contributions flowed more freely. The CEO realized that she'd seen herself as hunkered down inside a fortress, keeping a safe emotional distance from employees who resented her. As she stepped out from behind her protective wall and began making small gestures toward her staff, her understanding shifted. She began to feel that her staff wanted both her and the company to succeed; they were partners, not enemies. She felt more energetic. All this happened without laying out extra money or putting on an employee awards show. It flowed out of three minutes of respect and consideration each day.

When employees praise their bosses for being great communicators, they are not necessarily talking about oratorical skills or hearty, outgoing personalities. Some of the finest leaders are quiet and not given to inspirational speeches. But good leaders take advantage of small moments to connect with the people they encounter at work:

- They make a point of remembering a staff member's name.
- They ask questions and wait for the answers.
- They use the words "thank you" generously.

If you want strong morale, you need to set the emotional tone of your workplace through small moments and small interactions.

THE UNACKNOWLEDGED MORALE-KILLER: DIFFICULT PEOPLE

I am always pleased when I see companies that look beyond the criteria of technical skills when hiring new employees. Successful organizations know that how staff members treat one other, particularly in stressful situations, is essential for high performance and high morale.

I once observed an airline employ an unusual interview process that tested its applicants' willingness to support others. When hiring flight attendants, the airline would put four or five applicants in a circle and ask each to stand up, one at a time, and give a brief speech about why he or she wanted to fly for the company. I was puzzled, because a flight attendant's job requires little public speaking aside from reading announcements over the plane's intercom. When I asked the manager what she was looking for, her answer was impressive: "We don't even listen to the speeches," she said. "We watch the other applicants. Are they keeping eye contact? Do they nod their heads in support or encourage the speaker in any way? We need to know that if