Leadership driving successful implementation of continuous improvement programs

In the complex and ever changing business environment of today, the need for continuous improvements in organizations is widely recognized. The thesis “Leadership driving successful implementation of continuous improvement programs” investigates the connection between continuous improvements and leadership. Finding that a good match between leadership and the context of continuous improvements within an organization boosts motivation levels among employees and contributes to the company’s success in continuous improvements.

Continuous improvement is the process of making small, incremental improvements in the everyday work in order to gain larger benefits and savings in the long run. For example, at an electrical contractor company outside Stockholm, one of the employees suggested the use of tablets instead of traditional notebooks. Now, the electricians were able to keep all information, guidelines and measurements they need with them at all times and they were also able to share information with their colleagues. Creating a better work environment and saving both gas and money, as they no longer had to drive back to the office to pick up orders or check for guidelines in a binder.

C2 Management, a consultancy firm specializing in continuous improvements, has observed large differences in how well their customers succeed with introducing the concept of continuous improvements in their organizations. In some companies most employees are engaged in continuous improvements, handing in many improvement suggestions every year, in other companies not many bothered working with improvements. After interviewing four companies performing over and around average on continuous improvements, we saw that they were conducting the same activities when working with continuous improvements. This raised questions: Is it not about what they do? Rather about how they do it? Furthermore, theory on continuous improvements pointed at leadership as a potential success factor. Consequently, the thesis aims to investigate the connection between continuous improvements and leadership.

The Path Goal model was applied to four companies working with continuous improvements. This leadership model suggests that leaders raise motivation and help employees reach their goal if they match their leadership style to the characteristics of the employees and the given task. Using surveys the authors asked employees and middle managers how they perceive themselves in their working environment, how they perceive the tasks of continuous improvements and also what their leaders do. Furthermore, other surveys were used to ask middle managers and senior managers to determine their leadership styles. The data analyze using the Path Goal leadership model to investigate the match between leadership styles and work setting. The findings of the case study were also tested in a triangulation study including 12 companies.

The conclusions of this thesis indicates that leadership providing employees with motivation is a key factor affecting the success of implementing work with continuous improvement in the every day work life at a company. Furthermore, companies successful in continuous improvements seem to have many leadership styles present in their organizations, compared to companies less successful in CI that seem to have no distinct leadership styles. Therefore, indicating that a diverse leadership behavior is another key success factor for continuous improvement. Additionally, this study contributes with empirical evidence supporting the Path Goal model and its use in a continuous improvement setting.

This thesis provides a framework, for companies working with continuous improvements, to analyze and improve ones leadership to better match the needs within the organization. The surveys used in this thesis can be applied in any organization to analyze the current leadership situation in the company and take appropriate measurements in order to increase leadership efficiency and motivate employees to engage in continuous improvements, contributing to long term benefits and cost savings.