

Construction, kaizen and the bottom line

by MARK BRESLIN
Special Contributor

LAST YEAR, TOYOTA Motor Corp. received one million suggestions from their employees on how to improve productivity, product quality and work environment. Also last year, Toyota began its final challenge to GM as the number one automaker in the world. I believe these facts are inter-related, and our lesson to learn is embodied in a concept called “kaizen.”

Kaizen is a core philosophy that many Japanese and other global firms have developed to improve their competitive position. While I am as pro-American as anyone, proven strategies and ideas should have no limits and no borders.

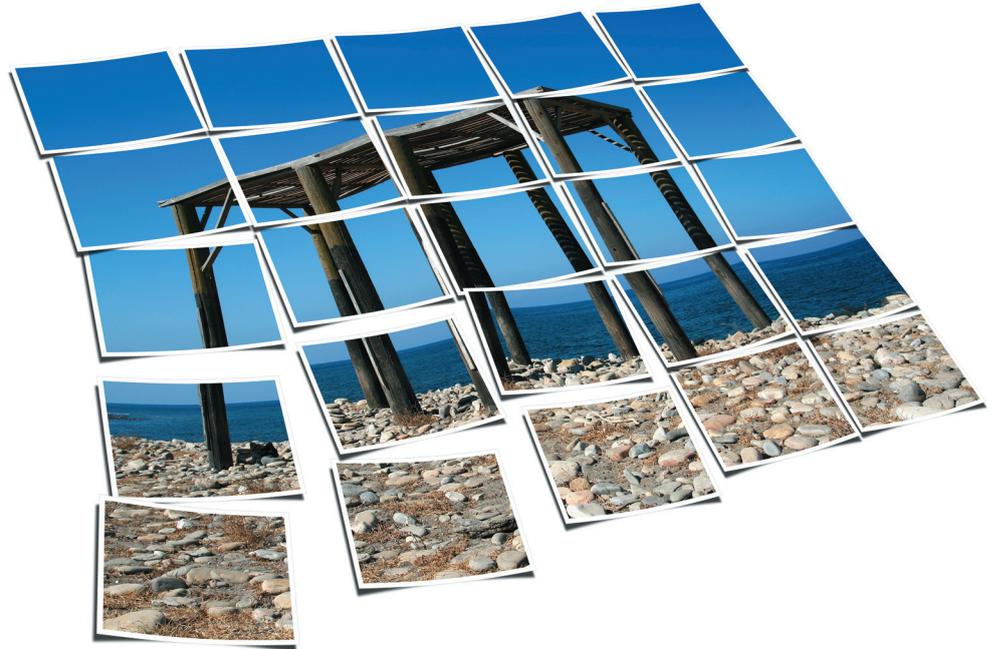
Kaizen is considered a daily workplace activity, the purpose of which goes beyond productivity improvement. It is also a process that, when done correctly, humanizes the workplace, standardizes where possible and teaches people how to identify and eliminate waste in business processes.

To be most effective, kaizen must operate with three principles in place:

- Workers consider both the process and the results, not the results alone;
- Workers are taught big picture, systemic thinking;
- Managers promote a non-judgmental, non-blaming approach to the re-examination of existing assumptions (because blaming is wasteful).

This simple, yet obviously powerful, business strategy is applied from the CEO down the line to the production employees with one central goal: continuous improvement. There are a number of key lessons our industry can learn from this:

1. **The GM lesson.** If you don't focus on continuous improvement, and instead depend on old-school thinking, your competition will eventually kick your ass. What got you here, won't get you there in the future. Construction is



still, in many ways, a very traditional business model. It generally does not actively encourage a structured focus, discipline or commitment to continuous improvement. When asked for examples of a five year improvement report card, most contractors might talk the talk, but empirical evidence of systemic change would likely be hard to find.

2. **The culture lesson.** A central theme that employees come to understand, embrace and act upon is what defines a company's culture. There can be no doubt that Toyota places a critical value on training their employees into a culture, not just a job. They are reaching the hearts and minds, not just the hands, of every worker. As such, culture is what shapes Toyota's competitive position, not worker skills. What is the union construction culture? Productivity? Entitlement? Quality? Indifference? More importantly, what are both labor and management doing to cultivate and communicate the culture to the field?

3. **The empowerment lesson.** The second most powerful workplace motivator,

behind praise and recognition, is participation in decision-making. One million times each year, Toyota employees rise to the challenge of improvement within their company. They know for absolute certain that everyone has the opportunity and obligation to create value. And, supervisors are listening respectfully. Again, how does our construction culture measure up? Can even one great idea make it past the foreman's desire to maintain his authority? Do we teach the big picture or just how to perform the task at hand? Does our workforce understand “why,” or just “how?”

Kaizen replaces the “command and control” management model of the late 20th century with something much more engaging and competitive. The results are inarguable. Our challenge is not wholesale adoption of kaizen, but something much more basic.

BUILDING A ‘HIGH VALUE-HIGH PERFORMANCE’ CULTURE

Contractors and unions need to work on an internal campaign to shape our workplace culture. This industry needs

to understand what it is and what is expected. I use the term 'high value-high performance.' How do you get two million craftpersons to clearly and unequivocally understand and embrace this cultural norm? You work your ass off at it. Tens of thousands of apprentices are entering our culture every year trying to understand what it means to be a union craftperson. I see few substantial efforts on this front. I also see billions of dollars in net profits unrealized. I see an industry that often substitutes skills training and high wages for a culture.

A NEW WAY OF MANAGING

The current management model in construction is something out of the dark ages. Contractor management systems are generally pretty good until you get into the field. Kaizen dies a horrible death in a hundred thousand foremen's pick-up trucks every day in North America. In our industry, a suggestion to a foreman is usually treated as a challenge to his authority. An unprecedented effort must be made by the industry

Kaizen

"Kai" means "change" or "the action to correct"
 "Zen" means "good"

to modernize and humanize field management. My Italian contractor grandfather was a hard-ass yeller and screamer. And, much as I revere his memory, some traditions die hard, but die they must. A high-value-high-performance culture must be built on new ways of managing: information, engagement, motivation, empowerment, codes of performance, peer-to-peer accountability and, of course, constant improvement.

A NEW WAY OF MEASURING

Finally, might it be time for a new way of measuring our success? All measures that currently drive the business are necessary absolutes. Gross profit. Net profit. Market share. But, what about measurement of our internal systems? What about starting small with

this concept of constant improvement and tracking it very closely? What about indoctrinating and training every new manager down to every new apprentice in this manner? Might this effort result in better outcomes relative to our collective profits and market share?

The industry is where it is today because of the ways of the past. If you are content with our competitive platform, then the content of this article is irrelevant. On the other hand, if you think we need a more competitive foundation for our businesses, unions or industry, perhaps kaizen begins with you. ■

Mark Breslin is a strategist and author specializing in labor-management challenges. He is the author of Survival of the Fittest, Organize or Die and Million Dollar Blue Collar.

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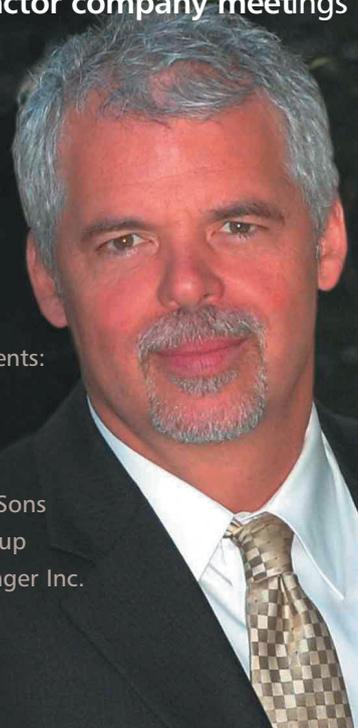
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Mark Breslin has addressed more than 150,000 construction professionals from CEOs to apprentices across the US and Canada. Read up on his profile, purpose and strategies at www.breslin.biz.



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