

Facilitating change – implementing 5-S: an Australian case study

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Abstract

The Australian office of the MaST International Group was undertaking a massive, rapid change in organisational purpose, focus and structure to better align itself with their global, parent business. To facilitate the process and to rediscover the value of TQM within the organisation, the Australian office decided to introduce the 5-S practice into their business. The following action research case study reports on the organisation's Australian experience with 5-S practice, with a particular emphasis on: the link between 5-S practice and the business strategic plan; changes in the internal culture of the organisation; and the lessons learnt that could encourage the adoption of the 5-S practice into the International Group.

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Introduction

MaST International Group is a management consultancy and training business that concentrates on maximising organisational effectiveness through people development. MaST was founded in Australia in 1971 and has expanded internationally to service clients globally. More recently it has been considered that the Australian office was not achieving its true potential in the market place.

The board of management decided to appoint a new managing director to turn the business around. During the development of the organisation's strategic business plan it was noticed that there was a distinct lack of systems and processes in place. A framework was needed to support and give effect to the strategic direction of the company. The chosen framework was 5-S.

This paper is a case study which describes MaST Australia's 5-S journey.

Ho (1999) suggests that the Japanese 5-S practice is a useful starting point for a TQM program. The 5-S practice is a technique used to establish and maintain a quality environment in an organisation. The 5-Ss stand for *Seiri* (Structurise – Organisation), *Seiton* (Systematise – Neatness), *Seiso* (Sanitise – Cleaning), *Seiketsu* (Standardise – Standardisation) and *Shitsuke* (Self-discipline – Discipline). This was just what the organisation was looking for and an action research project began.

Research methodology

Dick (1992, p. 2) noted that action research is a methodology that has two aims: an action aim (to bring about change in some community or organisation or program); and a research aim (to increase knowledge or

understanding on the part of the researcher (or consultant)) or the client organisation or both.

This project clearly aimed to bring about change. First, a change in the way the organisation undertook day-to-day operations. Second, a change in business focus to that of taking charge of the loose business relationship with the client and consultant associates. The research aim was to monitor the change process such that the lessons learnt could be adopted globally by the group (see Figure 1).

Although the process of participatory action research can be described as a series of steps, it is generally thought to involve a spiral self-reflective cycles of (Kemmis and McTaggart, 2000, p. 595):

- planning a change;
- acting and observing the process and consequences of the change;
- reflecting on these processes and consequences; and then
- replanning;
- acting and observing;
- reflecting, and so on ...

The above steps were applied in an open and collaborative manner. The data collected was shared and group and personal reflection took place. Interestingly, the group found that the process was not as straight forward as the action research method suggested and that the simple steps of the process often overlapped.

Applying 5-S

After a short training session on 5-S, members of the organisation were encouraged to put their ideas into action. There was an opportunity to implement each element in turn. However, the group preferred to look at individual work areas, processes and procedures in turn and apply the 5-S framework in total. They started in those work areas and with processes and procedures that were known to facilitate

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deviation from the intentions of the strategic plan. The elements of 5-S were reviewed in turn.

Seire (organisation)

The immediate problem was the excessive amount of furniture, dead files and equipment lying around and clogging reasonable access to most parts of the suite of offices. The excess furniture and equipment were removed and dispatched for sale. Dead files and paperwork that was not required on-hand was archived offsite. Multiple hardcopies of computer files were stored in filing cabinets. These were culled, allowing the sale of half the cabinets. The removal of the excess material resulted in the reclamation of one office space and a meeting area.

An in-house computer program was developed to integrate information on clients, training programs, consultancies, participants, financial management and associate members/external consultants. This program also satisfies regulatory requirements of the Australian National Training Authority.

The one-is-best principle of “single point of contact” was developed to assist with the transition process. This principle enabled the one person to be the conduit of information flow between the client, the organisation and the associates. “One day processing” has also become more important as the business grows.

Seiton (neatness)

Now that there was room to move, workspace was re-allocated to meet the new business direction requirement. Although this was to be of a temporary nature because the business was moving to a new location, it was thought necessary in the meantime to promote the 5-S program and to assist with the assimilation of the new behaviours sought.

Notice boards were cleaned once then twice. Filing cabinets and bookshelves were re-arranged to support ready access. White boards became working boards once again and used to gather thoughts rather than store them. Everyone is encouraged to be diligent in dealing with deterioration of the 5-S practice, so that when something is out of place it is remedied without delay.

Seiso (cleaning)

The entire office required cleaning. Once the rubbish and excess furniture, equipment and paperwork was removed, a new cleaning contractor was appointed (5-S assisted the staff to realise that the previous cleaner was not performing) and everyone took on responsibilities for their own work area. The area remains clean because it is easier to see when something is out of place.

There are no more “skeletons in the closet” and no more sheltered areas where things can be hidden. A new team value of “if you see it, do it” was volunteered by one member and taken on by the rest.

Seikutsu (Standardisation)

One of the biggest windfalls was the development of the model (Figure 1) which informs customers, clients and associates/consultants alike how working relationships are intended to operate. This has become a challenge for those who find old habits difficult to break. However, the organisation now has a clear and up-to-date knowledge of what is happening, where it is happening and with whom. This has led to a better allocation of resources.

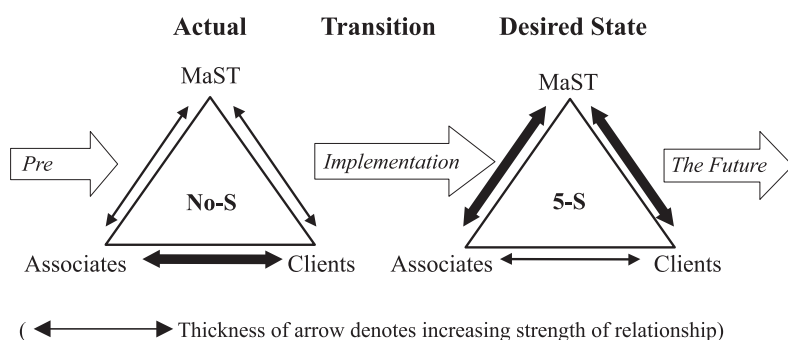
A number of new initiatives have been introduced. Paper colour coding has been established to help differentiate between faxes (in and out), letters and internal memorandums. Bookcases are being used rather than filing cabinets so that files and held information can be seen at a glance and retrieved quickly. Where filing cabinets are used, each drawer is labelled as to general contents and there is a filing sheet detailing exactly what is present on the inside. Open storage also allows for a visual appreciation of inventory levels. As a result, it has become obvious that stock levels of some supplies are excessive.

It was also interesting to note that many of the standardisation activities were occurring subconsciously.

Shitsuke (discipline and self-discipline)

This element has become the foundation of the organisation’s 5-S program. Although it is very hard to break old habits, it was clearly

Figure 1
Organisational relationship diagram



necessary to do so if the new strategic plan was to be inculcated into the new organisational culture. Commitment by all staff has been openly demonstrated, with actions such as the joint development and implementation of a new telephone answering practice and a new client handling procedure.

5-S has also helped the organisation to realise that before people can work in the business both effectively and efficiently they must work on the business.

5-S has become a part of the fortnightly team meeting agenda. An internal audit is conducted prior to each meeting and the information gathered is used as a part of the formative action plan aiming to achieve 45 of the 50 audit points. Every three months an external audit takes place as part of the summative action plan, with the aim of picking up the final five of 50 points.

The transition

No one needed to be convinced of the importance of 5-S for the success of the business, as the benefits were clear to see. However, as 5-S was being introduced at a time when the first priority was to grow the business, a dilemma arose – efforts to build the business were more successful than predicted and the organisation was keen to service the clients and secure new contracts. The danger was that 5-S would be relegated in priority. The team was conscious of this and was committed to ensuring that the introduction of 5-S and the achievement of the strategic business plan goals occurred simultaneously. A factor that supported this was that the introduction of 5-S was included in the strategic business plan that had been approved by the Board of Management.

As with any major change, the success of the intervention was largely dependent on shared attitudinal change. Changing attitudes was not difficult, as the prevailing attitude was one of dissatisfaction with the status quo. 5-S was the right solution for the right issue at the right time. The process of introducing 5-S was a unifying experience amongst the team, and particularly with new team members. 5-S became a part of the lexicon of the organisation and is spoken of as a matter of routine. Accordingly, when informing client organisations of the changes within the business, 5-S is described as being central to those changes.

It has been a pleasant surprise to find out that a number of client organisations are using 5-S and this has contributed to a strengthening of business relationships.

Reflection and learning

The link between 5-S practice and the strategic business plan

At the outset, 5-S was introduced in the strategic business plan to raise awareness at Board of Management level and to gain commitment to its introduction. As the other elements to the strategic business plan were being realised, the central contribution that 5-S makes is being reinforced at Board level. 5-S has not been a “one-off intervention” and is considered to be a pivotal part of the continual improvement process.

The development of the in-house computer program and the new model for client relationships (Figure 1) can be directly attributed to 5-S. Just as important to the business is that both of these initiatives support each other. The fact that the organisation can cross reference every consultancy, training program, (training module), clients, participants, consultants, in-coming fees and outgoing fees and database functions in one package leads to significant improvements in efficiency.

The organisation is keen to share its 5-S learnings with clients as a set of principles from which they may benefit.

Changes in the internal culture of the organisation

The transition phase was intended to align the organisation’s practices and behaviours to 5-S principles. That has now been achieved. The challenge now is to ensure that the organisation remains aligned, which will require vigilance. To assist with the management of the organisational culture, feedback is given to individuals and teams as required. As new members join the organisation and as new clients join the client base, 5-S principles are an important part of the developing relationship. It is inevitable that occasionally 5-S misalignments will occur. These misalignments will be detected internally by individuals and the team, and through external auditing functions. Where misalignments are identified they will be investigated and the contributing factors dealt with so that re-alignment occurs.

Lessons for the International Group

Coincidentally, the International Group has been grappling with the types of issues that prompted the introduction of 5-S into the Australian company. This was highlighted at the annual conference in London in December 2000 and the person responsible for managing such issues has embraced the 5-S principles as their solution. The Australian

company is now supporting her with the introduction of 5-S internationally.

The implementation of 5-S broadly followed Lewin's 3-Step Change Model (Robbins *et al.*, 2000, p. 440). Particular attention was paid to:

- highlighting the dissatisfaction to the status quo as identified previously;
- involving staff in the decision to adopt 5-S;
- gaining external advice and support;
- all staff being briefed on the principles and application of 5-S;
- staff deciding where to start the implementation process;
- all staff being involved all the time;
- celebrating the successful introduction of the 5-S principles; and
- planning for ongoing alignment and re-alignment.

Some general points

The introduction of 5-S practice has impacted on the thinking of everyone in the organisation and it has influenced his or her behaviours both inside and outside of work. The audit tools developed by Ho (1999) provided much discussion and assisted with the implementation process and the checking of progress. These tools were modified to meet particular organisational objectives and to help secure total involvement.

It is interesting to reflect on some of the comments made by members of the team:

It was de-motivating coming to work whilst there was clutter everywhere.

The clean-out engendered a new sense of teamwork.

It is hard to throw out things particularly when most of it was associated with previous directors employees and associates. What did we really need? Then we decided that if we were not going to use it, then it had no value at all.

When we did throw things out we assessed the value of such items to other organisations – furniture and equipment was sold and out-of-date computers were donated to a children's charity.

For me personally it was a sense of relief to have order and the beginnings of structure. It made me contemplate the effect that this approach would have on my whole life – I immediately set forth to 5-S my house and car.

The above verbatim comments are only a small sample of in-depth discussions held between staff regarding the challenges faced by the organisation and the usefulness of 5-S. Although the comments above are not exhaustive, they are representative of the feelings of the team.

In many ways the 5-S process re-energised team members and delivered the alignment with the strategic business plan that was required. However, there is a definite need to build upon the daily 5-S practices to reinforce the new culture and required behavioural changes. Small changes to the work environment, procedures and processes have contributed greatly to the morale of all concerned. The organisation is ready to experience the maturation of 5-S as “the way we do things around here” and to support 5-S endeavours within the MaST International Group overseas.

Conclusion

The challenges faced by the incoming Managing Director in turning the business around were daunting, although it is recognised that many other businesses face similar challenges. Whereas the organisational focus was on the “big picture” in regards to achieving the strategic business plan, it became evident very early that day-to-day operational problems would interfere with the successful achievement of corporate objectives. Those day-to-day problems were a distraction and hindered progress. Clearly, those issues had to be resolved quickly.

In this case, the chosen tool was 5-S. 5-S was the right intervention at the right time and it was for the right reasons. Whereas progress would have been made with the objectives of the strategic business plan, it is undoubted by those concerned with the process that the level of achievement would not have been so great.

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