IMPLEMENT CONTINUOUS IMPROVEMENT

FACILITATOR MANUAL WITH SIMULATED ONLINE BUSINESS ASSESSMENT
BSBMGT403A
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focus on your area of influence...

Use *considered* risk taking in your 'grey' area ...and others *will* follow you!

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**Legend**

- **This symbol indicates the beginning of new content.** The bold title matches the content of the competency and they will help you to find the section to reference for your assessment activities.

- **Activity:** Whenever you see this symbol, there is an activity to carry out which has been designed to help reinforce the learning about the topic and take some action.

- **This symbol is used at the end of a section to indicate the summary key points of the previous section.**

- **This symbol is used to indicate an answer to the Candidate’s questions or notes to assist the Facilitator.**
“There are always two choices. Two paths to take. One is easy. And its only reward is that it’s easy.” Source Unknown

This unit of competency is provided to meet the requirements of BSB07 Business Services Training Package although it can be used in a range of different qualifications. The BSB07 Business Services Training Package does not state how a qualification is to be achieved. Rather, Registered Training Organisations are required to use the qualification rules to ensure the needs of the learner and business customer are met. This is to be achieved through the development of effective learning programs delivered in an order that meets the stated needs of nominated Candidates and business customers.
Qualification requirements include core and elective units. The unit mix is determined by specific unit of competency requirements which are stated in the qualification description. Registered Training Organisations then work with learners and business customers to select elective units relevant to the work outcome, local industry requirements and the qualification level.

All vocational education qualifications must lead to a work outcome. BSB07 Business Services Training Package qualifications allow for Registered Training Organisations (RTOs) to vary programs to meet:

- **Specific needs of a business or group of businesses.**
- **Skill needs of a locality or a particular industry application of business skills.**
- **Maximum employability of a group of students or an individual.**

When packaging a qualification elective units are to be selected from an equivalent level qualification unless otherwise stated.
Introduction

“Whether as an individual, or as part of a group, real progress depends on entering whole-heartedly into the process and being motivated to make you a more deeply satisfied human being.”

Source Unknown

This unit of competency is all about being able to implement continuous improvement systems and processes within a work team you have been involved with. It will help you with the skills you need to demonstrate competency for the unit BSBMGT403A Implement Continuous Improvement. This is one of the units that make up the Certificates in Business.

This training is broken up into three distinct sections. They are:

1. Implement continuous improvement systems and processes: We will begin this manual by examining quality management, and change processes and how these can be implemented in an organisation.

2. Monitor and review performance: Then we will examine how you go about monitoring and reviewing performance in an organisation.

3. Provide opportunities for further improvement: In this final section we will examine how to continually make improvements to practices.

When you have finished this training you will be asked to complete an assessment pack for this unit of competency. The information contained in this resource will assist you to complete this task.

On conclusion of this unit of competency you will have demonstrated your ability to implement the organisation’s continuous improvement systems and processes.
An organisation should implement systems that ensure individuals and teams are actively encouraged and supported to participate in decision making processes, assume responsibility and exercise initiative.

An organisation's continuous improvement processes must be communicated to individuals and teams, and feedback obtained if they are to be effective.

Effective mentoring and coaching will ensure that individuals and teams are able to implement the organisation's continuous improvement processes.
Quality reflects the degree to which goods or services meet the demands and requirements of the marketplace. It is an elusive concept whose definition differs according to the type of organisation involved. To an appliance manufacturer, for example, quality might mean that a very high percentage of the appliances produced meet predetermined specifications. To an appliance repair business, quality might mean that products are repaired correctly within stated cost and deadline parameters. To a fast-food service firm such as McDonald’s, quality applies to both the food itself (taste, freshness, and so on) and the service (length of time to be served, friendliness of the cashier, cleanliness of dining room, and so on).

In this first section, we will examine the system of quality improvement known as Total Quality Management and examine how this encourages individuals within the organisation to contribute to improvement management.

Quality = Meeting your customer’s needs and desires

Productivity and Quality

Once you have found the needs of your customers and your staff, you need to begin attempting to find the most effective ways of meeting those needs and making the product or services that you offer the highest possible quality. In order to improve overall quality in an organisation, you need to have a real commitment from management towards making these changes a reality. The types of commitment you may need are:

<table>
<thead>
<tr>
<th>Level of Management</th>
<th>Role in Quality Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management</td>
<td>Towards strategic quality management – making sure that your team understands what is needed and are able to adopt modern techniques for quality improvement</td>
</tr>
<tr>
<td>Middle Management</td>
<td>Responsible for overall implementation of quality initiatives</td>
</tr>
<tr>
<td>Low-level Management</td>
<td>Ensuring that your workers understand the changes being made and are able to face those changes in a responsible manner.</td>
</tr>
</tbody>
</table>

Quality and its cost are inextricably related. All quality improvement measures have some degree of cost associated with them. In many ways, the justification of a quality improvement program often comes directly from the costs associated with any such system. Imagine for a moment that the cost of your quality system is 1.5 million dollars, but it will produce 4 million dollars in benefits, the cost is outweighed by the benefits. This is what you need to aim for in any quality control system.

The costs of any quality control system could be regarded as the costs for not being a perfect organisation. You will find that the costs of a quality system are often much larger than you might imagine. They could include, for example:
Imagine that every dollar associated with a defective product is essentially a dollar wasted. If you can spend a few cents to improve processes to eliminate the need to waste that dollar, you put yourself in a more positive position.

Thinking from first principles, the less that is spent to make a product, the more that you are likely to make in terms of profit. So, by spending a small amount on quality improvement you can reduce the number of defects and thus the amount of money spent on your overall production.

**Total Quality Management**

Total Quality Management (TQM) is a management ideal that works to try and develop a commitment to quality right throughout the organisation, from the bottom of the organisation right up to the very highest levels of management. This often means quite a major change to the way that the organisation’s culture is developed.

There are five essential principles on which TQM is based. These are:

1. **Get things right first time**
2. **Make sure you focus on the customer**
3. **Improvement comes about at a strategic level**
4. **Improvements must be made continuously**
5. **Ensure that the teams in the workplace are working harmoniously.**

**The Implementation of TQM**

When you are working on developing a TQM system, you need to examine a number of key aspects of the organisation and the way it operates. This includes:

- **What your customers think quality is**
- **How problems in the production process can be eliminated**
- **How quality of the product can be increased so that fewer problems develop once the product is with the end user**
- **How you can measure performance of your product and services**
- **How you can define quality based on what the consumer of the product thinks quality is all about**
- **How perceptions of your products have changed over time.**
Achieving quality standards can be like having a seal that you can use to display just how good your organisation is.

Commitment Throughout the Organisation

TQM and a commitment to it are critical in achieving overall success. In order to do this, ensure that your organisation is committed to quality from the very top to the very bottom. Your floor workers and board of directors must be in complete agreement about the need for quality to be increased.

Real improvements in quality come about when the organisation understands the need for it and is able to put into action those commitments. To this point, ensuring TQM is about:

- Changing the culture so that quality becomes an important part of work
- Ensuring audits take place to ensure quality is continually being worked on and improved
- Ensuring your staff are willing to work together on the achievement of quality standards – the teams should be brought together in a way that helps to increase performance of the teams and organisations in the workplace
- Attempting to find any issues that may stop quality from being achieved and finding ways to eliminate those issues.

Agents for Improvement

The use of change agents in an organisation is critical to ensuring that your staff members are working on an efficient basis and ensuring that any changes to organisational processes are both accepted and that they stick.

Change agents may be current staff members or external consultants whose job has them working with your work teams to ensure that change takes place.

The change agent must have certain attributes that make them an effective worker. In order to do this – make sure you select change agents who are:

- Self-motivated
- Able to actively listen to people
- Are able to deal with difficult situations
- Will take risks
- Understand the importance of mistakes
- Will model good change behaviours
- Will not be defensive
Part 1: Implement Continuous Improvement Systems and Processes

- Are able to bring a team together
- Will forge relationships
- Can bring a fresh perspective to staff members and processes.

Other Factors to Improvement

There are a wide range of factors that can have a significant effect on the implementation of improvement within an organisation. Some of the most common are:

- **Organisational Culture and Values:** The culture and values of an organisation may assist improvement, but it also may hinder it. Sometimes an organisation can get so stuck in its own ways that improvement becomes hindered. It is the culture and values of the organisation that can have the most significant impact on organisational improvement. Resistance may be built from this strong culture; however it is not always bad. Sometimes the culture can be a helpful

"High achievement always takes place in the framework of high expectation." Jack Kinder
one, particularly in a learning organisation, where change may be welcomed. Before beginning to make improvements within an organisation, it is important to ensure you gauge the culture to determine the level of resistance, and work on ways of overcoming this.

**Environmental Pressures:** As we mentioned earlier, sometimes pressure to change comes from the environment itself. If a large amount of pressure is placed on the organisation, it may find that change needs to come about much faster than they would like. In these cases, managers should ensure that just because pressure is being placed on them that they do not skimp on the development of management systems for change.

**Management Style and Participation:** The management style adopted within the organisation is also likely to be a significant influence. Improvement processes require participation, and so without a strong participative culture and management style, change is unlikely to occur. Authoritarian management will increase resistance to change, so involve staff as much as possible using participative methods.

### Employee Empowerment

There is no way that an organisation can achieve high quality results in a highly competitive marketplace without staff who are highly motivated towards achieving the overall goals of the organisation - your people are your biggest asset. The individuals who work in your organisation can be your biggest competitive advantage as they have all the knowledge of your organisation and are central to the success of the organisation as a whole. It is for this reason that empowering your staff is so critical to quality improvement.

Having staff who are well coached and able to make effective decisions themselves without having to go through layers and layers of management is more likely to result in staff who are dedicated to their work and the organisation as a whole. Quality improvement needs to be encouraged, and one of the most effective ways of encouraging it in your staff is to ensure that your staff are able to make decisions independently and feel that those decisions will be supported by management when made.

### The Tools for Improvement

There are a wide range of methodological tools that can be adopted during the change management process. In this section we will address four of the major ones: nominal group technique, process consultation, team building and the cross-impact matrix.

### Nominal Group Technique

The nominal group technique is a quality improvement technique that is used to allow a group of individuals to come together, discuss an issue and quickly reach a valid conclusion. This conclusion may be the solution to a known problem. The technique will find solutions and using discussion, rank these according to the priorities for solution. This method of problem solving is particularly effective in that it allows the entire team to come together to find an appropriate solution and then the team
will feel more committed to that solution – making its implementation much easier to achieve. Like brainstorming, this method works best when team members know that they can give their ideas and opinions freely without any chance of ridicule from other team members. One other important aspect of this method is that even shyer team members feel committed and willing to share their ideas, something which you often find not possible with brainstorming where dominant people lead the discussion.

Nominal group technique follows a number of key stages. These are:

Using techniques outlined previously, create a list of ideas or solutions. These are what you will be working with to establish your consensus on the decision.

- Delete anything that is repeated or off topic
- Spend time clarifying statements that you feel need it
- Provide a final list of solutions or statements, with each of these numbered so that they can be easily identified.

Activity One - Attempting NGT

Using Handout 1 (HO1) at the back of this manual, attempt to use NGT to gain ideas.

Facilitator’s Notes for Activity One

Follow the instructions on HO1 at the back of this manual.
Team Building

This is the process of turning individuals within a group into a team. Essentially it involves people working together towards a common goal. In change management if you can get individuals to work together, you are able to facilitate change at a faster pace than trying to get individuals working towards the goal.

Process Consultation

Put simply, process consultation is the building of a helping relationship. Process consultation is the series of steps taken by a change agent to involve the organisation and individuals within it in:

- The definition of the problem
- The development of possible solutions
- The proposal for a final recommendation.

In this way, the people in the organisation take an active role in the solving of their own quality issues, rather than relying solely on the expert opinion. This direct involvement in the process will hopefully enable the individuals to be more independent of the consultant when facing future issues.

Cross-Impact Matrix

A Cross-Impact Matrix can provide a systematic way to evaluate various quality management programs according to defined goals. Use of this method can aid in determining the most effective program for your organisation. A matrix chart is utilised to list the change programs in the left column and various change goals across the top. For each program, a percentage rating is given to each goal based on how well that program would satisfy that goal. A program that satisfied a goal completely would get a rating of 100 (or 100% satisfaction). Most goals would only partially satisfy a goal, and a corresponding value would be inserted. (For further refinement, the goals can be 'weighted'. For example, a goal may be determined to be twice as important as other goals, and the matrix value for that goal should be multiplied by 2 for all programs.)

When the matrix boxes have been filled in, the numbers for each program are added together and the sum placed to the right of the matrix. These sums are compared, and the programs with the highest totals are assumed to offer the most overall benefit to the organisation.

Always Strive for Improvement!

In quality management things are always changing. Therefore, it is important that you attempt to build continuous improvement into your change management processes. Some approaches to continuous improvement include:

Kanban

This is a system that uses tickets to control the flow of supplies and materials through your production system. So one workstation is asked to produce or supply a fixed number of goods, once these are received the next order is produced to replenish the supplies. This means that the:
There must be good communication among those working on the floor to ensure the system works effectively and if a problem exists it is quickly discovered.

Theory of Constraints

The Theory of Constraints is a theory that revolves around attempting to think about an issue in a different and more effective manner. Essentially the theory attempts to bring about quality change by thinking of issues in new ways. The philosophy itself helps you in trying to think in a better way and to understand how things around you operate. By doing this, you could be able to find new ways of making improvements.

The idea of Theory of Constraints revolves around the causes and the effects that they have. You can do this by looking at the way that things are done in other organisations and applying this knowledge to the problems that you may be having.

Just-in-Time

The process of implementing JIT into an organisation revolves around trying to eliminate any inefficiency that may exist due to not having inventory in the right place at the right time. JIT attempts to:
- Involve employees in reducing inefficiencies
- Eliminate waste through the entire production process
- Place emphasis on scheduling inventory and services in the right place at the right time
- Reducing inventory within the supply chain
- Pull inventory through the system
- Increasing participation of all staff members in improving overall efficiencies.

Business Process Re-Engineering

Business Process Re-Engineering involves examining the workflows in your organisation and the processes that are applied to those workflows. Then, you can examine the ways that you can make major changes to these workflows and processes in order to expedite changes and improving overall quality.

Quality Circles

Quality Circles are a process that involves bringing together a group of employees, maybe as few as 6 or 10 people in order to identify any issues that may have arisen and then working together to find ways of improving these processes.

Often, the quality circle may be referred to as a quality committee or working group. Process issues are identified and examined carefully and major improvements suggested. The key advantage of this system is that you are bringing together a group of individuals with different skill levels and experiences.
Facilitator’s Notes for Activity Two

You can measure many things using TQM tools. You may measure anything from customer complaints to wastage on a production or manufacturing floor. Ensure that what the candidate proposes to measure provides useful feedback you are looking for in your continuous improvement plan.
## Section 1 - ‘True’ or ‘False’ Quiz

<table>
<thead>
<tr>
<th>Statement</th>
<th>True</th>
<th>False</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality reflects the degree to which a good or service meets the demands and requirements of the marketplace.</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Quality requirements are the same for every organisation.</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Different industries will have differing quality requirements.</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Quality requires commitment.</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Productivity is the relationship between a given amount of output and the amount of input needed to produce it.</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>TQM relies on having no commitment by management towards quality to be successful.</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>TQM is a philosophy that says that uniform commitment to quality in all areas of an organisation promotes an organisational culture that meets consumers' perceptions of quality.</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Quality management should focus on staff needs.</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>It should focus on the customer.</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Quality should be defined by a company as being what a customer wants or needs.</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Change agents are objects or people who cause or facilitate changes.</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>A cross-impact matrix can provide a systematic way to evaluate various programs according to defined goals.</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Just-In-Time is not related to quality management.</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Just-In-Time eliminates waste – thus improving quality.</td>
<td></td>
<td>✔</td>
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