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## Rock With Six Sigma

Happy employees make all the difference.

by Praveen Gupta



Six Sigma has gained a reputation as a data-driven statistical methodology for process improvement. If the statistical methodology by itself were responsible for Six Sigma's success, then there would be nothing new in Six Sigma. Methodologies based on data-driven statistics have been known for many years and have been utilized for a long time by smart engineers and statisticians. So, what makes Six Sigma click?

Successful implementation of Six Sigma relates to available opportunity, focus, aggressive goal setting, leadership, teamwork and superior performance management. I haven't heard many corporations talking about employee incentives, and as soon as management starts talking about Six Sigma and lean, employees fear layoffs. Instead of being excited about incentives, they're afraid of being fired.

I don't think one can realize maximum profits from Six Sigma without sharing the benefits with employees. The equation for incentives is simple. Leadership must inspire so much improvement that the resulting savings are significant enough to share with all stakeholders, including employees. This requires that leadership create an opportunity for such improvement and invest resources in planning this improvement. Company leaders must also investigate opportunities for growth through market penetration and opportunities for new products or services through innovation.

Launching a Six Sigma initiative without an employee incentive is like driving a car with flat tires. When members of top management implement a new methodology, they deal with mass resistance to change, they tell employees to do things in a certain way, they train employees in herds, they force-feed employees goals to achieve, and managers presume that employees will produce results in order to keep their jobs.

The outcome of all this initiative is many trained Black Belts and Green Belts, a lot of money paid to consultants, routine 10- to 12-percent improvement, some plant closings, some job loss and struggles to show good performance for two quarters in a row to shareholders.

What's going on in employees' minds?

A Six Sigma initiative launched with employee participation right out of the gate is mandatory. Employees identify opportunities for significant savings, set "stretch"—aggressive—goals, work in teams, enlist ideas from others, develop solutions, celebrate success and get recognized by management. These companies have employee support for working long hours and a good relationship between the community and the corporation.

If we compared the environments in two companies initiating Six Sigma, one with employee participation and incentives and one without, we'd see a stark difference. The company without employee participation would show poor teamwork; stressed employees; poor corporate performance, including layoffs; and leadership with excuses. The company with employee participation will have excitement, mutual trust, a lot of improvement, excited leadership, employee and management collaboration, a sense of ownership at all levels, and better-compensated employees and executives. Six Sigma rocks!

That's why, from companies that have successfully implemented the methodology, we hear that Six Sigma is a strategy, a culture, and a standard of excellence. From failed implementers we hear that Six Sigma is nothing but the same century-old statistical techniques with another Greek name—the "program of the year."

The [Scanlon Leadership Network](#) is a nonprofit association that works to create better workplaces through gain sharing, goal sharing, labor-management cooperation, employee involvement, open-book management, lean systems and servant leadership. According to Scanlon's experts, Six Sigma implementation launched with employee involvement, goal sharing, labor-management cooperation and gain sharing will always outperform any other system of achieving performance improvement.

I have seen a recent example of excitement created in a small business where the CEO doubled its

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employee bonus rate and set out to double the company's profit expectation. With the implementation of a simple and sincere management system, the company far exceeded its profit expectation and fostered a team of excited employees. Everyone is happy; the company is growing, creating new jobs and contributing to society. Sharing with employees requires caring and courageous leadership. We need caring and courageous leaders now.

**About the author**

*Praveen Gupta, president of [Accelper Consulting](#), helps clients in the areas of Six Sigma, lean, business scorecard and innovation. He has authored several books including [Six Sigma Business Scorecard](#) (McGraw-Hill Co., 2003), [Six Sigma Performance Handbook](#) (McGraw-Hill Co., 2004) and Business Innovation, which will be released at the end of 2006. Praveen writes monthly for Quality Digest's Inside Six Sigma newsletter.*

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