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Just the Facts

Understanding inflection points and their importance can be valuable to leaders trying to enhance performance and create a quality culture.

An inflection point foretells a possible approaching improvement or decline in performance.

A turning point is the point at which performance actually begins to improve or decline.



Direction

Use inflection points to monitor the success of your cultural transformation efforts | by **Stephen K. Hacker**

As leaders strive to create quality cultures and enhance their organizations' performance, understanding the concept and importance of inflection points can be valuable. An inflection point signifies a shift in a performance curve and foretells a turning point—the realization of positive results.

Transformational journeys can benefit from recognizing inflection points. Transformation toward a quality culture includes an inflection point at the beginning of a new curve of lessening quality defects or outages and increasing product and service quality (Figure 1, p. 20).

In mathematical terms, an inflection point is the point at which the curvature, or concavity, of data plotted on a graph changes from concave to convex or vice versa. In other words, it's the point at which the data indicate an approaching downturn or upturn.

In business, the inflection point often is declared to investors as the

foretelling of a change in performance outcomes. But really, it's merely foreshadowing these changes because business results have not yet reached a turning point. Investors usually are weary of such claims while they await solid performance results.

Likewise, the declaration of an inflection point indicating a quality culture often is difficult to sense, whereas a turning point is evidenced by stark improvement in quality results.

A turning point in mathematics is the point at which the slope of a graph turns from positive to negative or vice versa—the point at which results start to go from bad to good or good to bad.

In the business cycle, it's the point at which a new enterprise, for example, starts making a profit versus shelling out capital and expense dollars. Although a new business may slow its losses over time, the turning point is when it begins to make a profit.

In a successful quality cultural transformation, a turning point is when quality improves, and performance goes from negative to positive. Recall, for example, the auto industry and its quality turnaround from the defect-plagued products of the 1970s. As automobiles and their manufacturing processes became more complex in the 1960s and 1970s, the number of defects in U.S. cars grew, and so did customer dissatisfaction.

On June 24, 1980, the now well-known NBC broadcast “If Japan Can... Why Can't We?” aired as part of the network's white papers series featuring W. Edwards Deming. The documentary highlighted Japanese manufacturing processes and addressed the widening quality gap between Japanese and U.S. products.

With the importance of quality recognized (and industry survival threatened), U.S. automakers changed their attitude and processes to turn around quality. In the summer of 1981, for example, Ford released its advertising campaign “Quality Is Job 1.”¹

After the automotive industry shifted its focus to quality, an inflection point occurred when the rate of poor quality began to lessen. But it wasn't until the number of defects per vehicle began to decrease that a turning point was reached.

What is transformation?

According to the book *How to Coach Individuals, Teams, and Organizations to Master Transformational Change: Surfing Tsunamis*, “Transformation is the marked change in the nature or function of organizational systems creating discontinuous, step-function improvement in sought-after results areas.”²

The transformation process entails an inflection point where the new system begins to move toward an inverse U-shaped curve, indicating future results will produce the turning point.

Transformation can occur in a society, organization, team or individual system. The definition of transformation speaks to a shift in results—a break with the past. Additionally, the definition is cast in a proactive manner, looking for transformation leaders to accomplish change in sought-after areas.

Certainly, unwanted transformations take place. That's why leaders are appointed and responsible for stepping in to create new systems that will deliver the desired performance results. It is up to leadership to make a quality cultural transformation successful.

Evidence of transformation is found in the turning point of performance results. A turning point signifies transformation is taking place and the ongoing change in results will give testimony to the formation of a new system. It is when quality results turn the corner and begin to show consistent positive results that a transformation has occurred.

Cultural transformation

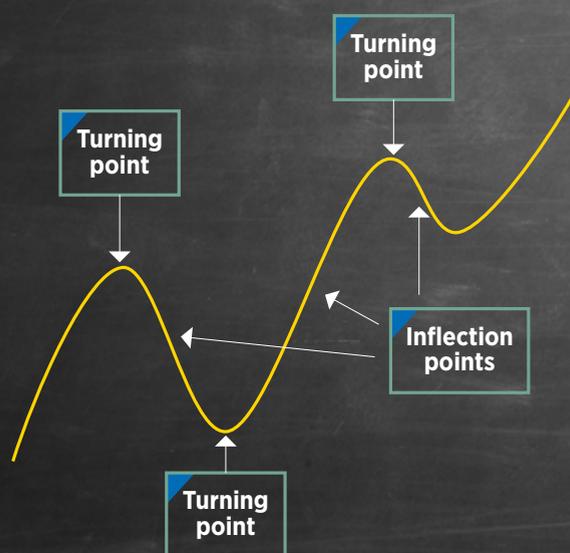
Inflection points are hard to see in an organizational transformation. The initial work required to create a breakthrough cultural shift may seem to be in vain. The foundational elements of a true cultural transformation can be found in the shift of peoples' mindsets and changing belief systems.

The inflection point of a quality cultural transformation occurs when people begin to see quality in a different way—as a vital strategy to improve safety, production, profitability and sustainability. Evidence of this inflection point and feeble initial attempts to improve quality can be hard to come by, however. It's the beginning of an inverse curve that, if pursued, will lead to a turning point.

The beginning of change can get lost in an organization's

FIGURE 1

Inflection points and turning points



day-to-day work. When an organization pursues a culture of innovation that demands creativity, for example, the flow of new ideas must flip the “ideas-come-from-the-top” curve.

Declaring the need for more innovation may signal a burning platform of non-competitiveness. This is just a step toward understanding that the current path is unsustainable. Innovation initiatives, such as improvement programs, training and enhancing employee involvement, may open the door for a change of mindset, but the results of a cultural change will not be immediately forthcoming.

An example of a positive cultural shift is the Keep America Beautiful movement.³ Started in 1953 by the National Advisory Council, the organization was created to reduce and prevent pollution, and still thrives today.

When First Lady Lady Bird Johnson began promoting the idea that the litter along roadsides, polluted streams and dirty inner cities didn't have to be the norm, Americans started to listen. But an inflection point was achieved when the Ad Council started the Crying Indian campaign in 1970.

Thought by many to be the most effective public service announcement ever released, the TV spot showed actor “Iron Eyes” Cody canoeing a polluted river and overlooking a trashed landscape. His face clearly captured his sadness at the state of pollution in America.

Coupled with the first Earth Day celebration, American consciousness began to shift away from an abuse and neglect mindset toward a stewardship mindset.

Like all inflection points, results weren't seen overnight. State and federal money, regulations and penalties accelerated the movement from an increasingly dirty environment to one of restoration. The turning point came when the rivers started to be restored, environmental waste sites cleaned, and habits of illegal dumping and discharging trash from autos were altered.

Whether it is a positive or negative cultural transformation, inflection points play a pivotal role. When creating a quality culture, having an appreciation for inflection points is instrumental in effective leadership. It is where leadership steps in and reinforces the mindset shifts taking place and pushes through to actual results.

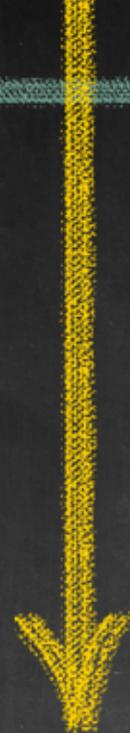
If leadership is opposing an unwanted cultural transformation, such as the move to a poor quality culture, the inflection point is a warning sign that action must be taken to maintain the existing positive quality culture.

Transformation implications

When embarking on a quality cultural transformation, the first steps often don't appear in bottom-line results. The inertia of a poor-quality culture can be underestimated. Look for and celebrate the small wins—the shift in mindsets and outlining actions that support the change. But be cautious about calling these wins the turning point. An ongoing change in the system and overall positive results are needed before this claim can be made.

Be cautious of transformational stories from other organizations. In hindsight, they can appear straightforward and linear. The tale is often laid out in logical, bullet-point steps taken to achieve success, but the path to transformation is rarely uncomplicated and clear-cut. The asserted cause and effect relationships are usually overrepresented.

Inflection points are difficult to detect, but should be sought because they can be a source of hope for things to come. In the innovation cultural change mentioned earlier, an inflection point may be seen in a trickle of ideas, followed



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by a flow of ideas and energy, and may later result in new products and services—or even a new organization.

In a quality cultural transformation, signs of an inflection point might be seen in the increased use of data to make decisions, the increased role of measurement or the organization's attentiveness to customer feedback. Celebrate these signs and encourage more quality practices and thinking.

Look at the edges of daily activities for inflection point clues. What is being said or done that is outside the norm? If these ideas or actions continue, what might be the effect on the transformation? Of course, most of these outliers will fall by the wayside, but a few will gain strength and acceptance, and may become the norm. Activities and thinking found on the edge—such as video streaming, online shopping, digital cameras and texting—may signal the creation of a new paradigm.

To avoid an unwanted shift to a poorer quality culture, don't ignore inflection point evidence as it emerges. Where is quality losing its punch? What behaviors signal a lower prioritization of quality in forming business strategies and operational goals?

Personal transformation

Inflection points in our lives often start with small, self-initiated changes. Weight gain, for example, is later replaced by a weight-loss turning point after the small decision is made to avoid unhealthy snacking. An inflection point is experienced, and the unhealthy curve starts to flip.

By walking more each day, sedentary living is replaced by a curve leading to robust health. And reading a few minutes each day for intellectual growth can begin to shift the zombie absorption of TV.

It's difficult to see that these small changes can make any real difference, but if pursued, they can be the start of a real transformation.

When seeking personal leadership transformation, look to change past practices and mindsets that appear not to work. Leading a quality cultural transformation requires individual change or you would have already made it a reality.

How might you be contributing to the poor quality environment? It's a tough question to ask yourself, but accomplishing a quality transformation requires a step-function leadership improvement and performance assessment of past wins and losses. It's challenging work.

+ Choose your turning point targets. What are the areas in your life where commitment to transformation is strong? When do you target the turnaround? What changes are needed to reach these goals?

+ Recognize the small, positive leadership changes. Take risks to better lead others—build relationships, establish bridges to other disciplines, seek to understand someone else's perspective and establish trust. Victory is not yet yours,

but the curve is being affected. Write down the change, track the frequency of the new behavior, allow the behavior to become a habit—the norm—and results will flow.

+ Join with others. Share your experiences, support others and welcome support during your personal leadership transformation.

Transforming a culture is not for the faint-hearted. As a quality leader, you must dig deep and bring forth personal transformation. And when the cultural transformation occurs—as evidenced by results—the inflection point in the journey will be easier to see. Learn from this shift to establish a different performance curve for the next challenge. **QP**

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