

## The Elements of Change Part 4 – Cultural & Leadership

By Brian Heymans

### CHANGE THE CULTURE?

We have discussed ideas associated with the change process and how it involves technical work. We also discussed the organizational ramifications associated with this process. However, in the case of the deployment of lean and other world class manufacturing elements, we regularly claim that we need to change the culture for these initiatives to be successful.

What do we mean by “change the culture” and why is it important? The general view is that in order to sustain needed improvement methods, approaches, and tools, we must establish a culture that can be sustained and developed by people who are willing, capable, and consistent. . What would this “culture” look like? We contend that it would provide a freedom in which every employee felt empowered to deploy improvement actions which make a positive impact on the performance of the organization. This includes taking necessary action which may or may not be successful. In the event that the action proves to be unsuccessful, no victimization or punishment will be enforced upon the individual making an error or omission, but instead results in management praising the initiative of said employee and encouraging him/her to implement more ideas. Additionally, a healthy “culture” is one in which employees are more collaborative, the communication vertically and horizontally is free of negative politic and blame, data is viewed as essential to providing answers to problems, and judgment is made only with reliable data. This “culture” is marked by individuals who are viewed as the organization’s most valued resource and those people operate free of fear and retribution. This does not mean, however, that these employees operate without discipline or direction. But it does mean that within standards and rules, they have the opportunity to express their points of view and believe their contribution to be valued by management.

Edgar Schein, the noted organizational change psychologist, discusses “organizational culture.” He states...”culture and leadership are really two sides of the same coin.” But goes on to say...”culture is a deep phenomenon that is complex and difficult to understand...” The practices of a “culture” are not simple to understand. They always have deep roots; people roots, leadership behavior roots.

In an article in Target Magazine several years ago, authors Robert Hall and Jinichiro Nakane reflect on the essence of the success of the Toyota Production System:

“TPS was developed while Toyota was in survival mode, so people had to pull together. All the techniques promoted the ability of working personnel to execute kaizen. A working culture centered on kaizen is not cleanly separable from the techniques.

“The TPS working culture invests full faith and confidence in people doing direct work. It stimulates them to develop their capabilities to the fullest and make maximum use of their talent. If leaders merely ‘implement techniques’ without fully developing people, their system has no heart.



## CHANGE THE CULTURE?, continued

“While all lean system techniques are designed to eliminate waste, they are also intended to develop direct action people to function autonomously, both running processes and improving them. That’s the real revolution. Pursued vigorously, conversion to any system like TPS is a life changing experience extending far beyond shop floors.”

To create this kind of “culture” we need a special kind of leadership. Among the many characteristics and behaviors of successful leaders, five critical behaviors seem to support continuous improvement, and if practiced daily by leaders at every level, may ensure the success of lean implementation efforts. These key behaviors affect the corporate culture, support technical change, and align the organization.

### 1. LINK STRATEGY TO ACTION

Outstanding business leaders know the effectiveness of any strategy is dependent on three things.

-  Leaders are able to respond to external factors such as customers, competitors, and changing economic conditions. They understand the competitive gaps in their business.
-  The internal systems, technology, and culture are responsive to those external elements.
-  Every resource is aligned, reliable, and flexible. Leadership understands the relationship between the reliability and flexibility of resources and their business strategy. World-class organizations have a plan with a clear vision and implementation path. They understand how organizational alignment contributes to a speedy response to an ever-changing environment. This makes them passionate about the way folks on the shop floor perform standardized tasks.

### 2. LISTEN TO AND OBSERVE THE PROCESS

One of the elements of the success of the Toyota Production System is the practice of observation. The success of the Toyota Production System was grounded on the belief that if one is observant of the process, he/she is in a better position to make improvements.

More than one author has described how Taiichi Ohno coached his TPS leaders the art of observation by drawing a chalk circle on the floor and telling the leaders to stand in it for several hours. Their task was to clear their mind of anything else and observe reality. This practice instilled kaizen thinking, a necessity before they could coach others.

Practical techniques for seeing the core process included the use of visual management and employee engagement. Kanban and 5S were developed as a response to the task of improving process visibility.

### 3. ESTABLISH GOALS FOR IMPROVEMENT

One of the fundamental elements of the Ohno method was to continuously challenge people to higher levels of attainment. In some respects Ohno’s methods of persuasion were tantamount to coercion.

### 3. ESTABLISH GOALS FOR IMPROVEMENT, continued

Nevertheless, people were always challenged. Part of the process of challenging is the process of setting targets. Employee involvement seems to be pervasive in world-class companies -- not just a few small teams, but everyone. On a trip to Japan, I noticed at one company that every employee had a list of goals on his or her nametag. The receptionist's goal was to respond to the telephone faster. No one seemed unimportant in the journey. The measures which emerge from the goals and targets are clearly organized.

Everyone benefited from a culture that did not seek to blame and was focused on using data to make improvements. Setting targets helped clarify direction.

### 4. TAKE REAL ACTION TO IMPLEMENT LEAN

Leaders and employees at each level have differing roles which are interwoven and interdependent. One may have the responsibility to maintain order, and accomplishing this can only come by doing the repetitive work the same way each time to ensure consistent quality. Other aspects of one's work may involve making or initiating change or improvements, either at a strategic or innovative level or at an operational or continuous improvement level. But considering the possibility that resources may be out of one's control, the work becomes unmanageable due to the amount of time spent firefighting. Suddenly, there is now no time to make improvements.

The tragedy is that leaders fail to allocate the time necessary for making appropriate levels of change and improvement. Time must be set aside every day to create improvements to the processes.

### 5. ENFORCE STANDARDIZATION

This element is probably the most under-rated in the United States. We hate the mundane repetitive activity. We love change, but we fail to recognize the power of consistency. Standardization ensures reliability and is the platform upon which improvements are established. Maintaining standards is an unrelenting job, and it is required of every manager to ensure that nothing is compromised. Ensuring that standard work practices are adhered to takes much more time than we like to imagine. The best companies in the world are extremely orderly places, with little breakdown and disruption caused by failed systems. Leaders in those organizations spend time ensuring that policy and standards are maintained, and if a failure or problem occurs, focused problem analysis takes place to identify the reasons for the failure to adhere to those standards.

Leadership in this changing world has a tough job, but it is even tougher for one who fails to be focused and disciplined. A cluttered mind leads to chaos and disarray, something world-class businesses do not tolerate. It is real leadership that creates a world class culture.