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Lean Leadership: Sustaining Long-Term Process Change

This is the first article in a series about Lean leadership. Using Lean improvement methods and focusing on changing process, mind-set, and behaviors helps leaders make positive connections with their teams to sustain long-term change.

Lean is recognized in many industries as a complete system of principles, tools, and structures based on meeting customer needs through linking process improvements with management and behavioral practices. It further requires the support of executive management and other leaders to succeed. Lean has a history of distinguished contributors but was refined and is best known by the Toyota Production System. Its use has spread beyond manufacturing to service industries and even to accounting functions.

Changing the Process Isn't Enough

It shouldn't be a surprise to anyone undertaking a Lean transformation that improving the process alone doesn't lead to long-term sustainability and continuous improvement. We have found that unless leadership takes a direct role in helping its team adapt to the Lean system, with a focus on mind-sets and behaviors, the

results will be short-lived.

Case Study

After inheriting a new team, a manager in the Finance area of a large financial services company was faced with the challenge of transforming her department into a collaborative organization. In addition, workloads were expected to increase, and the financial analysis required by her customers was becoming more complex. She chose to implement Lean because its component systems would provide the best opportunity for both short-term results and longer-term transformation to sustain the results.

From the initial Lean implementation, the organization was able to make process change in a short time period. Within six months it had achieved a 30% capacity increase in its ability to take on new work and had aligned financial analysis exactly to what its customers required in order to avoid repetition. But would this achievement hold? The leader was determined to ensure this and took personal responsibility for success. Through her actions, she would influence the mind-sets and ultimately affect the behaviors of the employees. Using Lean princi-

ples and tools, she:

- ◆ Created structures in the form of short daily meetings (called “huddles”) focused on process performance and issue resolution. This resulted in improved communication among the group and collaboration on “root-cause” problem solving.
- ◆ Defined and communicated individual roles and responsibilities by creating and making visible a Responsibility/Accountability (“RACI”) matrix. This helped improve understanding among employees and promoted teamwork.
- ◆ Improved communication to the entire team by having “skip”-level management sessions focused on individual employee behaviors. In addition, the key activities of the organization were made visible via boards posted throughout the department. Employees no longer had to ask what was going on—it was right in front of them every day.
- ◆ Instituted weekly “management huddles” for the department to see. Unlike a daily process huddle, these focused on the progress of the employees in three areas: ongoing process improvements opportunities,



tracking to departmental goals, and issue resolution.

- ◆ Trained her managers on how to become a coach to their employees.

As a result of these actions, the employees became more comfortable with the changes they had to make. They communicated more frequently with one another and began developing continuous improvement solutions as a normal part of their work without being directed to do so.

Leadership Lessons Learned

Leadership was key to both the attainment of short-term results and the positive impact on employees' engagement. The keys to success include:

1. The leader took action. She immediately created management "huddles" and instituted root-cause problem-solving sessions to demonstrate a new method of dealing with obstacles.

2. The leader demonstrated key behaviors for her team to emulate. Critical to her success were her consistency and sincerity. The most important behaviors she exhibited were:

- ◆ Creating an environment for the team to raise issues without fear.
- ◆ Resolving problems that her team didn't have the authority to solve on its own.
- ◆ Influencing her line managers to work more closely with their employees on process improvements.
- ◆ Mentoring the team in formal problem-resolution sessions by asking questions rather than providing answers. She was

7 Leadership Tips in a Process Transformation. Take Action!

1. Model the behaviors you want the team to have.
2. Make goals, measures, and actions visible.
3. Be aware of the consistency and authenticity of your behaviors.
4. Hold managers and employees accountable.
5. Enhance communication by fostering two-way, open dialogues and idea generation.
6. Solve problems with your employees.
7. Adopt a coaching approach to help employees think and own improvements.

"helping them think."

- ◆ Looking at the actual work process to fully understand a problem situation without making an assumption.
- 3. The leader created and maintained a feedback loop by having consistent one-on-one meetings with each of her team members and encouraged her managers to do the same. This loop led to the creation of a formal "idea board" for improvements through which the employees began sharing best practices with one another.
- 4. The leader realized the im-

portance of coaching her managers and employees to support their change journey. She sought assistance from a Lean practitioner who combined a strong background in Lean with coaching practices. Together they developed a program that helped managers improve their coaching skills.

Managers to Coaches

The overall goal of the coaching program was for the managers to learn how to "help their employees think" to continuously improve their work. To support this, the practitioner leveraged some key principles of neuroscience.

In *Quiet Leadership: Six Steps to Transforming Performance at Work*, David Rock, the creator of brain-based coaching using neuroscience, noted that "Central to leadership was the ability to improve people's thinking." Managers need to be less directive and more supportive of their employees' "thinking process." Replacing a "telling, suggesting, requesting, demanding" style with an employee focus emphasizing "facilitating an idea, taking an action and follow up to create a habit" will have a much better chance of

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affecting individual behavior for the longer term.

The program that the leader and practitioner implemented focused on making the managers accountable to one another in two areas: (1) taking immediate and consistent actions by demonstrating Lean tools with their people and (2) integrating coaching sessions into their schedules with a focus on improving the work.

During the program, managers shared challenges and committed to taking positive actions with their people. By sharing their challenges, the managers built an internal support system because they were dealing with practically all the same issues. This support system became self-sustaining.

Connecting the Dots

Leaders should realize that change is difficult and requires dedication and work. In this case study, the Lean system provided the leader with the tools and framework to help improve processes, but it was her consistent and sincere actions that were most important in influencing her team to sustain the results. Also, sharing your vision, demonstrating positive behavior, and taking action to improve communication are essential in driving a change initiative using Lean. Adopting a coaching approach can leverage new skills to help employees connect the dots, generate unique insights, and embrace greater ownership of their work as they implement Lean.

If organizations decide to invest time and money in a Lean trans-

formation, the key to success is the positive connections leaders make with their team while growing themselves.

In the second article in this series, we'll explore practical steps that leaders can take to use several key coaching skills to accelerate the transformation. **SF**

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