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Leadership: The Essential Ingredient to Lean Transformation

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The 2015 VMA Manufacturers Workshop featured a two-day intensive workshop on Lean Leadership. All of the sessions at this year's conference, held April 30-May 2 in Nashville, TN, were designed to help managers, supervisors and team members acquire a more functional understanding of the key leadership skills needed to facilitate and sustain a lean transformation. That is achieved when leaders have the skills essential to successfully implement the lean

philosophy and they must work collaboratively with different personalities and styles to create a cohesive workforce that focuses on lean processes (striving to become more efficient and precise). The ultimate goal of lean leadership is a workforce fully committed to the approach and driven by principles focused on problem solving, effectively implementing change, defining and achieving goals, and being more accountable.

In the lean way of doing things, leadership is not a position, it is a relationship and leadership is everyone's business. It is a set of skills and abilities, and to develop as a leader means to develop the self. This has profound implications for those in leadership positions. It is important for management to be committed to and understand the importance and role of employee training and education. To make that training valuable, it must also be implemented properly and leaders must set realistic expectations.

Leadership Development

What characteristics typically define an effective leader? One of the most important assets leaders have is credibility. Ownership of this vital quality determines, more than any other single factor, how effective they will be in accomplishing great things in either work or life. When implementing the lean approach, credibility truly is the key determinant.

On a fundamental level, credibility is related to how well a leader has the following three skills:

1. **Technical competence.** A leader must be intimately aware of the methodological processes, the applicable policies and procedures, the administrative practices, and the other task-oriented strategies and techniques on which the business is built.
2. **Human relations proficiency.** A leader must be able to motivate others, communicate effectively, resolve conflicts when they inevitably occur, be able to negotiate the political environment that characterizes all organizations, and keep everyone on the same page with respect to the ultimate aims of the business.
3. **Attitude.** A leader must have the genuine desire to use their technical competence and human relations proficiency to affect positive change. Without the appropriate motivation and aspiration for success, the first two skills and abilities are irrelevant.

Beyond credibility, good leaders usually have mastered the following three skills:

1. They know themselves intimately and have an honest and realistic comprehension of their strengths and weaknesses.
2. They must have an accurate and empathetic understanding of how they come across to others, meaning they exhibit an almost constant self-awareness of how those they interact with tend to see them. The degree of congruence between how leaders see themselves and how they are seen by others is instrumental to their efficacy.
3. Finally, and most importantly, leaders must be able to read other people. This ability comes naturally to some, while others have to work harder to achieve this kind of critical insight.

Conflict Resolution

In a lean environment, the most appropriate conflict resolution styles include an emphasis on identifying and evaluating participants' individual preferences for resolving the inevitable disagreements that arise with this particular management philosophy. All conflict can be classified as either "healthy" or "unhealthy" depending on the ultimate intentions of those engaged in the conflict. Healthy conflict remains focused on resolving the issue at hand; unhealthy conflict is often oriented toward personalities, political considerations or other extraneous variables unrelated to moving forward productively.

Lean leaders focus on resolving conflict by planning in advance how they are going to address the conflict, addressing the conflict to the appropriate parties, limiting themselves to a manageable number of conflicts at any given time and limiting themselves to current conflicts; lean leaders learn from the past but they do not constantly relive it. They also do not discourage healthy conflict that is essential to the overall mission and scope of the organization. Without some disagreement, no progress typically occurs. Lean leaders recognize that conflict resolution should always be about moving forward, not looking backward, so they do not worry about reasons and motives of conflict. Lean leaders understand that most people do not like to be compared to their peers and look for other, more effective ways to encourage better job performance.

Goals, Objectives and the Planning Process

The importance of planning within a lean environment cannot be overstated. This includes how to convert strategic initiatives into concrete action plans. Unambiguous goals and objectives typically lead to increased productivity, more effective use of resources, clarified roles and responsibilities, enhanced motivation, and objective appraisal criteria. To effectively facilitate the lean process, leaders must strive to develop goals (what we want to accomplish) as well as objectives (how we are going to accomplish it) that are:

1. **Specific.** Broad goals and objectives are counterproductive to the lean philosophy because they do not lend themselves easily to translation into action plans at all levels of the organization.
2. **Meaningful/Measurable.** The old adage, “What gets measured gets done,” is especially applicable to lean manufacturing. Realistic goals and objectives precipitate allegiance to the transformation process in tangible ways.
3. **Accepted.** Lean leaders understand that the principles underlying the system, in order to be taken seriously by those who must implement them, must be integrated into the fabric of the company. Superficial or superimposed commitment leads to an emphasis on posturing and perceived compliance instead of the genuine article.
4. **Realistic.** Lean leaders know that targets must be innately achievable in order for them to motivate works to seek their attainment. Production quotas, for example, that are inherently unattainable are demotivating.
5. **Time-framed.** Lean leaders are conscientious about assigning deadlines; the benefits associated with lean can only be fully actualized when it is pursued in appropriately defined stages with associated milestones tied to a realistic timetable that everyone buys into at all levels.

Accountability



Holding both individuals and teams accountable when implementing the lean approach is absolutely essential to ultimate success. As a basis for holding both individuals as well as groups responsible for the results they achieve, it is important to keep in mind three fundamental truths about human behavior:

1. People choose to act as they do.
2. Rules do not change behavior.
3. The ultimate goal of behavior is to fulfill the need to belong and feel worthwhile.

A good way to set the stage for the culture of accountability that is required for lean to work is to communicate performance goals at hire, perform periodic performance appraisals and allow employees to participate, to the extent possible, in the formulation of their own performance goals. If employees are involved in setting the evaluative norms by which they will be measured, they are much more likely to live up to those expectations.

Change Management

Adopting the lean philosophy necessarily mandates organizational and cultural change. Lean leaders must be able to overcome resistance to change, which unfortunately should always be seen as an inevitable part of the lean process. As such, it is imperative that lean leaders accurately gauge the severity of the challenge that typically accompanies the move to a lean environment. According to lean principles, individuals are change novices, change explorers, change agents or change optimists, and knowing their tendencies is useful information to give lean leaders a realistic sense of what they are up against when implementing the lean philosophy.

Solve Problems, Make Decisions



Problem-solving is essentially a technical process, while team decision-making relies more heavily on human relations proficiencies. Marrying these two skills can be tricky in a lean environment.

Lean leaders understand that problem-solving involves identifying the problem, diagnosing its severity, identifying alternatives, selecting the best alternative, implementing the preferred alternative, and then evaluating and adjusting to determine the efficacy of the selected solution to the original problem. Lean

leaders will attest this is the basis for all initiatives designed to facilitate continuous improvement.

On the other side of the equation is the group decision-making process. Whereas problem-solving is primarily a task-oriented process, decision-making is, at its core, a human relations endeavor. Lean leaders tend to conceptualize the decision-making process as following five basic guidelines, which can be summed up with the following five descriptors:

1. **Know.** Before you can effectively persuade others they should accept your proposed course of action, it is essential you have a firm grasp on what it entails.
2. **State.** Once you have a detailed understanding of what you think the team should do and why, you then have an obligation to state it to the rest of the group. This necessarily involves answering questions about your idea and defending it against challenges from the members of your team.
3. **Listen.** The reality is human beings are not good listeners. It is imperative, however, that team members actually listen to each other, and seriously try to understand their colleague's point of view in order for a consensus to be achieved.
4. **Avoid.** To effectively reach agreement regarding the preferred course of action, team members have to avoid the tendency to give in just to keep the peace or avoid challenging their peers because it might take too much effort. Lean leadership requires that everyone trust the process.
5. **Recognize.** Team members in a lean environment must recognize that differences of opinion in the pursuit of what's best for everyone involved is the ultimate goal; therefore, conflict should be seen as a positive process that ultimately benefits the entire business.

Organizational Assessment

The importance of organizational and cultural assessment to the lean transformation is undeniable. Culture is a foundational concept; it serves several useful purposes including providing a sense of identity to members and increases their commitment to the core mission. Culture is also a sense-making device for employees; it provides the philosophical glue that holds everything together and keeps everyone on the same page. Culture reinforces the values of the company even as it serves as a control mechanism for shaping behavior. It provides employees with a sense of the norms (what is acceptable and what is not) within a lean environment. Lean leaders use this manifestation to their benefit when transforming the company into a globally competitive enterprise.

Conclusion

Knowledge, skills, insights and information function seamlessly in a lean environment. To be most effective, lean leaders should not anticipate they will be able to change the entire enterprise unless they are at the top of the managerial hierarchy, but they should be able to demonstrate tangible improvements within the units they lead. They are able to acknowledge that substantive change typically occurs primarily on the front lines, but leadership from above is a necessary prerequisite for making the change last. Lean leaders also know that success breeds success but failure can be a cancer that is difficult to eliminate once it has metastasized. They also understand that, in order to effectively implement and sustain a successful transformation, they must be intimately aware of group dynamics, including political realities, and keep in mind that resistance to change can be formidable and unrelenting.

Not surprisingly, it turns out leadership is the key to long-term viability and overall economic success when employing the lean philosophy.

Dr. Aaron W. Hughey is a professor and program coordinator in the Department of Counseling and Student Affairs at Western Kentucky University. He has authored (or co-authored) over 60 refereed publications on a variety of topics and consults extensively with regional companies and schools and provides training sessions and programs on a variety of topics such as total quality, statistical process control, lean manufacturing, fair supervisory practices, project management, teams, diversity, leadership/supervision, change management and motivation. Reach him at Aaron.Hughey@wku.edu.

For additional information regarding workshop and other professional development opportunities related to Lean Leadership, please contact Leslie Witty, program manager with the Career and Workforce Development Office at Western Kentucky University. Reach her at 270.745-1919 or Leslie.Witty@wku.edu.

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