What’s your company culture’s readiness for change? Do people tend to resist continuous improvement as a way of working together? Does “command and control” dominate, or perhaps firefighting and “blamestorming?” Gaining a better understanding of values and leadership development throughout your organization is an initial step that can pave the way for better performance at all levels. The difference between lean success versus mere lean potential is that in successful operations, the leader most often pursues self-development and knows how to lead, according to Dan Prock, PhD. He led a recent AME seminar in Elk Grove Village, IL on “Lean Leadership and the Toyota Way” with the assistance of Mike Funke of Panduit Corporation who shared related “lessons learned.” The session was an orientation to Toyota’s “way” of developing leadership and a sample of Panduit’s results with leaders since its 2007 lean leader training.

In North America, executives often begin going lean by sponsoring the last item — breakthrough process redesign — first. “Our Western philosophy values the ‘big-bang’ effect: quick results and visible reorganization of the work,” Dr. Prock said. “However, without first training managers, people don’t understand or may actively resist (or later struggle to sustain) the gains.”

In the Toyota philosophy, it is best to begin with “leader self-development” through immersion in the “gemba,” or the work itself, suggested Dr. Prock. “New leaders are coached daily and weekly by a ‘sensei’ and then the new leader begins to lead specific kaizen improvements,” he said. “In the later stages of development, leaders stabilize lean standard work and then challenge supervisors to lead the next round of improvements.”

In Brief
Effective, organization-wide lean leadership development paves the way for long-term improvements. In this article, consultant Dan Prock and Panduit Corporation’s Mike Funke share suggestions for developing lean leaders who will, in turn, coach additional leaders in all areas of the enterprise.
Take Time to Understand Problems and Root Causes

“Command and control” management can hinder such progress. Negative culture causes inattention and assures crisis and firefighting, followed by the “blame game,” according to Dr. Prock. “The problem in many traditional Western organizations is the old familiar pattern of looking for quick results at all costs, achieving results without people, pushing through barriers with authority, and managing by the numbers.”

He contrasted this approach with the Toyota approach that fosters patience, humility, learning deeply and gradually, and then working up the ladder to develop people — taking time to understand problems and root causes before taking action. “If leaders aren’t seeing situations as ‘new,’ then they aren’t mentally present in situations,” Dr. Prock said. “So then how can they possibly lead?”

Driving Real Change for Competitive Strength

Lean tools are effective when utilized by willing team members who make the whole lean workflow perform as a system, he continued, adding, “Leaders make sure that happens. So what’s really needed in most companies is to do what Toyota does — begin with leader training, then proceed to value stream mapping and kaizen (improvement) blitz events and lean projects.”

In an environment marked by mutual trust, employees are encouraged to offer their improvement ideas and also empowered to go ahead with these changes. “Too often, managers may think that criticizing does something positive,” Dr. Prock said. “What it does is under-
building shop floor and middle-management skills. This is ironic, because front-line leaders are the people who make or break your organization. Without their understanding — not just compliance — lean will not succeed. This is a lesson we learned the hard way and we have seen quite a bit of success by focusing on the front-line leaders the past two years.”

Avoiding “Kaizendemonium” and Pushback

Fight the urge to jump in right away and do kaizen projects; that’s another lesson shared by Funke. It’s tempting to utilize kaizen (single, isolated improvement events) to build support for a new lean program, or to save a few dollars. “However, it is important that the PDCA/A3 (lean problem solving report) be understood by leadership before even the earliest kaizens are put in place,” Funke said. “This does not mean that lean improvements cannot begin before everyone is trained, but the kaizen leaders and area leadership must be. After the event, management standard work, visual management, and coaching by a sensei are used to sustain the change.”

Not adequately training and coaching your front-line leaders can lead to employees’ puzzlement about why kaizen projects are underway even as they proliferate. In turn, the desire to sustain and further improve changes dwindles. “It also can result in great instability, or what we call ‘kaizendemonium,’” said Funke. “With numerous, disjointed kaizens, the best organizations will keep the 5S. The majority will begin backsliding on day one.”

When middle managers are trained to use PDCA and are well-coached, they become leaders who understand the whys and can coach others. The well-guided lean leader will see the blitz or activity as a solution to a problem, not merely something we do because we want to be ‘lean.’

Another suggestion: “Don’t bite off more than you can chew. Make sure you plan, plan, improve, sustain, sustain, plan, plan, improve,” said Funke. “If you take on too many kaizens, which are exciting and fun, but do not have trained leaders who can sustain the gains, you are wasting your time.

Sustaining the Gains

“The greatest challenge for Panduit, and for every other lean company I’ve spoken with, has been sustaining the changes,” Funke said. a consultant conducting a week-long kaizen event. It has taken a focused effort from our leadership — foremen to executives — to understand what lean truly is and to begin identifying and eliminating waste in their value streams. Over time we have begun creating an army of lean leaders/coaches at the execution level who can implement improvements and sustain them. But we don’t kid ourselves. We are just beginning our journey and the potential for backsliding is present every day.”

Another challenge for Panduit has been creating a joint learning curve across many deploying organizations. “We have created a team of senseis or lean drivers who meet regularly and move across the organization helping each other and sharing best practices, war stories, leading, training, and coaching,” Funke continued. “Nearly all of the drivers have been developed from within the company. Many had little previous lean experience. They do have strong leadership and coaching skills, enthusiasm for lean, plus tenacity and communication skills. For us, we have found that it is easier to train someone in A3, value stream mapping, or kanban than it is to train them on how to be a good coach or to have a ‘no problem is a problem,’ mentality.”

“We will continue to develop lean leaders through coaching and hands-on learning, using daily kaizen and management standard work.”
— Mike Funke, Panduit Corporation

The Lean Model Line — “True North”

Funke noted that a lean model line in a Panduit Chicagoland facility, started this year, is another extension of the company’s lean leadership development. “After going
around and visiting many lean companies, our lean leadership team came to the realization that we needed a place in our company to focus and conduct a deep dive into lean practices. The model line is where Panduit implements the purest, most ‘true North’ form of lean in the company,” Funke said. “For us this is a lean lab, a meeting place, a workspace, and a lean tourist destination. The model line team is empowered to eliminate large amounts of waste, practice PDCA across all areas of the division (office and shop), and experiment with sophisticated lean tools and concepts.

“We bring drivers and lean leaders to participate in the events and then later share what is accomplished,” Funke continued. “We publish the results on a company-wide website and I put out a weekly e-newsletter on the model line and other lean achievements. Top management likes it because some of the larger changes and risks are confined to one line rather than scattered across the company and our lean leaders like it because it gives them a place to push the lean envelope.”

Next Steps

Lean leader development continues at Panduit. “We will continue to develop lean leaders through coaching and hands-on learning, using daily kaizen and management standard work,” Funke said. “We also will be using hoshin kanri and value stream mapping to develop top-down improvement in the factories. Our next challenge is to become more active in our office processes, first with transactional processes.

“The best advice I can give is to find a high-level, committed lean champion, then begin coaching and developing your leaders on lean concepts and later on lean tools,” Funke continued. “Developing leaders, then having them coach and develop others, followed by daily management and finally hoshin-led process breakthrough has been a successful path to creating strong leaders. This is in line with Dr. Jeff Liker’s model as given in Dr. Prock’s seminar.”

Asked about effective use of consultants, Funke said that consultants can be useful partners and had had worked with Panduit to put together the lean leader training course. “We may again look to consultants to provide the external expertise or push that we need to take our lean efforts to another level,” he said. “However, through self-development, book studies, AME seminars, networking, and other learning opportunities, our drivers/senseis are working diligently to remain a challenging, lean sensei cadre for the company and postpone the need to bring in consultants for as long as possible.”

Editor’s note: The seminar included call-in sessions with Dr. Jeff Liker, Jerry Busell of Medtronic ENT/NT, and Al Gross of Courier Plastics. Dr. Prock is an associate of Optiprise and Dr. Liker. During the seminar, Dr. Prock referenced new leader development models from an upcoming book by Jeff Liker and Gary Convis, tentatively titled, Developing Toyota Leaders (Harvard Business Press, 2010). Mike Funke of Panduit Corporation is a member of the AME Midwest Region board.

Lea A.P. Tonkin, Target executive editor, lives in Woodstock, IL.