The Role of a Leader in a Lean Organization

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Table Exercise: 5 min

At your table discuss this question:

What are the two most important accountabilities and responsibilities of a Lean Leader?

Record your two items on the cards provided

Time Remaining

Stop

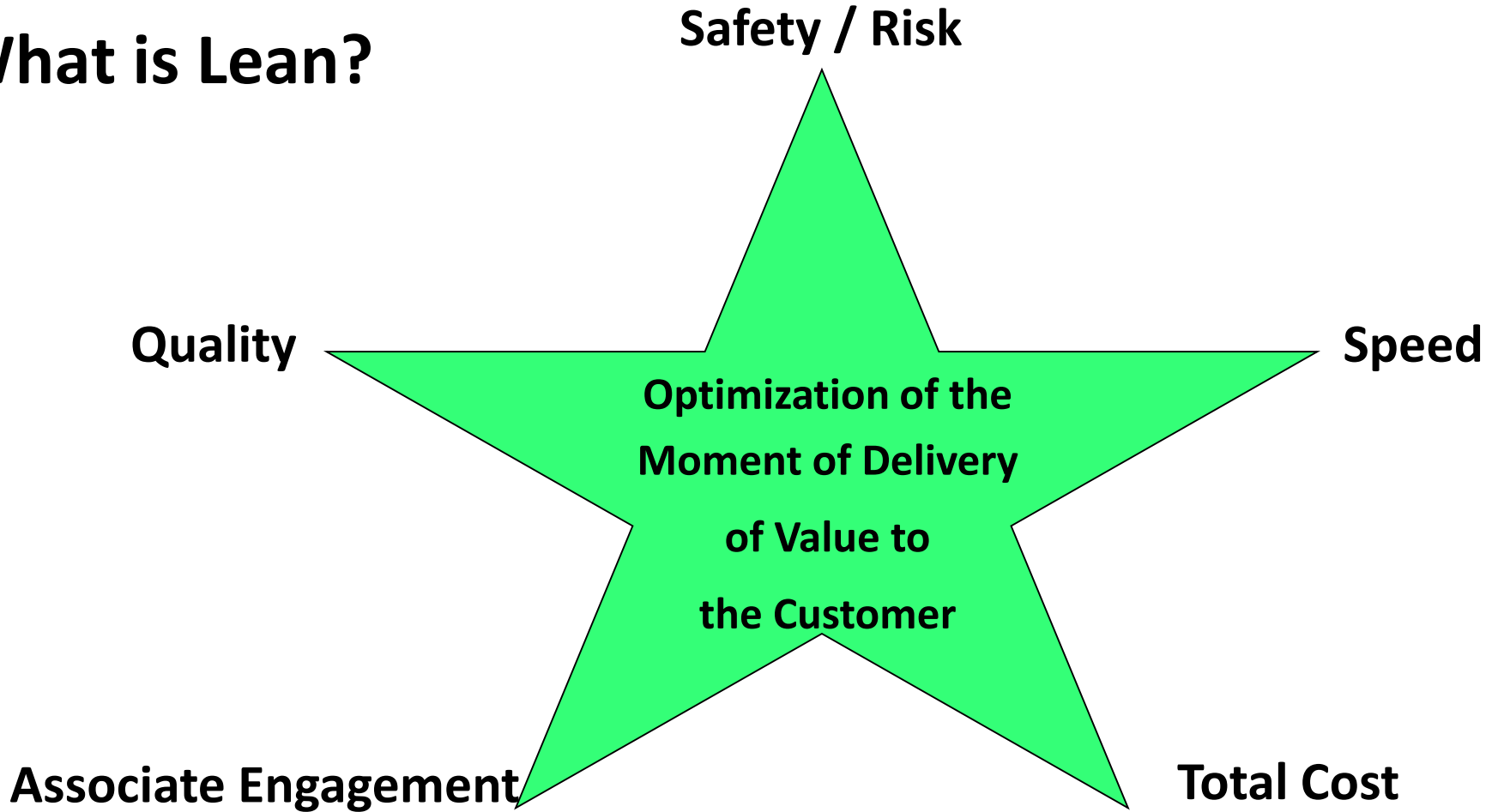# These statistics should cause each of us to question our assumptions

- **97% of all transformations Fail**

- **90% of individuals will relapse and try to return to the before change condition**

- **51% associates are not engaged**

- **88% of associates don't have passion for their work**

- **80% of senior managers are not passionate about their work**

> We have been doing the same thing over and over again and expect a different result – It is time for a change

Defining the role of Lean Leaders requires answering several questions

What is Lean?

Safety / Risk

Quality

Speed

Optimization of the
Moment of Delivery
of Value to
the Customer

Associate Engagement

Total Cost

Optimization of the Moment of Delivery of Value = Optimizing the Whole Value Chain

$$MoDoV = Y = \int (x)$$

What makes Lean Organizations perform at a high level?

One System / One Voice Leadership Model©

Default State

| Multi-System / Multi-Voice® | → | One-System / One Voice® |

Desired State

Elements of One System / One Voice®

- ❏ Purpose
- ❏ View of the customer
- ❏ Optimization points – "Customer Outcomes"
- ❏ Metrics & measurement systems
- ❏ Standards and Goals
- ❏ Lexicon

- ❏ Systematic problem solving methodology (PDCA)
- ❏ Leader role & behavior (Trust &Verify, Std Work, etc)
- ❏ Managing in the moment (Daily Op Model)

How much _Arbitrary Uniqueness_ is OK, and what are the consequences of accepting the default state?

We utilized the transformational matrix to ask the question: What is the current state?
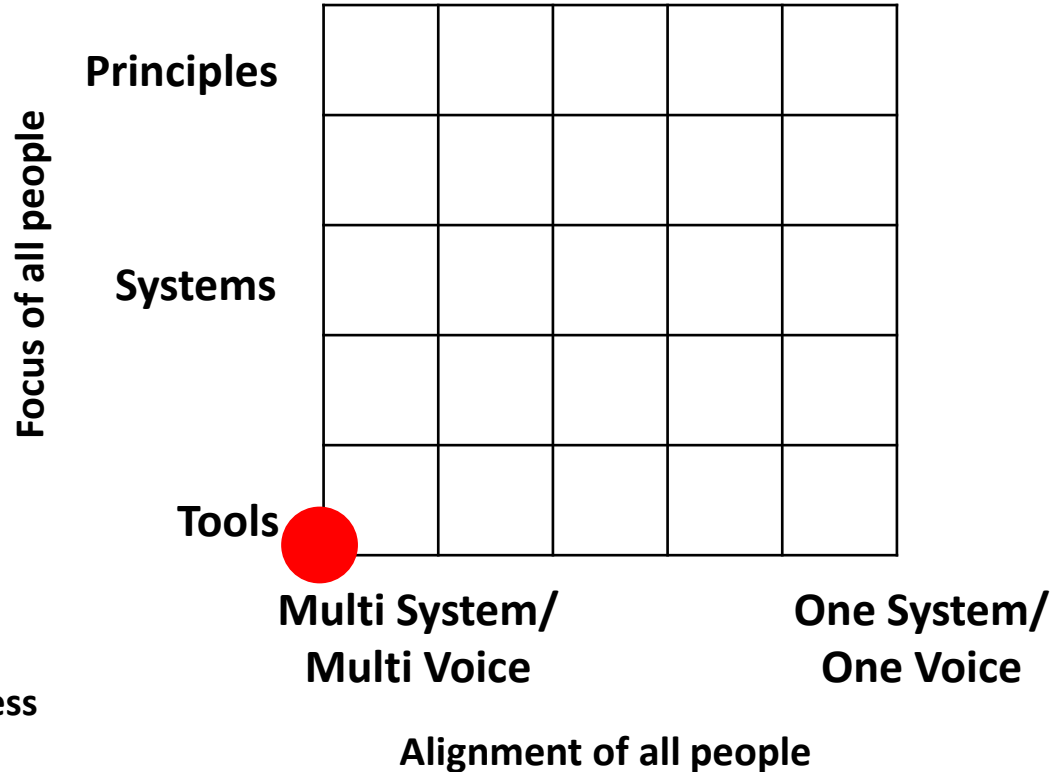
Principles:
Fundamental truth that is universally understood. Principles govern the outcomes of choices

Systems:
Purpose, Optimization Points, Value Chains, Metrics, Problem Solving, Daily Mgmt., Lexicon

Tools:
Charts, Visual Mgmt., Kanbans, Process Maps, SIPOC, etc.

Focus of all people

Principles

Systems

Tools ●

Multi System/ Multi Voice

One System/ One Voice

Alignment of all people

Multi System / Multi Voice:
Each person is aligned with themselves only

One System / One Voice:
There is only one set and everyone is aligned both up and down and side to side

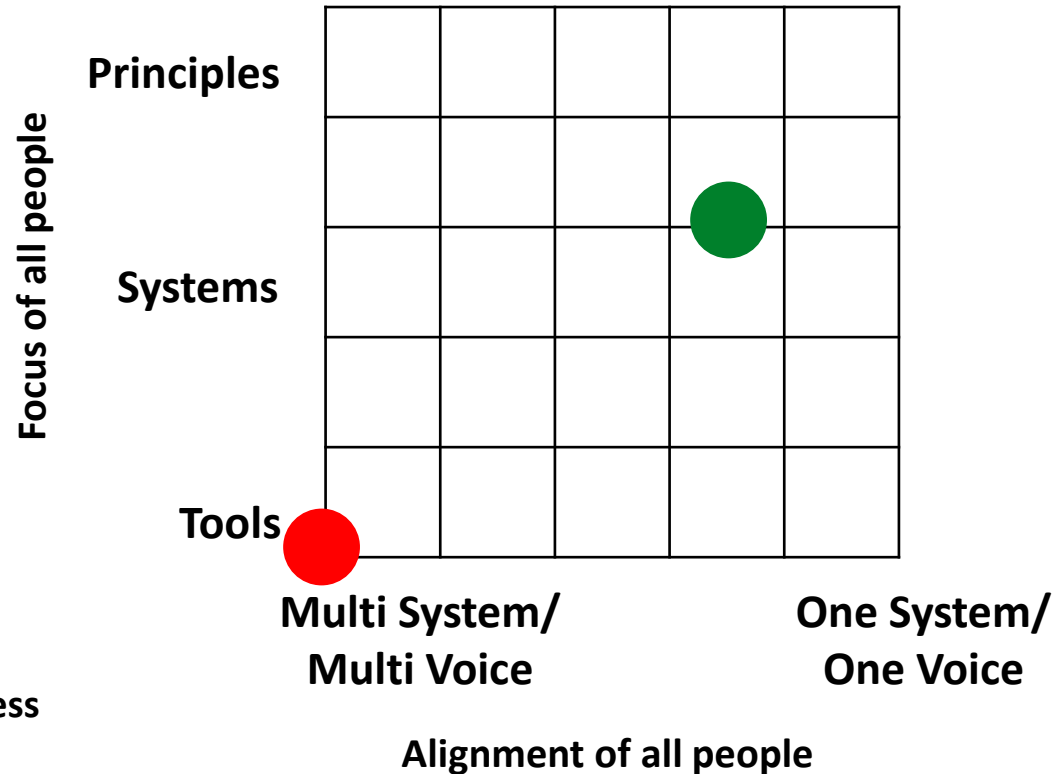# What is the next future state target?

Principles:
Fundamental truth that is universally understood. Principles govern the outcomes of choices

Systems:
Purpose, Optimization Points, Value Chains, Metrics, Problem Solving, Daily Mgmt., Lexicon

Tools:
**Charts, Visual Mgmt., Kanbans, Process Maps, SIPOC, etc.**

Focus of all people (vertical axis)
- **Principles**
- **Systems**
- **Tools**

Alignment of all people (horizontal axis)
- **Multi System/ Multi Voice**
- **One System/ One Voice**

Multi System / Multi Voice:
Each person is aligned with themselves only

One System / One Voice:
There is only one set and everyone is aligned both up and down and side to side

What is the organization design?
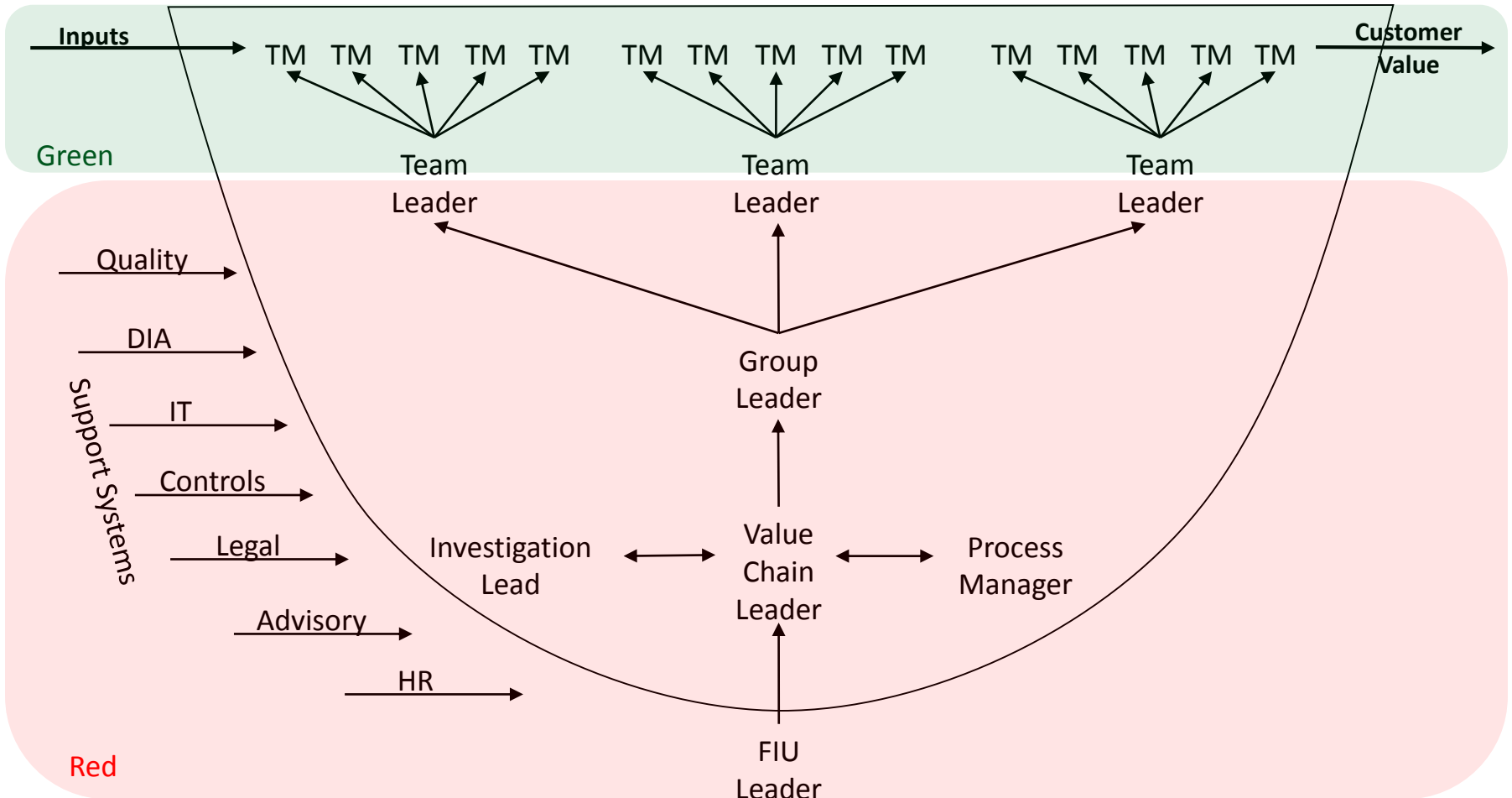
Green is value creating / Red is cost creating

Who is accountable and/or responsible for continuous improvement?

<div style="background-color:red; color:white; text-align:center">

IT DEPENDS!

</div>

Value Add Performers

Accountable and Responsible for continuously improving the processes of creating value

Leadership and Support

Accountable and Responsible for continuously improving the thinking ability of the value adding performers

What are the Skills and Behaviors? (Leader Example)

HANDS
Skills / Knowledge

- Know how to select next future state
- Know how to build a project plan
- Understand the stages of change model
- Can determine the stage of change a person is in
- Knows coaching Skills and Process (xx Level)
- Knows Motivational Interviewing (MI) Sprit, Skills and Process (xx Level)
- Knows Instructional Skills and Process
- Understands servant leadership elements
- Know how to respond to anomalies

HEARTS & MINDS
Willingness To Do

- Place the performance of the VC ahead of local performance
- Meet the person where they are and align your interaction to their needs
- Routinely show respect by going to where the work is done
- Routinely practices Trust and Verify
- Routinely demonstrates servant leadership
- Reduces any and all confusion, chaos and noise
- Routinely performs self reflection to identify improvement opportunities
- Models a beginners mind
- Routinely guides the return of the process to the normal condition

What behavior is acceptable?

Behavioral Change

- **Maintains new behavior under stress**
- **Words, Actions and Body Language congruent**
- **Maintains new behavior when external stimuli are removed**

- **Beliefs changed**
- **Assumptions changed**
- **Reward replacement**

Compliance - Illusion of Change

- **Behavior dependent upon setting**
- **Words, Action & Body Language inconsistent**
- **Maintains new behavior as long as external stimuli are maintained**

Behavioral change = upfront investment   /   Compliance = ongoing cost

The two most important principles of a Lean Leader are:

Continuously improve the thinking ability of the value adding performers

**Continuously remove any and all confusion and chaos**

The experiments are yielding positive results

Classic Leadership Model

- **Change adoption appears fast but is actually compliance**

- **Leaders spending more time on oversight**

- **Engagement scores drop 10 – 15%**

- **Turnover increases 20%**

- **Training cost rise**

Lean Leader Model

- **Change adoption appears slower but is real adoption**

- **Leaders spend less time and cost on oversight and more performing leadership**

- **Engagement scores rise ~12%**

- **Turnover decreases**

- **Training cost decrease**

Change Adoption Curve

—— Adoption —— Compliance

Change Adoption Curve
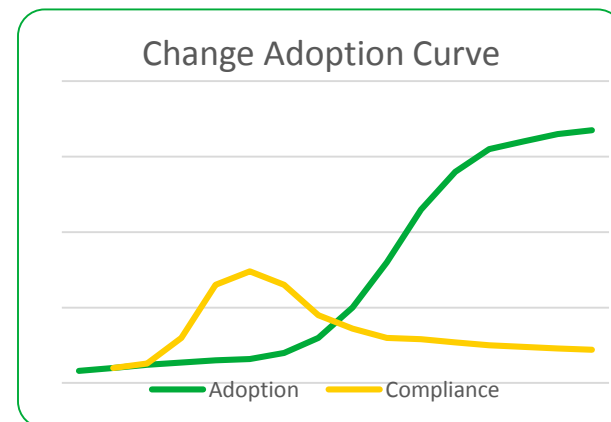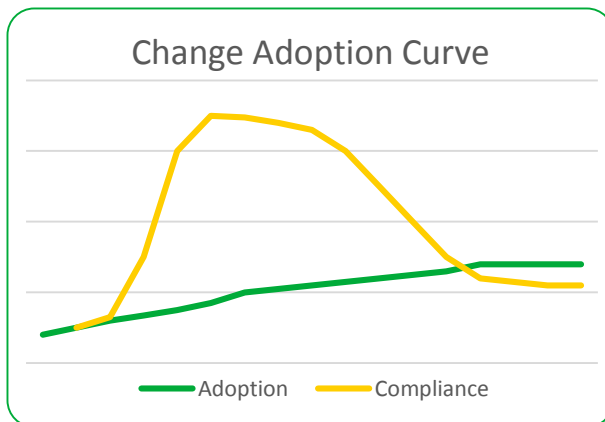
—— Adoption —— Compliance

Thank You!

Your opinion is important to us!

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Appendix

Why do people resist change?

A large percentage of people in an organization are:

"Addicted to the Status Quo"©

Addiction is defined as:

a state defined by compulsive engagement in rewarding stimuli, despite consequences. The term has little or no pejorative meaning attached to it.
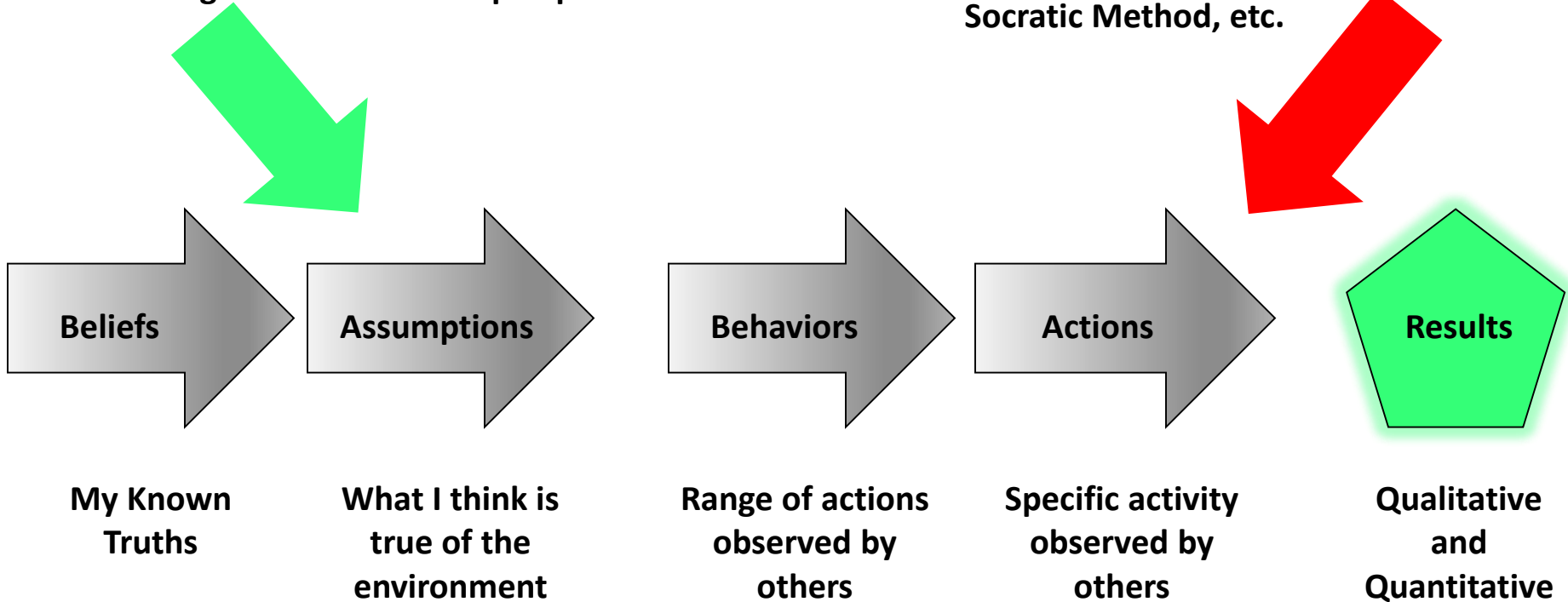
Examples:

- A business implements a new state of the art computer system and within months the reports and in some cases the screens look like the old system

- A team improves their process and moves the furniture and within months things are back or almost the same as before the change

- Trainers, coaches and leaders acknowledge the method they use is ineffective and continue to employee the same method
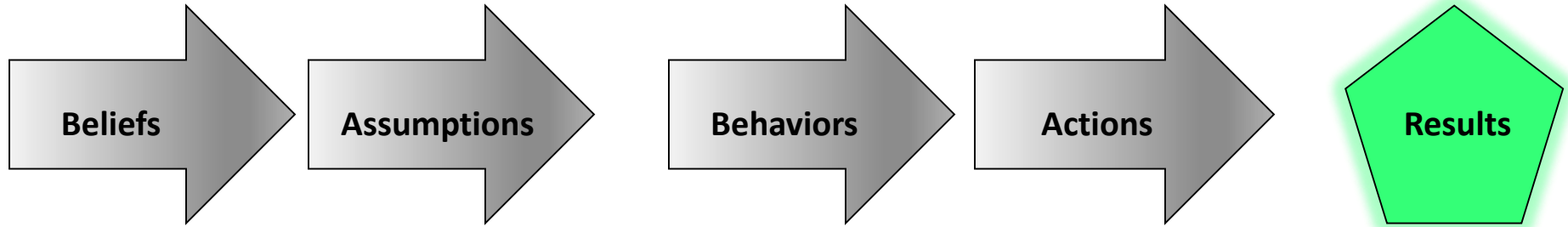
What will cause real change?

We must learn how to approach change from a different perspective

Historic Approach: Traditional Coaching, Socratic Method, etc.

Beliefs → **Assumptions** → **Behaviors** → **Actions** → **Results**

Beliefs	Assumptions	Behaviors	Actions	Results
My Known Truths	What I think is true of the environment	Range of actions observed by others	Specific activity observed by others	Qualitative and Quantitative

Insanity – Continuing to do the same thing expecting different results

This reflection exercise / model exposes what is preventing the desired results

Beliefs → Assumptions → Behaviors → Actions → Results

Current State

Cause | Cause | Cause | Cause

New results begin with YOU!   What should YOU question and/or change?

Future State

Guidelines for the reflection exercise / model

Complete Current State first

1. Start on the right with current results - use qualitative descriptor words

2. Make statements about the actions you are doing that cause the results you described – *Begin each statement with "I"*

3. Next make statements about Behaviors, then Unquestioned Assumptions*, then Beliefs – *Begin each statement with "I"*

Do NOT do Future State until completing Current State

4. Describe the future state results you desire - use qualitative descriptor words

5. Reflect on your current state statements and make statements about what YOU are willing to do to cause the future state results – *Begin each statement with "I"*

6. Share your commitment with your directs, peers, and leaders

* Unquestioned Assumptions are assumptions you have but have not shared or validated

This is a looking in the mirror exercise, therefore do not talk about others in the Actions, Behaviors, Assumptions, and Beliefs sections

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