# The Elephant in the Room.....
# Leadership

Dear Drew,

I have had some recent negative experiences and conversations regarding the practice of Lean.  In a few cases, it involved organizations participating in our Lean Leadership program on-site where we achieved less than expected results.  In other cases, it involved organizations that had practiced Lean for several years, and have all but abandoned the concepts in the past year.  In all cases, they represent important opportunities to learn.  What happened?  Why would organizations abandon their Lean journeys after 3 to 15 years?  Why just a 10 - 50% success-rate through the Lean Leadership program when historically it was 80 - 90.  Certainly reflection is required here.

*A Little Background*

I will convey the stories of four organizations.  One has been practicing Lean for up to 15 years, experiencing well-documented success.  Another was practicing for just three years, but a painful three years it was, never achieving the results expected by its owners during that time.  Two organizations participated in the Lean Leadership program, delivered over several months on site.  Participants will install components of a Lean Management System during that time, and create visual management systems and leader standard work for use in their areas of responsibility. Participants in both organizations exhibited strong resistance to the concepts.  As a result, expectations were significantly reduced, as were the results achieved through the program.

Each organization, with whom I have worked over the past 30 years was unique.  Their people, history, existing cultures, all were at least slightly different, and at times significantly different.  The circumstances in which each operated were different, including market and operating conditions.  I have always felt that this fact required at least some adaptation of approach to the introduction and

practice of Lean and Continuous Improvement.  After many years of successfully guiding numerous organizations, the rate of success has recently declined.  With that background, let's explore what we can possibly learn from each of these experiences.

*Organization #1*

After 15 years of practicing Lean and achieving substantial results in outcome and process metrics, as well as associate engagement, a service organization chose to abandon the path.  Support for multi-day kaizen events and CI projects waned.  Many leaders stopped participating in the tiered management system.  The Kaizen Promotion Office (KPO) of Lean practitioners was disbanded.  While I am sure some elements of the Lean Management System remains, the question that still must be asked is, "Why?"  There was a series of changes in leadership at the highest levels.  The true champion of the effort from the beginning left the organization after ~5 years.  The successor was a strong supporter of Lean, who would admit that they 'lost their way' somewhat.  The KPO grew in size, excessive bureaucracy arose, and innovation declined.  Such things can occur which require an adjustment in approach.  Front-line and middle managers are responsible for practicing Lean in their areas of responsibility, supported by senior leaders who have their own Lean Management activities for which they are responsible.   Unfortunately, some organizations have intentionally or unintentionally shifted the responsibility to a KPO or similar group.  This can be corrected by changing expectations of the Lean group and managers alike.

More recently, a new CEO was hired from outside.  Shortly after, the KPO was reduced in size and then disbanded altogether.  The new CEO has stated a desire to continue with Continuous Improvement, but it appears after just one year that commitment has waned.  The organization that was once viewed as a shining example of the practice of Lean in their industry is no longer hosting visits by other organizations.   Numerous people have left.   It is difficult to understand exactly what is happening from an outsider's point of view.  Nonetheless, it is clear that leadership at the highest level no longer supports <u>this</u> approach to managing the organization.

*Organization #2*

After three years, an industrial company abandoned the Lean path.  It only had two full time Lean practitioners on staff.  However, there were trained facilitators embedded in all key departments. Visual Management Systems were installed, albeit with much difficulty, some of which was due to the approach taken.  Senior leadership had varied commitment.  Some were all in, while others kept Lean at arm's length, waiting, perhaps hoping, that it would pass.

Most disconcerting was an environment of mistrust that existed for years.  Previous leadership seemingly gave good reason for such mistrust

between them and the rest of the organization.  People admitted to being misleading in engagement surveys conducted by the organization, out of fear of reprisal.  New leadership had the daunting task of overcoming this significant obstacle.  Very interestingly, the organization had been in a hiring mode during the same period of its Lean initiative.  It was disheartening to watch many new employees also become distrusting, not out of any personal experience, but due to the legacy and lore that remained.   This culture of fear and mistrust really held the organization back, and positive results from improvement efforts fell short of what would typically be expected.

The new CEO, who agreed to initiate Lean, openly stated support.  However, demonstrated support was inconsistent.  Attendance at the daily and weekly 'huddles' that were part of a tiered management system was spotty.  When the CEO did not attend, other senior leaders took this as a cue that they did not have to attend.  There were no repercussions for lack of attendance.  As a group, senior leaders just did not get over the hump of having a common belief in Lean and in turn a shared commitment.

*Organization #3*

A company with production and distribution operations had 12 people participate in a Lean Leadership program.  Senior leadership participation was spotty to say the least.  Interestingly, the organization had very little experience with Continuous Improvement prior to the program.  They were very successful for years, but changing circumstances within their industry would require a different approach.  One of the first 'homework' assignments was for senior leaders to develop a 'purpose' for Lean.  That purpose would include the aforementioned market changes.  It took several months to define the purpose, and begin to share it with members of the organization.  Consistency in messaging by leaders would be necessary over time. to insure acceptance of the majority of team members.  Unfortunately, senior leadership was unwilling to dedicate the requisite time to this important activity.

In addition, senior and middle management were unwilling to engage in various activities that are part of the Lean Management System such as performing gemba walks, participating in kaizen events, and conducting periodic huddles.  To be clear such activities can represent a major change in routine and habits on the part of managers.  In fact, at this organization, senior and middle managers were rarely seen at the gemba, preferring a more 'hands-off' style of management.  So, performing these activities should not be expected to be easy.  In class time was used to 'go see', observe processes, and the like.  While an abundance of opportunities for improvement were observed, it was insufficient to get middle and senior leaders to reconsider their historic approach.  Suggestions for leaders to visit other organizations and to personally participate in a kaizen event went unanswered.  The decision was made to stop the program.  Interestingly, several front-line supervisors did embrace the

concepts and applied them in their immediate area of responsibility. The two-person on-site Continuous Improvement group continued to press forward with Lean efforts, as they were true believers.

Clearly middle and senior leaders were not committed to the Lean path. This should not be a surprise given their lack of previous experience in Continuous Improvement. People will resist what they do not understand. That lack of experience along with a lack of purpose became formidable obstacles. Now, I don't expect leaders to be 'all in' from the beginning. All we ask is for an open mind and a willingness to try. But without sufficient understanding and a compelling reason for change, leaders will prefer to maintain the status quo.

*Organization #4*

This service organization had been applying Lean in one main area for ~3 years, and had wanted to 'roll it out' to other areas. 12 front-line leaders were identified to participate in the Lean Leadership program. As with the previous organization, the participants had little personal experience in Lean. There was a mixed response from the participants. A few participated in earnest. Some gave the appearance of being interested, but when it came time for 'homework', they showed their true beliefs otherwise. Together it was about 50:50, and the program was completed, unlike the previous organization. Further, internal CI facilitators continue to work with the participants beyond the program.

A compelling reason for change was defined, but the messaging was coming through the CI group, and not the leadership hierarchy. Therefore, acceptance of the purpose was uneven. Several participants pointed to the lack of support from their immediate managers. Interestingly, some of these folks were invited to participate in the program, but declined or sent someone else in their place - someone they then didn't support. This was a symptom of their manager's lack of belief in, and commitment to Lean. I really cannot blame someone for their lack of participation, if their boss is not supportive.

*Summary*

The one common theme in all four stories was the role of senior leadership. Senior leaders did not truly believe in Lean as a management system by which their organizations should operate. The lack of belief led to a lack of true commitment beyond a superficial one. Others in the organization always look to senior leaders for signs of commitment to any major change effort. They look at the actions of their leaders, not just the words spoken, for evidence of true commitment.

There can be several reasons for this lack of commitment. Perhaps senior leaders really do not understand what it means to be a Lean Enterprise. I have personally met leaders who thought Lean was for everyone else in the organization, and did not understand their role in it. Perhaps they have not

accepted the reason for changing their historic approach.  After all, their old approach allowed them to rise to the lofty heights that they now sit.  Other times, senior leaders understand the compelling need for change, but have not effectively conveyed it to middle management, as is probably the case for Organization #4.

So, if your Lean journey is stumbling along and you are concerned with 'staying the course', engage others in your organization to discuss the probable 'elephant in the room' - leadership - and the key role it must play in the successful practice of Lean.  Reflect on the involvement of leaders to date.  Have leaders provided the inspirational purpose needed?  Does their involvement represent true belief and commitment, and is it demonstrated in their actions as well as their words?  It's never easy to address the 'elephant in the room', but by doing so, you just might find an answer to your problem.

Best Regards
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