



Lean Culture

Culture Matters: Why Top Management Must Take the Lead

Old habits die hard. Companies can invest a lot of time and money in Lean efforts or other improvements, but if people eventually go back to their old ways, the gains won't be sustained over time and improvement stalls.

To truly transform into a Lean company, the company's culture must be addressed. Culture isn't a vague term – it is key for improvement success. Creating a Lean Culture addresses both active resistance to change and the tendency of people, like a dieter reaching for ice cream, to revert back to old habits after the effort to change has passed.

"Culture has really been missing over the years," said Steve Straub, WMEP manufacturing specialist. During the 1980s, companies were implementing quality circles, TQM and other improvement efforts. "It was a lot of the same improvement changes companies are making now, but what was missing was getting people involved in the process."

Lean Culture deals with this issue by acknowledging that culture greatly influences many facets of daily work tasks, as well as improvement efforts. How change is introduced, and the reaction to it, is determined by culture.

To better understand the dynamics of a Lean Culture, it helps to know what business culture is – a pattern of behaviors or problem-solving techniques commonly used by individuals in a company. A Lean Culture has specific qualities that define the behavior of the employees.

A Lean Culture:

- ▶ **Focuses on the customer:** "Employees need to understand who the customer is," said Straub. "They have internal customers also. How they serve the external customer is directly tied to how they treat each other internally."
- ▶ **Is totally committed to continuous improvement:** For this kind of commitment to occur, all employees must be involved in the improvement process. This means maintaining enthusiasm about the process and creating a safe environment for employees to make suggestions and take risks.
- ▶ **Communicates a clear vision for the company to all employees:** "This is key," said Straub. "If everyone is going in a different direction or doesn't understand the vision, it's difficult to pull together as one big team."
- ▶ **Ensures everyone knows their roles by setting clear standards and expectations:** The expected behaviors within the organization must be spelled out. It should be clear that the new culture is now customer-focused, and that the commitment to continuous improvement is genuine and permanent.

Lean Culture

A Lean Culture encourages all workers to contribute ideas, responds quickly to suggestions for improvement, works to keep everyone learning, seeks perfection in its products, services and processes, and enjoys the visible support of all leaders.

Teams are Key

Teams are the basis of the Lean Culture infrastructure and include a core team, steering team and project teams. Senior management makes up the core team, which works to support the Lean process and remove any roadblocks preventing successful implementation. The core team also provides metrics that are directly tied to the company's success and that employees can directly affect. The steering team, a cross-functional, multi-level group, drives Lean implementation. Finally, project teams work on specific processes to improve efficiency.

Even after establishing a Lean Culture infrastructure, some companies have problems sustaining change. Resistance often comes from middle managers who feel threatened because decision-making authority has been expanded. "Resistance can be overcome when they understand that their new role is to lead people, not manage them," said Straub. "They should be focusing on strategic areas, not day-to-day decision making." Lean Leadership addresses these issues.

Management Support

Changing a culture can't be done without support from senior management. "If you don't have buy-in at the top, it won't work," said Straub. Senior managers are important because they set the ground

rules for the new culture. In addition, long-term commitment to continuous improvement starts with top management. This commitment is expressed in policies, practices, language and actions that shape employee behavior at all levels. Because of the vital role played by top management, Lean Leadership is an essential part of Lean Culture.

Training Leaders

Since a primary goal of a Lean Culture is to build an empowered workforce, empowering leadership behaviors are crucial. Learning to use empowering leadership behaviors requires motivation and skill. Some actions senior leaders can take to create a Lean Culture include:

- ▶ Empowering workers at all levels to act on behalf of the customer. Assemble project teams made up of frontline workers and a steering team with rotating membership to foster the participation of all workers.
- ▶ Respecting and using the expertise of everyone. Put up a suggestion box that includes a formal system for implementing good suggestions.
- ▶ Encouraging risk-taking to test improvement ideas. Urge workers to try new ideas, such as changing the location of equipment to improve efficiency. The final decision on where it goes should be made by the people working in that area.
- ▶ Using Lean to improve the way people do their jobs, not to eliminate jobs. When you find extra capacity in one area of a process, there is usually another area where more capacity is needed. A

Lean Culture

Value Stream Map shows the locations of both bottlenecks and overcapacity. People can shift from one area to another.

- ▶ Building consensus on and establishing clear ground rules that support the vision. Get feedback from workers to make sure new rules are realistic. For example, can parts be supplied to assembly within a day? Find out before setting the rule in stone.
- ▶ Supporting continuous learning for everyone and actively seeking continuous learning for yourself. Set a specific goal (hrs/yr) for the amount of employee training.
- ▶ Making needed changes to align organizational structure, management systems and measurements with the vision. If you implement Lean on the shop floor, it will also be necessary to align the accounting system to Lean, i.e., Lean Accounting, which uses different measures.

Willingness to Learn

Being an effective leader requires a willingness to learn new leadership strategies, including personal effectiveness and interpersonal effectiveness. Personal effectiveness helps people understand their own personality and recognize personality traits in others so that they can interact more effectively with them. Interpersonal effectiveness shows how to be a better communicator, actively listen and handle conflict resolution while preserving employees' self-

esteem such as collaborative strategies that help managers lead in a constructive, positive way.

Leaders also are skilled at leading teams and managing change, especially when addressing the normal fear associated with change. "So many people have been put in a position of leadership, and they've not been given the tools to do it effectively," said Straub. "When they find out about these strategies, they say, 'Wow, I wish I'd known this before.'"

The benefits of Lean Culture and Lean Leadership include retention of good employees, an improved bottom line and sustainable improvements. Without a Lean Culture, companies risk spending "hundreds of thousands of dollars on technical changes with no buy-in or ownership to sustain the change," said Straub. "They realize short-term gains, but don't get the long-term gains." Lean Culture is not abstract but a real factor in generating long-term results, because changing the culture makes continuous improvement a way of life.

About WMEP

WMEP is a private, nonprofit consulting organization committed to the growth and success of Wisconsin manufacturers. A leader in Next Generation Manufacturing, WMEP brings best practices to Wisconsin firms to help them achieve world-class performance through innovation and transformation. WMEP receives financial support from the Wisconsin Department of Commerce, and partners with many public and private organizations to serve Wisconsin manufacturers.



If you want to learn more about Lean, call WMEP at 1.877.856.8588.