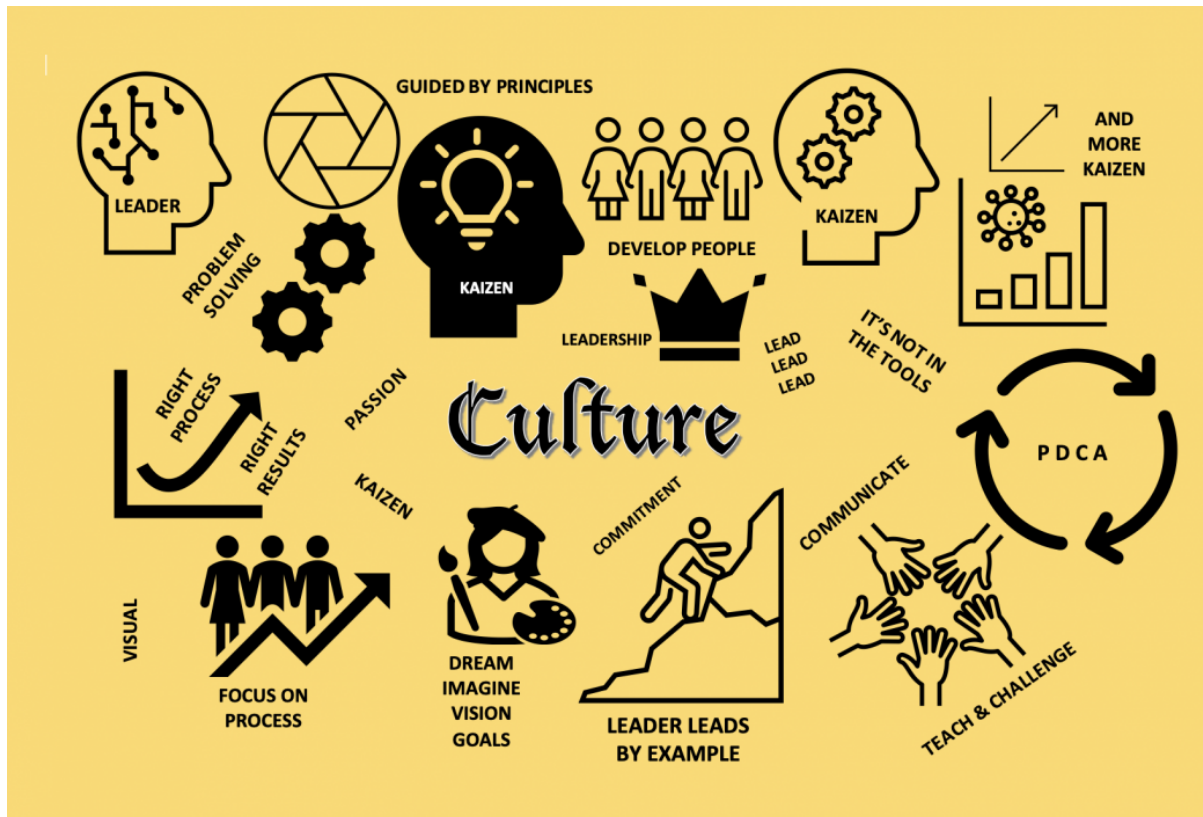


Here's How to Build a Lean Culture

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I have often been asked, "How did you build the Lean culture in the companies you transformed"? In this article I will share with you some important things that helped me build the Lean culture ..

Some define company culture as a shared set of goals, values, attitudes and practices that characterise an organisation. A successful company culture is one that can be accepted easily or embraced by the newest member to the MD or CEO. Over time every company develops some culture that may include strategy, goals, etc. But it is about attitudes and practices that can answer the question "How does it feel to work in a particular company?" When people ask me 'how did you change traditional culture to Lean?', they are intending to change from a traditional production company to a Just-in-Time (JIT) manufacturer or service provider. Such a transformation is not a casual one because a Lean company thinks exactly opposite to that of a traditionally managed one in all operational approaches, underlying attitudes and practices. Traditional companies are structured into departments that make them produce in batches, while Lean companies are structured in value streams that enable flow of value to customer on demand.

Traditionally managed companies may not all have the same culture. However one can find similarities in their approach to marketing, production and functional structure (batch production structure). The list of thinking or process examples could be many, and accentuate the point that to become lean the traditional organisation will have to change. Building a Lean culture is no small task, and to do that one must first build a Lean company.

This massive change takes time and effort. Building Lean culture is not a fly by night operation, it is not about fixing broken down processes or doing some kind of rejig. It is not something that can be subcontracted to middle managers or below. It has to be led by the CEO or business owner from the front. Transforming to become Lean is also not a mechanistic thing, it's more about people and hence it is more a social transformation. It's about developing competence and behavior in people to see waste, solve problems and make improvements. It is a new way of behavior and has to be taught by demonstration till it takes root. So, comes the question is how to do it and where should one begin?

Lean is lead from the top

My tryst with Lean started when I was reassigned from Business Development to head Operations, at a time when we knew nothing about Lean (we called it Just-in-Time (JIT) back then as the word Lean was not yet coined). I learnt by practicing on the Gemba for most part of two shifts every day. Trying to understand what works and what doesn't, failing sometimes, always teaching workmen and staff, leading the Kaizens, improvising, focusing heavily on the process and never on the monthly results, learning when to use which tool or technique etc. Being at the forefront not only helped me develop the next level of leaders, but leading by example had helped change everybody's behavior and attitude towards work. Our new work related mantra, behavior and description of job had quietly changed to:

- When any abnormality was observed, we corrected and restored it back to standards. We discarded acceptance with deviations. Drawing was the master and compliance to its standards was mandatory.
- We solved problems every day (Kaizen). Solving problem to us meant preventing reoccurrence. We would exchange with each other every day, the number of problems identified and how many have been solved. Seeing me leading the Kaizen effort, the workmen and staff became active participants making it a daily habit. Workmen chose to stay over beyond work hours without pay to solve problems. That is how high motivation levels can get when they see the leader leading from the front.
- Once a problem had been solved, we set new (higher) standards aligned to overall company goals and went after achieving them.

Everybody's (including mine) daily work had thus become; complying to standards, bring abnormalities back to standards, eradicate reasons that caused problems at their grass root level, set higher standards and get after achieving them ... and we were in a hurry!

"I learnt by practicing on the Gemba for most parts of two shifts every day, focusing heavily on the process and not on the results."

The leader doesn't have to be an expert in the beginning but needs to commit to getting good at it and improve along the way. It is necessary for him to learn the principles, philosophy, tools and techniques of lean, and to be able to make conversations on the subject. Success or failure will depend on the level of the leaders involvement. Lean transformation or change cannot be managed or delegated. The leader should be hands on to lead the change. It is not a talk and instruct thing that can be done from the corner room. People may follow the top down orders but it will not change the culture, as instructions may be followed but attitudes and behavior won't change if there is no ownership at the top. There's an old Indian Vedic proverb that says ...

यथा भूमिस्तथा तोयं, यथा बीजं तथाऽङ्कुरः ।
यथा देशस्तथा भाषा, यथा राजा तथा प्रजा ॥

It means, as the land so the water, as the seed so the sprout.
As the region so the language, as the King so the people.

A similar English saying goes, 'like father, like son', or 'monkey see, monkey do'. So if you want to build a lean culture, the leader needs to think, speak, act, and behave in compliance with Lean necessities. Only then will people choose to follow the leaders behavior, take ownership, change their attitude and behavior that will help build the new culture.

"As the King, so the people."

Communicate, and how to

It is necessary to tell every member why the company intends to become Lean and how to proceed on this journey. The goal of Lean is not to reduce headcount, so it is important to tell them that to alleviate any fears of retrenchments. When we decided to implement the Just-in-Time system three decades ago, we had a reason why we wanted to become Lean. There must be a reason why any company wants to become Lean. Explain the reasons to everyone, let them know why you are asking for a change. Tell them the broad strategy or plan of how will it be implemented, when, where and how will be the start, what can one expect, and what is expected from everyone. Use the language 'let us do this' instead of 'you do it'. This communication should come from the leader, and must not be informed via a circular or by delegating the job down the line.

There is a subtle difference between showing and telling. Lean is different in values compared to traditional management. The new or different value systems must be

imbibed and exhibited in behavior. Leading should be by example. In the twelve to fourteen hours I spent on the Gemba every day, I was teaching everyone to respect the customer by demonstrating the respect necessary to be given to every subsequent process in the product manufacturing. Every subsequent process is the customer to its preceding process. By learning to respect the internal customer we began delivering better value. When the workmen saw me believe in their ability to solve problems, and so challenging them to do more, they cultivated the Kaizen habit. They had understood the importance of customer, Kaizen, and respect for people. The blame game had vanished and given way to collaborative and cooperative work. The workmen felt they were a responsible part of the change. Trust had come into existence and teamwork was built. There was nothing to fear, so the lies disappeared, they were not afraid to experiment with new ideas. Truth, honesty, effort, and earnest work was encouraged and celebrated.

Dream, Vision and Goals

A dream, a far sighted vision, is necessary to fuel a Lean journey. The adage 'you will believe it when you see it,' means one needs to see the possibilities or the picture in one's mind first, then one can achieve it. Believing in that vision motivates one to work at getting there. Translate this broad picture of possibilities as the goals of the company. Break it down into smaller steps for teams to work on them. The CEO must set these aspirational goals for himself and the company. Focus on the process and not the results. Good process always fetches good results. Result is the consequence of what we do and how, so, focus on changing the processes and the results will follow. I have always felt here it is important that the CEO speaks to everyone setting the goals and leading them in Kaizens showing the way. This is necessary for duplication (monkey see, monkey do).

When I first began my Lean journey, we were confronted by many issues. One of them was that one day we had no orders despite having good products. This led to a temporary closure, necessitating a turnaround strategy to avoid longer or permanent closure. I started by setting myself some goals. Such as becoming the #1 player in the market; reduction of costs by 50%; empowering workmen to be responsible for and in charge of production without intervention of management; to inculcate lean or JIT behavior in all; give new products protection for 8-10 years; make competition redundant; develop new markets; become India's first TRUE lean organization, etc. I had a timeline in mind, but we were basically in a hurry to outperform ourselves. With these as guiding lights, I broke them down to daily Kaizen activities on the Gemba in every area from marketing to product development to execution to supply chain, with all this work being done seamlessly and concurrently across all stages of the value stream. I had given my team five 'Zero' goals even if they were inordinate – zero delay in deliveries, zero waste (defect included), zero lead time, zero inventory, and zero accidents, these five good zero's facilitated all goals.

Pay attention NOT to the lean solutions, but to the process for people development to understand and use lean tools to solve real problems - Dr. Jeffrey Liker Author 'The Toyota Way'

Do we need a Lean department?

My focus was on developing every person into a leader (however unreasonable or over ambitious that might sound), which meant everyone had to learn and master all aspects of Lean by imbibing and adapting to Lean behavior. So, I did not think it was necessary to set up a special Lean department and put them in charge of the education and transformation. I made it everybody's responsibility in his area of work, taught by me initially and later by my value stream managers. To us this job was to be done every day on the Gemba and not in some remote location. We felt happy with every achievement, and yet we were never satisfied as it taught us more was achievable.

On hindsight we were lucky not to have had people telling us a variety of what to do things (1990). We followed JIT leads from Dr. Schonbergers' keynote talk and his book 'World Class Manufacturing'. Seeing me walk the talk built trust in the organisation. My team saw me in action addressing concerns on all fronts – marketing, product or process design, supplier development, problem solving, people development, creating a happy trustworthy environment, etc., always talking to them of the next goal and its benefits. I therefore consider my experience as testimony that one can embark on their Lean journey without a special department or group being setup for the purpose. The shift to Lean cannot be managed in traditional sense nor can it be delegated, the leader needs to be hands on in this job. A good experienced Lean Sensei however can effectively guide ones journey.

Culture as Organic Evolution vs Mechanistic Implementation

In his 2021 second edition of ***The Toyota Way***, Dr. Jeffrey Liker, distinguishes between Mechanistic and Organic approaches to learning from Toyota. The mechanistic approach sees a bunch of tools and behaviors and seeks to copy them. The assumption is that if you make your artifacts look like Toyota than your people will think and behave like Toyota team members. But it does not work. You can imitate the tools, but you need to grow the culture organically. Culture is a matter of how people think and act and is rooted in habits. It is not enough to tell people what to think. They need to learn to think in a different way through practice with leaders as coaches giving immediate corrective feedback. It is a long term process. Toyota when they launch a new plant in another country takes years to develop Toyota Way culture and that is with sending over seasoned managers and intensive exchanges of personnel with what is called a "mother plant", that is raising the new baby plant. Few companies make anywhere near this investment but somehow expect the culture to magically appear. Or as Dr. Deming said, they think it is "instant pudding."