

03-20-13 Governor's Office of Accountability and Performance Tape 2-6

Well welcome everyone to Washington State Government's online review of the book Lean for Dummies. I am Darrell Damron with the Governor's Office of Accountability and Performance, and I will be your host today for this session along with Scott Baird, so each week we're reviewing the content of one chapter in the Lean for Dummies book, and there's 20 sessions all together on the current schedule. We will cover the last chapter of the book on May 29.

So just a reminder that we record each session and you can access that session at our accountability and performance website on the resources page in the books section. Then it brings to you a screen that looks like this. All the book review session dates are in the table here and when we add a recording each week we simply turn the date into a link so that's how you access the recordings for each session. As you can see on the schedule we have Lean experts from the private sector joining throughout this book review, and they're all part of our Lean expert partnership program where they volunteer their time to help state government on a Lean journey, and this week you can see we're reviewing chapter three, Lean in the organization, and we're fortunate to have Yusurf Rashid join us.

Yusurf is the pharmacy manager at Group Health Cooperative and a recognized Lean leader there and those that attended the Lean transformation conference back in October may have seen his leadership case study presentation, so thank you for taking the time to join us today Yusurf. We're looking forward to you helping us out here. So here are a couple of tips to help you get the most out of this book review time. As you read at chapter before each week's session make a list of questions that come to mind and than you can ask those during the Q and A time, and another powerful technique to deepen your learning is simply explain what you learned to someone. It doesn't matter whether it's a coworker or friend that you talk to, but the act of talking to someone will help deepen your understanding of it.

So during the session today we want everybody's phones on mute to avoid that back ground, and avoid canceling out the presenter. When your phone goes off mute the noise from your mic cuts the presenter's mic and no than one can hear the presenter so keep them on mute. That works great. If you haven't already answered the poll questions please type in the name of the city where you are located right now and the number of people participating in this book review at your location. We are excited to have nearly 600 employees joining in this book review so thank you for your participation. If you're interested in the course info you can view it online. Prezi is available online 24/7 but let's get right into this week's content.

So this week we're covering chapter three Lean in the Organization, Principles, Behaviors and Change. As can you see in the table of contents shows this chapter is organized in three sections: Assessing Organizational Culture, Changing the Organization, and the Lean State of Mind, so let's take a look at the key points for chapter three. The first key point here is powerful and amazing to me that an organization's culture and the principles that drive people's behaviors are ultimately what determine the performance, quality, or success of the organization, so when we adapt Lean thinking tools and techniques to state government operations we are changing our culture. That means our culture and the principles that drive our behavior will ultimately determine the degree to which we live out our purpose as public servants which of course is to

deliver better value to more Washingtonians. Another key point that the book makes starting on page 50 here is about assessing organizational culture, and there is a difference between formal and informal principles that are acted out in an organization, and Yusurf I would like to share your thoughts about this key point with us if Scott can get your mic unmuted there.

Sure. And the slide I am looking at before you can change your organizational culture you have to understand the culture and reality, and the two types of principles, the formal principles versus informal principles that are not stated but often reflected in daily action. That's where we are right now. Am I correct?

That's right, exactly.

Okay perfect. I want to give a tangible story here so it's not just theory. It's easy for an organization to say for instance they have a formal principle of respecting people, but as you guys know probably now that the act of adapting Lean itself can be very dramatic and create a lot of change and stress for an organization but if done correctly it should result in a more highly engaged team can adapt and respond to challenges. However, if done incorrectly not following the Lean principles it can actually I think alienate front line staff from management and you could end up separating the groups further than was the goal so Lean respect for people means engaging and including the staff that is impacted by change sooner than later. That includes the people who might be more resistant so in contrast before an organization adapts Lean leadership may have found it easier to plan and implement the change without involving the front line staff that would be affected, and I'm just calling this out as a more tangible example during times of stress there can be pressure for informal behavior, especially for leadership and managers to veer away from the formal principle.

An example that I recently experienced myself at Group Health is a Lean organization and recently I learned that we were going to dramatically increase or change the work flow or work load on a certain location, a pharmacy that I manage by funneling work from other pharmacies to a pharmacy based on leveling the work and the temptation is not to inform the staff that is going to be impacted until we're ready to roll out and it's attempting to avoid push back or resistance but, however in a Lean organization we need involve those staff impacted sooner. Have them involved in the design process. Allow them to have the opportunity to have a stronger sense of ownership so that the implementation is more successful, but that's a lot easier said than done for a leader or manager, so that's my example if could be easy to say we respect people, but in reality that's not always the thing to do to engage staff that you know might be resistant at first.

Easier said than done, right Yusurf?

Yes.

True story. Thank you. That's great. And it's really awesome I think for our participants to hear the anecdotes from folks outside of government, so we appreciate you bringing your perspective here for us today, and we will get some more before we're done, so onto the next key point then. Culture is a difficult thing to measure for sure, but you get the most accurate picture when you go where the action is and measure what's actually happening out in your work force and so pages 52 through 54 here in the book talk about that and the spider chart idea that is shown is one way to see the whole picture so if you're doing

assessments or collecting information in multiple categories the spider chart is a way to show not only where we are on all -- a set of categories but also to see how that might change over time. So those two key points were assessing the organizational culture. Now let's take a look at changing the organization. So Scott the book talks about an organization going through five phases of change. What key points did you take from this section?

Yeah thanks Darrell I appreciate that and it's important to understand while we assess the change the real work comes when we try to move forward and make that change and it's very difficult. There are the five key points, phases that an organization goes through when implementing change regardless of the change. It's important to note as well that you don't go in a strict serial order. You may go forward and backwards at points. You may think we've got the direction and planning and move charging forward and then go back, so it's not all necessarily in order but the phases are recognizing and accepting the change, having direction and planning for the change, charging forward, the turmoil that is going that is going to happen, and the final integration at the end, so let's dive deeper into each of these areas. First we will go into recognition and acceptance.

Learning to recognize the need for change is a pretty critical step in the process and it's essential that leaders of organizations and participants in the organizations have a clear communication and understand the need for the change, and until that need is understood the need for the change the organization isn't going to actually move forward and accept it, so it's a critical first step in the process and clearly identify and communicate that need or change while this change is happening. There are different personality types, different learning styles that people have in an organization and it's important to recognize that and respect they have their own way of going through it. Helping them to recognize and accept that.

The next step in the phase then is direction and planning. Determine the new vision and set that direction for the future. Sometimes just the active painting some future vision helps cement the acceptance for change in some people, and when that vision relieves enough of the current pain or frustrations that people are having organizational buy in is really going to improve. Oftentimes this direction and planning comes from the top and members of the organization may feel like this is being forced upon them, so when possible it's best to involve people's ideas about how to achieve or get to that vision to help reduce the amount of anxiety especially including key influencers who maybe supporters and people that resisted but involving them in the direction planning portion of this to help them them push this forward as they have this buy in. The next phase after we have direction and planning we can really charge forward towards our new vision.

As I mentioned earlier a range of personalities will be present. Those that are for it, against it, some just standing on the side lines waiting to see what's going to happen. But there are three critical things that an organization can do that are listed there. Express clear expectations. Have proper communications -- and that is two way to both listen and make sure you're heard as well and have clear communications. And then proper behavior and what we mean by that is that the actions that management take support the vision. Again that's this key of aligning our principles together that Yusurf mentioned. We need to make sure we walk the walk so those are three of the main things charging forward. Next phase is that of turmoil. You may have some success at first with a kaizen project and start to see excitement around it but then you have on the opposite side people questioning what the end result is going to be.

Rumor mill will creep up. Lunch room conversations. A lot of things are going to happen, and it's critical at this point that management address that state forward and they conduct themselves and respond in the face of that crisis and how management responds when they have that turmoil is going to fuel the flames or put it out quickly and help employees feel safe, so the key with the turmoil is address it head on.

To address it according to the Lean principles and the last phase we will get into happily is the integration phase so eventually after an organization moves on there, so Darrell if you want to move on there to the next slide with integration, is understanding it's going to take a while to get there, particularly because this is a journey and not a destination. It may take a while to get there. Several years for the full organization to buy in, and pockets of success and pockets of excitement around Lean but ultimately to get integration in the entire organization may take several years. Again reemphasizing the point of this perfection and all of this is part of the process as we're working through this and again zooming back out those are the five phases that we will go through, the recognition and acceptance. We need direction and planning charging forward, addressing the turmoil as it comes because it will and eventually getting to the integrated state. Easy to talk about but there are still several barriers that we may experience or roadblocks to success as we move forward with these efforts. These are some the mentalities that different employees may have that we need to work on understanding and getting rid of as much as possible.

First that rules are meant to be broken. We need to remember rules are meant to be broken. We need to reframe that and have a mindset that standard work and standards are meant to be followed and improved so instead of just breaking them, finding new ways to do it better is one of the ideas behind Lean and continuous improvement. The next idea of that cowboy individualism. We have to understand in Lean this is the value stream no one is out there on their own and room for creativity and individualism when we point that towards improving the standards so recognizing some have their own ideas but challenging that energy to improve the standard work in a standard process. The next roadblock is the fear of unknown and job loss.

I know it was one of the questions that came up a few weeks ago with budget cuts coming along. How do we face that fear in line with Lean as well? There is a quote by Demming in the book that I think is really valuable that said "No one can put in his best performance unless he feels secure." And that's management's job to create a sense of security. They may or may not be able to make guarantees that employees won't lose their jobs, but that's one of the goals hopefully that employees will feel like the job loss won't come as a result of Lean and it's critical management communicates that. There will be resistance to change. People seeing this wondering what's in it for them? They feel like they're losing control.

As we talked about before involving people as much a possible will help them feel like they do have control and see what's in it for them. A similar mindset or flaw that we have heard as well is that theme of been there done that. A lot of people feeling this might be the next flavor of the month, but one of the ways to get rid of that is hold managers accountable to the new behavior standards as well. In those times of turmoil to make sure we don't fall back and give up but continue to push and continue to hold accountable to the new Lean standards, and the last one roadblock to success is people feeling like if it ain't block don't fix it. It's important to understand that even in the current state we're already in a state of decline, and that the business

practices of today aren't going to cut it in the future, so we need to understand that idea of continual improvement --

Okay great. Thanks Scott. There's some interesting audio difficulty going on here. Sounds like we might have lost you there, but I'm going to move on then to our final key point, the Lean state of mind. Okay. Got it. Scott's phone went dead on him but he's getting it back in business, so here on this last key point Lean state of mind. For many of us this requires a shift in thinking to thinking how we get results is as important as getting the results and that leaders are our teachers. Not people that tell people what to do but having a no blame culture or developing our ability to adapt quickly and systematically using the scientific process, or realizing we're never done with the pursuit of perfection. It just goes on forever because stuff always changes, but Yusurf I know you see some important connections here between these concepts and the organization's formal and informal that we talked about earlier. Can you share more about that with us?

Sure absolutely. And I can also tie it into a lot of this sounds nice having a more engaged staff, developing your 12team, becoming a coach, but the last words on the slide caught my attention as well. "in a systematic way" And that lead me to the question of okay this sounds great but what's next? How do we do this? The principle -- formal principle of continuous improvement comes to mind, and again it's an easy thing to say, and it implies continuous improvement creates continuous change and adaptability but how? How do you apply a systematic method as a manager or a leader to actively engage the team in a structured process in continuous improvement?

And for us and for me with my experience we engage the front line teams and empowering them by first asking them start listing things that frustrate you. Start making a list of things in the work place that you think make your day longer and harder than it should be and it's develop a front line improvement team where we had meetings. We had actually dedicated staff members -- nominated staff members from the front line staff that would one by one select one of the problems that the team members called out and meet weekly using Lean methods problem solving to try and improve that situation and as a manager or a leader for this group it's my job to make sure time is carved out and dedication is carved out and keep following through are we doing this? Are we meeting? Are we making our frustrations visible, and are we trying to make them better even if we're not getting 100% improvement on day one, but that discipline is important for the manager to 13apply a systematic method and the impact on the staff -- there was a snow ball effect. It went from "Let's try this to this is incredibly liberating being able to solve our own problems and make our work place better. So just wanted to try to articulate that from my experience for your group.

Yeah thank you Yusurf. It's amazing what happens on the Lean journey and how it impacts the way people feel about coming to work and doing their work and doing meaningful work. Well, let's go now then to questions, and remember when you're sending your questions in in the chat box there to select the "everyone" So that both Scott and I can see all your questions here, so I see a question here that says "What specifically are the Lean principles -- so the top of page 50 references -- so that we can understand how our principles align?"

If I understand the question correctly this chapter is talking about assessing your organizational culture and the difference between the principles that are stated overtly and the informal principles, so the question is what are our formal principles? It's an interesting question. This is my 21st year in

state government and my observation is that many agencies in their strategic planning process carve out or talk about or have the formal list of principles or values, or things that are important to that agency, but we don't have a long history of state government as a whole embracing principles that for the whole enterprise of the 14entire state government, so this is a great question, and a great thing for state government to consider as we move forward, and two places to look they would suggest for you are in the "14 Principles of the Toyota Way." The Toyota company obviously has been on the Lean journey for a long time and the "14 Principles of the Toyota Way" are definitely worth considering on our journey as well as the guiding principles in the shingle model for those that haven't familiarized yourself with the shingle model or the shingle model prize. There are guiding principles in there that are specifically for organizations on a Lean journey and those are two good places to look as we consider principles moving forward.

I will add 2 cents here as well Darrell. I know in the book they said they were going to state some principles, and they give a brief summary on page 53 and these are more of the organizational principles that they're referring to as well. High level being the continuous incremental change, customer satisfaction and respect for people and they give a high level summary 3.1 which kind of builds in as well with the others that Darrell had just mentioned.

And Yusurf Group Health Cooperative -- Where have you guys gone on this set of principles for the whole organization idea?

Well, I'm going to speak again from my own experience and I can understand the reason for the question here. It's not an easy one and a lot of times it's 15hard to see what your own culture is as an organization from the inside, but I think as you go on the Lean journey, and better understand respect for people, being a customer centered organization in terms of what does that mean for a Lean culture? You will be better able to see whether you're actually -- your culture was Lean or not as you go through the process. It's hard to right away just make a list and say this is a Lean culture and say okay is that us or not? Without moving through the process of becoming Lean. It's a hard one.

Yeah. Difficult when you're talking about the way you act in your organization and shooting for something different which is hard to do, and in fact that kind of dove tails into another question from a participant that asks "do you have suggestions on how to have people accept things that they don't want to hear? For example the folks that often write formal principles often don't want to hear that things in practice are not the formal practice. Another hard question. A difficult thing to sort out. How do you tell them things they don't want to hear? I know -- I will invite you to chime in again Yusurf, but one thing that rings with me in that context are the things from Peter Block -- what Peter Block has written in "Flawless Consulting" about being authentic and honest in your work each day and having that open and honest type of conversation in yourself including calling a pinch or calling someone -- stating it 16out loud when things aren't going quite right or comfortable, but that honesty I guess is one way and being authentic in your conversations with people at work is one way to get through that, and of course there's lots of other ways to deal with working with people who are having trouble with change, and that's kind of in the personal change management change stuff. Any other thoughts there on that topic Yusurf?

Yeah absolutely and this is very important especially -- think about things like standard work and where there might have been a culture of autonomy of work. Individuals might have developed their own practices on their own without

following best practices of a group. Authenticity is absolutely crucial, and I also think it's authenticity around whatever your organization's true north is, something you all have in common. For us it's easy, the patient. Every decision that I make as a manager will be based on what is the best for our patient? What do they need? What do they expect from us? How can we better serve them? And sometimes the answer to that might not be the easiest way to work but that is a true north for us in every decision, every process will be designed around that and so if you're authentic and sincere enough that you share that the decisions might not be what everyone wants but they're based on this fundamental true north we all believe in it's easier to get that consensus when people understand why that was a decision that was made and why it was consistent with the organizational true north.

Great. Well thank you Yusurf again for joining us today and that's all the time that we have for questions today. For those looking at our presentation I put up Yusurf's bio here, so it will be in the recording if you're interested in his background. I didn't put it up earlier when I was introducing you, but I wanted people to have a look at your bio there. Thanks again for joining us and thanks to everyone who joined in today and is on this journey with us, and thanks for learning to use Lean tools and techniques with better value to more Washingtonians, and we will see you all next week and get into chapter four. Have a great week and don't forget to take the quiz.

Yeah. I'm going to add one more point. We sent out the link to the quiz. Follow up to Darrell as well. We don't have time to address all of the questions here. If you have those in the future feel free to call into our office. We would love to answer those and help you out in anyway we can so give us a call. Thank you.

Thanks again. Have a great week.

Thanks for having me.

Thank you Yusurf.