



Dealing with Change:

The Leader's (New) Role in Creating a Problem-Solving Culture

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Agenda

- ➡ • The Leader's Dilemma : Managing for Results while Leading for Engagement
- *The Manager's (New) Role for Leading a Problem-Solving Culture*
- Barriers to Handing Off Problem Solving Responsibility
- Self-Reflection for Self-Development

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You are a manager or executive or
have a leadership function in your
company or organization

Do you frequently feel you are being
squeezed between incompatible
demands and expectations for your
performance?

Maybe that's because like most
managers & leaders, you are.

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An Emerging Trend in Expectations of Managers

- The move to create continuous improvement cultures in many companies with employees engaged in problem solving at the work flow level has made things harder for managers.
- It has been confusing for many continuous improvement coordinators and leaders as well.
- “What is their role in this new environment? How do they add value to the problem solving and continuous improvement efforts of their companies?”
- In the past these leaders knew how to contribute. Problem solving was their strength that got them where they are. Fixing things and getting results was their job.
- Now it seems they are expected to stand by and watch and at the same time deliver results.
- So what is the problem solving role of managers and leaders in a continuous improvement culture?

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Dealing with Change in Constantly Changing World

- Today businesses and organizations have to be both agile and stable simultaneously
- On one hand they have to have reliable processes to consistently produce safe, error free services and products to satisfy customers and clients
- On the other hand agility and flexible thinking are needed to respond to the pace of communications and changes in market pressures and customer demands
- The traditional management model that requires on control from the top is not up to this new challenge
- Traditional management cannot create the kind of environment that engages employees as problem solvers and enables them to be creative and adaptive
- A new role for managers is emerging – that of leading the organization or company in adapting to change

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How do managers lead for adaptive change

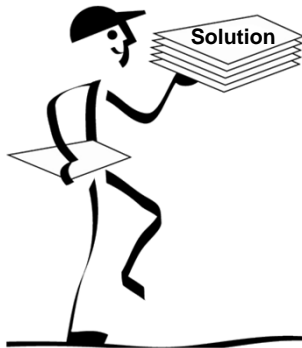
- First, step out and alert the organization or company to need reevaluate its operating assumptions and recognize that the current way of doing things is no longer adequate to meet demands that are being created by changes occurring in its environment or market
- Then help define strategic direction and set the priorities for changes to respond to the external demands and internal challenges on the business.
- Work to create an environment in which all people in the organization can use their knowledge, skills and thinking to continuously solve problems and improve their business processes to meet the new demands for greater or different products, services and performance.
- And recognize managers and leaders need to make the transition to a new Problem Solving Role themselves

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Two Paradigms

Top-Down Blanket
Solutions Thinking



Problem Solving through
Rapid Small Experiments



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The Engine that Drives Problem Solving and Learning

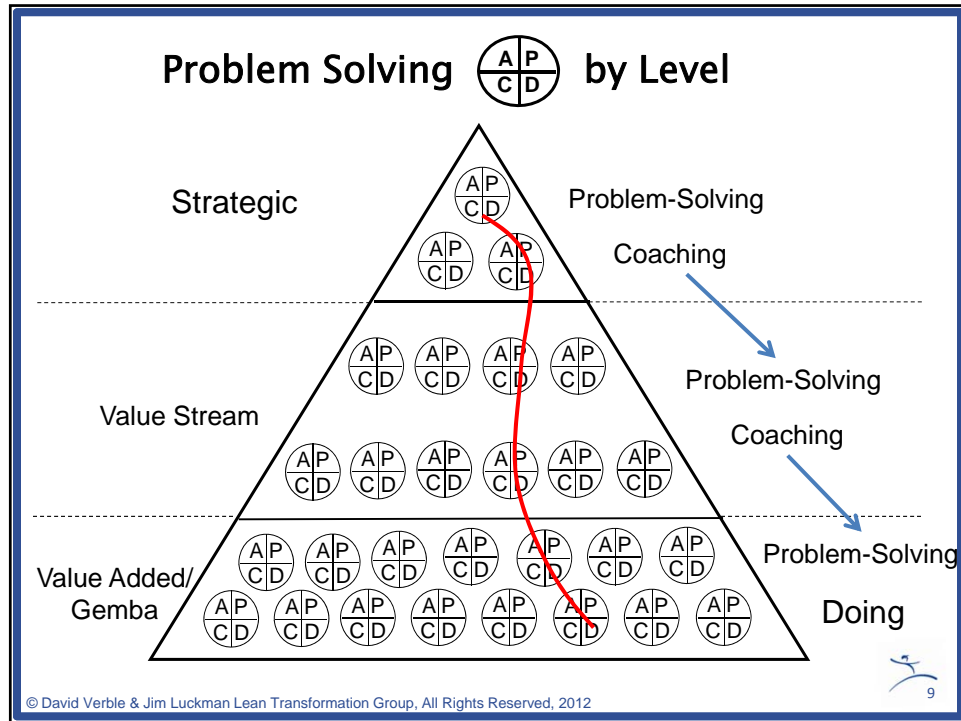
PDCA



Continuous Improvement Kata


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Question

What do you need to do as a leader to build the organizational capability for everyone effectively solving the right problems at their level, all connected to organizational objectives?

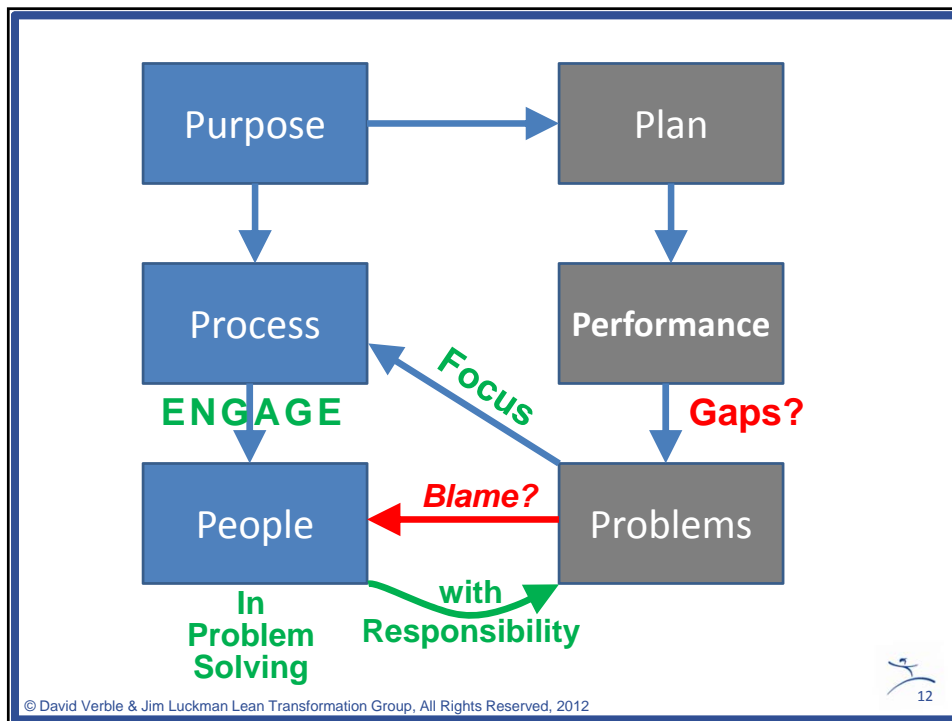


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The New Problem Solving Role of Leaders and Managers in Continuous Improvement Culture

- Use value stream thinking as a tool for addressing the performance problems of the business at the operational level
- Engage and focus employees on addressing the right problems in the operation and show the link between addressing the problems and performance of the business
- Insist that employees' problem solving thinking be based on grasp of the actual conditions in problem situation

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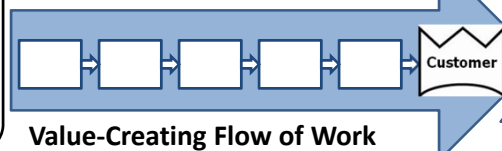
Problem Solving Thinking for Continuous Improvement through Rapid Learning Experiments

Where Are You Now?

Composite
CURRENT
CONDITION in
terms of
Performance
based on:

- Your View
- The Voice of:
 - External Customer
 - Internal Customer(s)
 - The People
 - The Process

Where You Want or Need To Be



Where the “work”
of performance
problem solving and
continuous improvement
has to be done

Quality
Delivery
Safety
Target Level of
Value Stream
Performance
Customer
Satisfaction
Cost
Productivity

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15

Mike Works on the Problems in His Family Business

Mike owns a chain of Saucy Momma pizza parlors. He named the original store after his first wife, who created the original sauce. Now Mike has a chain of six stores with the same name. He is frustrated because all the shops except #4 are doing well. Number #4 is losing money and has been for several months. Mike is also frustrated because he wants to fire the manager of #4 and he can't. Joey is his new wife's younger brother, and she and her mother have told Mike he'd better make sure the “boy” (now in his early 30's) is a success in this job – the first he's had in three years. Mike has talked to Joey, who says he has no idea why the store is losing money. After listening to Joey describe his ideas of how to fix the problem, Mike believes him. Yesterday on Joey's day off Mike spent time at #4. These are some of the things he learned.

- The store is losing an average of \$98 per day.
- It is giving away an average of 14 pizzas a day that are delivered later than the promised 30 minutes from the time of order.
- Mike observed 3 things while in the store:
 - Order takers do not check to see if a driver is available when they promise the 30-minute delivery.
 - Some larger pizzas have to go back into the oven to finish baking
 - All of the drivers are college students. Most have to study the neighborhood map on the wall to find delivery addresses.

Mike was dying to use what he learned to correct the problems at #4 before he left, but he knew if he did they wouldn't stay fixed because Joey wouldn't understand enough to keep things from slipping back. So Mike plans to come back in the morning to walk Joey through what he found and put Joey in charge of making the changes. Mike's big concern is how to explain the situation to Joey so he can see how the problems are connected.

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16

Are the efforts focused on the right problem?

Average 14 pizzas/day are delivered after the 30 minutes promised and have to be given free at cost of \$98 per day

1

What is the business problem?

Store #4 Value Stream

Take Order—Prepare—Bake—Deliver

2

What is the value stream performance Gap?

Customer

3

What parts of the value stream are contributing to the performance gap?

Target Condition

14 late Pizzas per day

1-2 late Pizzas per day

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17

Define Problem as a Gap in Process Performance

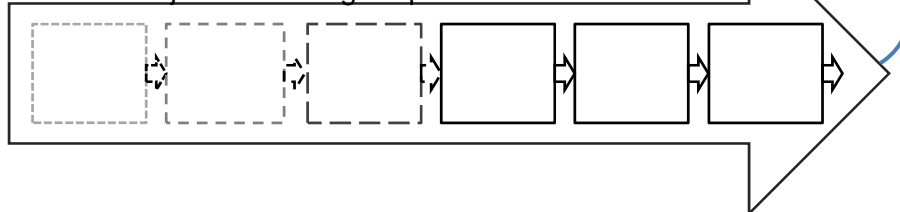
KEY Value Stream Performance Indicator

Quality?
Timing?
Volume ?
Cost ?
Customer Satisfaction?

Actual ———
GAP ↑↓
Target - - - - -

Value Stream (Performing Unit)

Major Processing Steps in the Work Flow



CONTRIBUTING PROBLEMS IN THE PROCESS (VS)?

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18

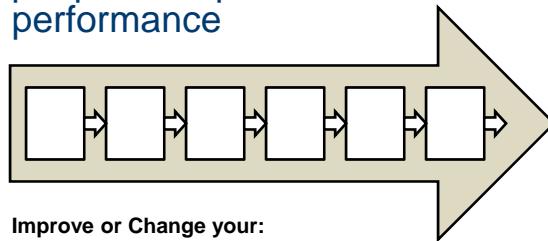
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There's only one way to change those resultsand it's not telling people to improve their performance



Improve or Change your:

- work flow
- work processes
- work methods
- information flow
- support systems

**The
VALUE
STREAM**

To eliminate specific defects, errors, delays, wasters of time and effort in the work that are contributing to those results

OUTPUT:

- 85% operational uptime
- 11% defective products
- 12% of ER patients return after treatment

*Don't Like
the Results
You're
Getting?*

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Lean Problem Solving Process

Grasp the problem situation thoroughly by:

- Defining the gap in performance in measurable or observable terms
- Locating and seeing firsthand the abnormal events and conditions in work processes that are contributing to the gap
- Stating each contributing problem as concretely and precisely as possible



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21

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1
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Store #4 Value Stream

Take Order—Prepare—Bake—Deliver

2
What is the value stream performance Gap?

Customer

3

Order taker does not know status of driver when promising 30 minute delivery

Large Supreme Pizzas are not fully baked by standard time in oven

Most drivers have to find directions on map before leaving the shop

Target Condition

14 late Pizzas per day

1-2 late Pizzas per day

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22

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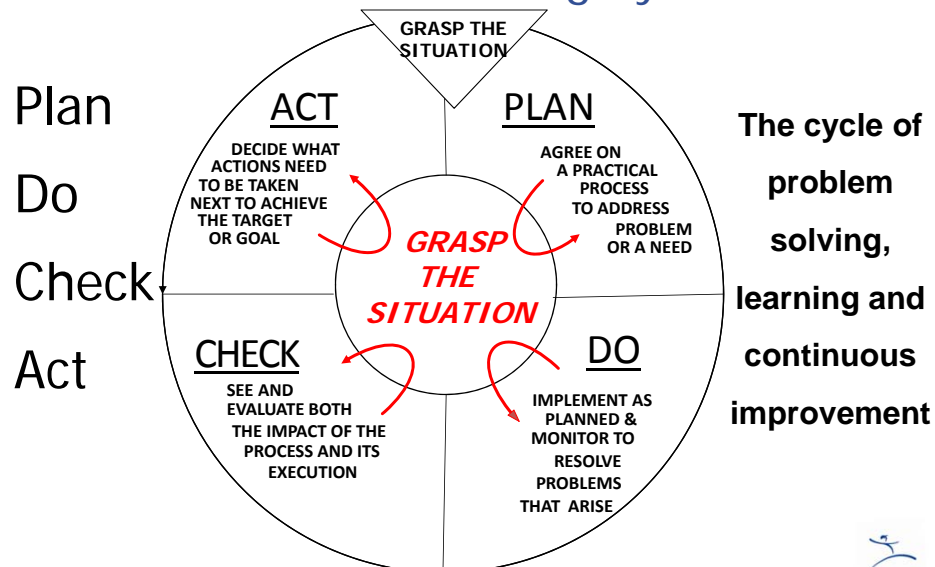
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23

Plan-Do-Check-Act Management/ Problem-Solving Cycle

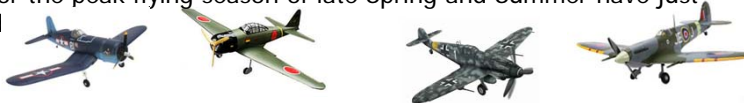


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24

The Defective Warbirds Problem

- You are the line supervisor in the assembly area of a company that makes scale-model airplanes that are battery powered and flown from the ground with radio controls.
- Your area produces replicas of several World War II fighter aircraft under the brand, *Warbirds in Flight*.
- These planes are made from molded plastic and reproduced with very realistic details.
- They are sold fully assembled through hobby shops to remote-control flying enthusiasts for \$300 to \$400 each.
- Your manager has just come to the area and asked you to meet with Quality group immediately.
- The reports on returns for defects in March is being compiled and the distributors are reporting another increase in planes from your area returned with defective landing gear.
- Management wants the problem addressed as quickly as possible because sales for the peak flying season of late Spring and Summer have just started



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25

The Defective Warbirds Problem *continued*

- On the way to Quality office you review the situation in your mind.
- You know three temporary employees were added to the packaging team a month ago to replace full time employees rotated to the assembly line in preparation for the seasonal increase in production.
- You planned all their training yourself. The team leaders say everyone is checked out on their operations. You have been planning on observing them to confirm.
- You know that the number of assembly defects caught at inspection has increased recently but can't recall any related to landing gear.
- All the planes on your line have basically the same landing gear from the same supplier. No other lines have reports of returns for landing gear defects.
- You also remember the change to new foam inserts to better cradle the planes in their boxes last year but haven't heard any mention of the operators having difficulty placing the planes in the inserts
- You remember the distributors first reported a couple of returns from the hobby shops in February. There was a total of five in March. You assume there was a further increase in April. Your manager wants you to learn what's going on by end of shift.



Whom are you going to talk to? What are you going to ask?

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26

Questioning Mind

- What do you actually know?
→ How do you know it?
- What do you need to know?
→ How can you learn it?

Questioning Mind: Problem solving thinking based on getting a grasp of the actual conditions in problem situation ... and assuming you already know

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Where do you start to become a leader of adaptive change?

- Remember the old saying, “the first step is always the hardest?”
- In this case it really is. To become a leader who is capable of leading others in adaptive change you have to start with yourself. You have to adapt to a new role as a leader – one in which you have a fundamentally different relationship with employees.

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29

This is a tough transition for two reasons

- First, the power of long established habits of response and behavior is hard to overcome
- Second, the strengths that have contributed to your success can be barriers to learning new behaviors if you continue to rely on them in the same way

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30

Habits

- **The mind is an efficient machine. It creates routines (habits) and stores them so you don't have to think using your pre-frontal cortex.**
 - Example – learning to drive a car
- **We need to be aware of the habits we have created as leaders inside our organizations – things we do without deep thinking**
 - Sending emails to everybody (rather than talking to them)
 - Creating very large Powerpoint slide decks to make sure we have everything covered
 - Telling our people how to solve problems instead of engaging them to think about how they can solve the problems
 - Imposing solutions instead of defining problems to be solved

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We are not say you need to abandon your core capabilities

- You just need to learn to manage them so they don't dominate in situations where others could develop them too
- First step, you need to know what those skills and capabilities are and try not make reliance on them your default response
- Second step, you need to try experimenting with less developed capabilities which are often complementary to the well-developed ones you already have

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Example

- A core capability of many successful managers and leaders: – asking questions to quickly analyze situations and get to solutions based on experience
- A complementary capability – asking open-ended questions to learn what others know and prompt them to think about how they know what they know and what else they need to learn

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33

Self-Development as a Leader of Adaptive Change

Well-developed Lead/Think Capabilities	Impact on others when you rely on them	Less-developed Lead/Think Capabilities	Times & Ways to experiment using them

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34

Three Ways to Step Up and Lead for a Continuous Improvement Culture

1. When deploying responsibility for solving the right problems focus on being clear about the ends (the outcome) without specifying the means (your ideas for solutions)
2. If the person seems to lack the necessary problem solving capability use problem solving thinking yourself to find ways to help him/her develop without you taking over
3. Be patient with yourself and realize you will need time to experiment, reflect, learn and adjust how you

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35

Deploying Responsibility to Think

What is meaningful responsibility?

It is the difference between:

- being assigned a task to carry out in someone else's plan or delegated responsibility for implementing someone else's solution (*the means to their ends*)
- and having responsibility for the outcome of the project, reaching a specific goal or solving a problem (*the ends*) that requires you to think through what to do and how to do it yourself (*the means*)

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36

Meaningful Responsibility?

1. Over 6% of the pistons from your sub-assembly cells were too rough to install yesterday. You're slowing the entire compressor line down. You need to have the polishing wheels checked before every start up from now on.
2. I saw you checking the display to see how long operators were spending on calls. I know you've seen that the average time is up again. What have you seen or heard that might explain it? How soon do you think you and the team can start bringing the number back down?

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Problem Solving Thinking to Help Develop Problem Solving Capability

- What concerns you about the outcome of his or her problem solving effort?
- What do you see as missing or ineffective in his/her problem solving thinking?
- What is he or she doing or not doing you would like to see changed?
- What can you ask him or her to learn about the problem that will require developing the skill or trying a different behavior

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Look at the **CONTENT** of his/her Problem Solving Thinking

Jumps to Solution – *likely doesn't really understand nature of lean problem solving (slow versus fast thinking)*

Assumes he/she **Knows** what the **Problem** is but describes it in general terms - *likely doesn't realize that lean problem solving is fact-based or know to go to gemba*

Wants to Fix the problem *itself* - *likely doesn't understand cause-effect relationship or the need to address the cause to eliminate the problem*

Assumes he /she has Found **THE Cause** – *likely hasn't experienced a problem returning if don't get to root cause*

Assumes Solution Will Work – *likely isn't thinking of the countermeasure as an "experiment" and hasn't thought of what will indicate it is effective.*

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Developing without Taking Over: *How to Respond?*

Subj: Can you help?

Date: 7/19/2007 7:12:43 AM Eastern Standard Time

From: Mike Holt, Functional Test Team Lead

To: Lee Shannon, CI Facilitator, Control Modules

I've talked to Engineering like you suggested and I'm not getting anywhere. Every time there's a new design they don't pay any attention to how our test fixtures are set up when they decide where to put the interface connections on the modules. Half the time we can't line up the connectors to the test leads on the fixtures and have to get them modified or new ones made. That usually means going to an outside source because the Tool Shop is too busy. I'm sure that's what we'll have to do if we're going to be ready in time to pilot the new modules. Unless you can think of something else to try I am going to start a PO for a vendor to work on the fixtures.

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41

Developing without Taking Over: *What would you ask?*

What's your sense of where Mike is in his problem solving thinking?

(Look at the content options)

What can you ask Mike to learn about the problem situation that would require him to develop his problem solving thinking or change his problem solving approach?

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42

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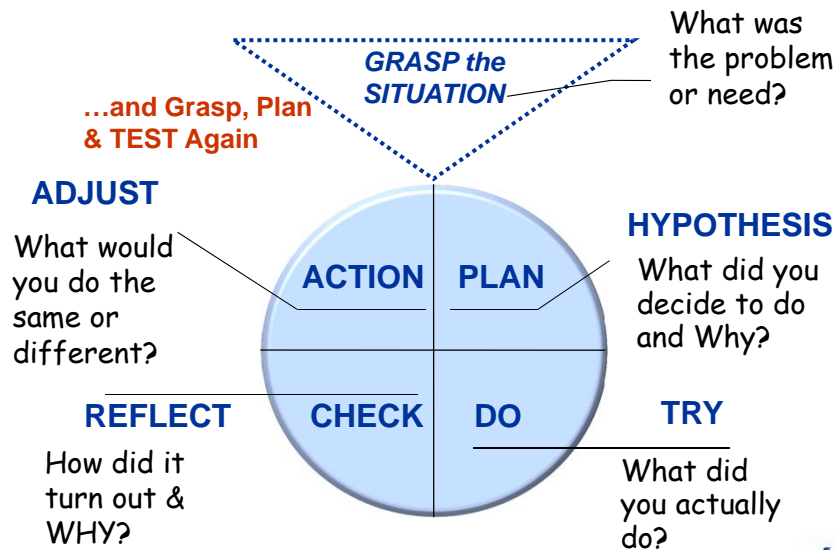
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PDCA is the Process of Reflection



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The Questions of Self-Reflection

- What do I not like about the outcome of that situation or decision?
- What did I do or not do that contributed to that outcome?
- What was I thinking or assuming when I decided to do that?
- What would I decide or do differently now?
- Where and when can I try the new approach and how will I know if it makes any difference?

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EXAMPLES

1. Kirk's Story
2. David's Story
3. What's yours

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47

The New Role of the Leader in **Continuous Improvement Cultures**

- Use value stream thinking as a tool for addressing the performance problems of the business at the operational level
- Insist that employees' problem solving thinking be based on grasp of the actual conditions in problem situation
- Engage and focus employees on addressing the right problems in the operation and show the link between addressing the problems and performance of the business
- Self-development through self-reflection

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48

Dealing with Change:

When things change around you changer
you've got two options: change to adapt to
them or get run over

We talk about problem solving and
continuous improvement but it's really about
survival.

The job of leadership is not just to get
results; it is point to the changes necessary
to adapt and survive to keep getting results.

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