Developing Leaders Into Effective Lean Managers to Improve Performance

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Why Do Contractors Struggle To Get the Job Done the Way They Promised and On Time?

Are their manager’s inept?

No, it’s just that they are approaching the process the wrong way

Need to manage the process instead of attempting to manage the people!

However, this requires a paradigm shift – namely a change in philosophy – not a bunch of new tools
Why Do We Have Poor Performance

- The prevailing business management system crushes the fun out of the workplace
  - Authoritarian
  - Command and control
  - Needs to be more long-term looking or strategic

- Typically too much sub optimization
  - May fix the task at hand but often has unattended negative impacts on the project

- Relying on reports
  - Like looking in the rearview mirror to see where you are going
  - Instead – should use control charts

- Relying on inspections
  - *Problem is it doesn’t work!*
Management Myth

“The workers aren’t as good as they need to be.”

- “Children today are tyrants. They contradict their parents, gobble their food, and tyrannize their teachers.”
  Socrates (469 – 399 BC)

- Managers tends to attribute problems to workers instead of looking at systems

In reality!

- 6 Sigma statistics indicate that people are the problem only 5% to 15% of the time

- Systems failures are a bigger problem
  - (Materials, machines, measurement, methods, and mother nature)
Who’s Accountable for Results?

- Leaders all levels must be accountable for the results.
- The leader must be involved in the execution plan!
- Need to create a culture of execution (action leading to results) – only the leader can do that.
- The problem is when things are going wrong too many leaders tend to increase controls.
- Instead the key is getting everyone to be accountable for the results!
Why Lean Construction?

- The lean process fosters collaboration, better communication, and mutual respect
- Lean focuses on adding value by eliminating waste
- Lean leadership applies lean thinking to create a more effective delivery method
- Lean recognizes there is more than one way to achieve the desired results
- Lean is focused on the concept of alignment and systems
- Lean recognizes management is doing things right – leadership is doing the right thing

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Traditionally, it has been thought the best way to lead was by influence, motivation, and to change people.

The assumption that someone could influence others was the principle of traditional leadership principles.

It was thought one’s experience and knowledge could be transferred to others to improve their performance.
“Organizations have built their structures to allow more people to influence others, which increases management requirements and leads to larger organizations and bureaucracies.”

Prof. Dean Kashiwagi

Kashiwagi’s conclusion about traditional leadership:

1. “It focuses on changing, influencing, and motivating.

2. “Performance is constrained by the capabilities of the followers because it relies on followers being able to adjust to the system or to the influence of the leader.”

3. The model is often found being used with inflexible and complex bureaucracies and organizations.
The Old Way

- Workers resist suggestions
- The focus is on production regardless of quality
- Bureaucratic – not a fun environment
  - Static, internally focused
  - Focused on efficiency
  - Top-down control – controlling workers
  - Lots of written rules and regulations
  - Poor communication
  - Unresponsive to change in environment
  - Static & inefficient rules & procedures
“A 2007 thesis by Dean Kashiwagi identified that leadership is lacking in the construction industry.”

“Research indicates that attempts to increase leadership by using influence are illogical and often unsuccessful.”

“It differentiates traditional leadership philosophy as ‘management based’ and true leadership as ‘alignment’ with no influence which minimizes the need for management.”
The New Way

- Must accept today’s standard is today’s best – but it can be improved tomorrow
  - More flexible
  - Effective
  - Adaptive to change
  - Empowers employees

- Must shed the feeling that standardization is confining
  - Not designed to coerce workers
  - Not about enforcing rigid standards to make job routine & degrading
  - Basis for empowering workers & innovation through participation in the process
Grow leaders that thoroughly understand the work, live the philosophy, and teach others

Develop exceptional people and teams that agree with the company’s philosophy

Respect your extended network of partners and suppliers – challenge and help them to improve

Focus on maximizing value to the client (protect the client)

Develop a system driven organization

Use an effective questioning process

The greater the system’s complexity – the greater the need for collaboration – construction is one of the most complex systems
### Lean Leadership Is About Enabling

<table>
<thead>
<tr>
<th>Coercive Systems &amp; Procedures</th>
<th>Enabling Systems &amp; Procedures</th>
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<tbody>
<tr>
<td>▪ Focus on performance standards to identify poor performers&lt;br&gt;▪ Standardize to minimize training &amp; monitoring costs&lt;br&gt;▪ Design systems to keep workers out of the control loop&lt;br&gt;▪ People are directed to follow, not challenge</td>
<td>▪ Focus on best practice to achieve peak performance&lt;br&gt;▪ Allow customization depending on skill/experience and allow flexible improvisation&lt;br&gt;▪ Help people control their own work&lt;br&gt;▪ Systems are current best practices, but to be improved</td>
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Change In Direction

- Experts conclude leaders can increase efficiency and productivity by correctly aligning resources
  - Change the system – not the people
- This approach holds the leader accountable
- Maximize efficiency of current and future resources by creating a system that holds everyone accountable to do the best they can do with minimum management
- Lets explore the Information Measurement Theory
“IMT IS A DEDUCTIVE LOGICAL EXPLANATION OF AN EVENT. IT INCLUDES THE USE OF RELATIVE AND RELATED DATA TO CREATE INFORMATION THAT PRODUCES THE FUTURE OUTCOME OF AN EVENT.”

DEAN KASHIWAGI, PH.D. @ ASU
Objectives of IMT

- Minimize subjective decision-making
  - Need to use data and deductive logic instead
- Minimize data required to accurately transfer info
- Identify relationships between information usage, processing speed, and performance
- Identify a structure that minimizes the requirements for management
- Optimize processes by identifying and removing steps that add no value or increase risk
An Event

Initial conditions → Laws → Time → Final conditions

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Event Truth

• Events happen only one way

• Events are predictable with all information. More information results in more accurate predictions (but too inefficient to collect all information)

• An Information System should pass the minimal amount of information

• There is no wrong event and everyone is needed in the event

• Reality is reality regardless of someone’s bias or perception
• The **more** information we have before the event, the easier it becomes to predict the final outcome.

• The **less** information we have before the event, the harder it becomes to predict the final outcome.

• However, the lack of information will never change the final outcome.

• The information system should minimize decision making and surprises – need to do with minimal amount of info since too inefficient to collect all info.
Cycle of Learning
All Individuals Learn at Different Speeds

100% Information

Perceive

Change

Process

Apply
“Types” of Individuals

Perceive
Change
100% Information
Process
Apply

Reality: The more “perceptive” individual perceives at a faster rate, changes at a faster rate, and makes more accurate predictions.
Exercise on Individuals
(Type A or Type C)

<table>
<thead>
<tr>
<th>Type A</th>
<th>Type B</th>
<th>Type C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceives more information</td>
<td>Knows their constraints</td>
<td>Controls other people</td>
</tr>
<tr>
<td>Measures performance</td>
<td>Manager</td>
<td>Emotional</td>
</tr>
<tr>
<td>Long term planning</td>
<td>Works harder</td>
<td>Gets surprised</td>
</tr>
<tr>
<td>Prepared</td>
<td>Makes decisions</td>
<td></td>
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Exercise on Individuals
(Type A or Type C)

Type C
• Expectations of other people
Type A
• Self discipline of leader
Type A
• Accountability of leader
Type C
• Influence other people
Type C
• Ability to change other people
Type A
• Leadership
Type A
• Putting people in the right job
Type A
• Identification of who everyone is & where they fit best
Type A
• Align personnel in optimal configuration
## Leadership vs. Management

<table>
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<th>Leadership</th>
<th>Management</th>
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<tbody>
<tr>
<td>• Strategic</td>
<td>• Tactical</td>
</tr>
<tr>
<td>• Influence</td>
<td>• Do the work</td>
</tr>
<tr>
<td>• Empower</td>
<td>• Control, direct, inspect</td>
</tr>
<tr>
<td>• Provide an environment to improve</td>
<td>• Rules that maintain status quo</td>
</tr>
<tr>
<td>• Decreased information flow</td>
<td>• Increased information flow</td>
</tr>
<tr>
<td>• Minimized decision making</td>
<td>• Increase decision making</td>
</tr>
<tr>
<td>• Performers are the key</td>
<td>• Manager is the key</td>
</tr>
<tr>
<td>• Minimized meetings with key personnel</td>
<td>• Redundant meetings with everyone</td>
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</table>
Why Is This Critical to Effective Leadership?

- All individuals are necessary in an event
- No individuals are “better” or more “important”
- Clients must understand there are individuals at different levels. All are important. All are necessary for the event.
- Those who change at a slower rate are constrained by their capability.
- The rate that an individual changes is always the right rate for that individual.
- Information System must not threaten any individuals (or they will resist the system)
Lessons Learned From IMT

- Don’t trust anyone!!!  Trust the data!
- Experience or information has value
- How we look at life is subjective and may not always be in our best interest
- It’s important to know what we don’t know
- It’s important to be able to predict the future outcome
- You can put yourself in a position where you have “no way to win”
Lessons Learned From IMT

- While you control your own destiny, it may seem as though you can’t if you’re not using the right information
- Measure yourself and your organization’s performance
- Efficiency is doing less work
- Minimize subjective decision making
- Minimize Type “C” characteristics to become more efficient
- Leadership is about being proactive – not working around problems
It Works!

Dr. Dean Kashiwagi

- Kashiwagi’s best value PIPS structure has outstanding success aligning resources using dominant information

- If leadership is alignment, structures and processes can be created to align resources based on ability to perform
Leadership: “the art of getting someone else to do something you want done because he wants to do it.” General Eisenhower

Big difference between “presiding over” and “leading”

Obstacles to effective leadership:
- Leaders tend to be big picture people
- Leaders don’t want to micromanage
- Leaders don’t understand their role in the execution process

The true leader recognizes his or her role is to insure those executing the work are:
- Qualified
- Understand what’s needed – the desired results
- Have the necessary resources
- Have a plan that will work
- Are committed
Leadership Requires Involvement

- Ask questions of subordinates or subcontractors
  - Who does work?
  - What resources needed?
  - How to measure accountability?
  - Will plan deliver the desired results?
  - Will it work for all stakeholders?

- Asking questions of the unqualified doesn’t work – therefore leader must make sure the right people or subs are assigned the tasks to be performed

- Mentoring by asking questions
  - Ask questions about situation
  - Ask people for their strategy for action
  - Many people avoid offering ideas even if they have the answer – encourage them to contribute
Benefits of Asking Questions

• Creates dialogue!

• It empowers people:
  • Control over what they do
  • Learn the process
  • They are involved and own the solutions
  • But must listen with a willingness to change your mind

• Leaders can begin a project knowing the process is adequate and understood

• Any problems uncovered can be addressed:
  • Replace those assigned
  • Provide more coaching to those assigned
The industry needs the motto:

“We don’t just build buildings, we build people”

With critical shortages of quality people – our greatest asset
- Managers
- Skilled craftspeople

We must therefore develop our own
- People tend to live up to your expectations – so why not raise them
- Use strategic planning as a growth process
- Provide technical training and development – both classroom and on the job training
- Find people that fit your culture
- Don’t hire based totally on technical skills and resume – attitude is key
- It’s critical to invest in the selection process to get the right people!
Jim Collin’s Leader

- Get the right people on the bus in the right seat
- Level 5 leaders channel their ego to company – not themselves
- Level 5 leadership not based on charisma
  - Makes them unable to change
- Level 5 leaders have an unwavering resolve
- Level 5 leaders are modest – window and mirror comparison
Please take a minute to write down 2 to 3 action steps that you want to immediately implement from this program.

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Take Away Points

- Traditional leadership is based on influence, change and control. This includes leadership training, incentives, and other education programs.

- It’s never been proven that leadership influence can increase a worker’s capability.

- “Leadership is perception and alignment: management is influence, control and direction.

- Alignment is adjusting the structure/environment to fit constraints of the workforce.
Take Away Points

- Management identifies the workforce as the problem; leadership identifies the workforce and aligns them in the most productive positions in an optimized system.

- Alignment leadership focuses on changing the system, while traditional leadership focuses on changing the workforce.

- Many experts, including Deming, Collins, Walsh, Buckingham, & Drucker identify that leadership is alignment.
“Leadership model of alignment can be put into a structure, replacing the need for personnel leadership in project management.”

“When a comparison is made between the effectiveness of traditional leadership and leadership alignment models, the leadership alignment model is significantly more successful.”

If leadership is not influence but alignment – perceptive individuals who can discern the constraints of others, can align them to productive positions.