People Centric Leadership
In Pursuit of Continuous Business Improvement using Lean Thinking

Tri – Association Manufacturer’s Conference 2014
“You are not here merely to make a living. You are here in order to enable the world to live more amply, with greater vision, with finer spirit of hope & achievement. You are here to enrich the world, and you impoverish yourself if you forget the errand.”

Woodrow Wilson, 1913
(In a speech to Swarthmore College)
The Power of Business, the Power of Lean

Business is the economic engine of our society and has the opportunity to impact our culture!

We have been paying people for their hands for years, and they would have given us their heads and hearts for free

- if we had just asked.
Why our Business Embraces Lean

- We believe the best way to create a sustainable business, sustainable employment, sustainable business partnerships is through lean thinking.
- We believe that the respect for people side of lean gives us the best way to develop and challenge our teams, to create fulfillment and engagement, and to best express our leadership mission.
- It is the best way to effectively engage our people and our team’s in the shared ownership of our business, and its performance to our clients.
- Through our focus on people, we maximize the potential of lean philosophies.
CPI Brief History of Lean

- Started lean journey in 2004
- Worked closely in early days with SA Partners as lean leadership teachers
- Applied Lean Business Model, and business wide definition of lean
- Leaders “learned to see”, beginning to understand the human aspect of lean sustainability 18 months later after failure to sustain results
- Progressive improvements, growth in business and the beginning of a system of improvement and sustainability of results
- Maturing into a deeper understanding of lean in recent years, recognizing the significance of the organizational learning journey, importance of the lean extended enterprise, and the significant cultural shift at the leader level
- Engaging our team at a deeper level, changing our leadership model to people centric leadership – embracing Guiding Principles of Trusted Leaders
Definition of Lean

Creating a path to

**Profitable Growth**

Driven by providing the best possible

**Client Value**

Enabled by the ruthless and relentless elimination of

**Waste**
Definition of Lean

Maximizing Client Value with the Lowest Amount of Resources
Lean Growth Model
Lean Business Model

Original source: Professor Peter Hines
Benchmarking Toyota's Supply Chain: Japan vs U.K.
The majority of business leaders do not understand the Toyota Production System, and have interpreted it through traditional western business thinking.

The Respect for People part is at best misunderstood, but normally ignored.
The potential of Lean has been sub-optimized by the focus on waste elimination.

The real POWER of Lean is to fully engage people’s heads and hearts to create habits that result in Achievement and Fulfillment.
Creating and Sustaining a Lean Culture

- People-Centric Leadership
- A Clear Vision & Direction
- Personal Success & Achievement
- Recognition that creates Fulfillment
The primary focus of leadership is to create an inspirational environment for people to embrace, implement, and live Lean concepts.
People-Centric Leadership begins with:

- Development of our teams
- Providing people the opportunity to find achievement & fulfillment
- Creating caring leaders
- Positively impacting the lives of the people that touch
- We commit to a sustained leadership model that creates a culture where each of us returns home with a sense of achievement and fulfillment.

“Measuring success by the way we touch the lives of people.”
People Centric Leadership

**Responsible Freedom** - unleashing the power of people to take ownership

**Continuous Improvement** - completing meaningful work in collaborative teams

**Challenge** - personal and leadership development through challenge, achievement, improvement

**Recognition/Celebration** - creating a sense of fulfillment in every team member
Businesses don’t change!

- Businesses do not change, people change the way they conduct business.
- Lean and new processes & technology do not change business. Business changes because the way people interact with new technology.
- Businesses change when people change
  - Who in your business is qualified to help people to learn how to change?
  - Who in your business has consciously changed themselves?
Businesses don’t change!

- Only 10% of employees look forward to going to work and **most point to a lack of leadership as the reason why**, according to a recent Maritz Research poll.
- People fundamentally want to know that what they do matters **while being respected**, challenged and recognized for their roles.
Businesses don’t change!

It is important to focus first on people, and reaction to change

PURPOSE – PROCESS – PEOPLE

TO

PEOPLE – PURPOSE - PROCESS
True leaders sustain lean transformation through consistent, positive communication.
Businesses don’t create change, people do!

In our culture, it is always important to ask:
How does this make you feel?

People will forget what you said, they will forget what you did, but people will never forget how you made them feel.

Maya Angelou
The potential of Lean principles, when applied with People-Centric leadership, can have a profound impact on the culture of an organization and our society.

Singular focus on waste elimination and profit improvement lacks a purpose that is principled, inspiring, and sustainable.
The Power of People Centric Leadership

- Vision
- Direction
- Motivation
- Achievement
- Recognition
- Personal Fulfillment
- Business Improvement
People Centric Leadership & Lean

People Centric Leadership an Essential Element of Lean

- Lean is a transformational change journey
  - Personally (in the way we think, what we believe and how we act)
  - Organizationally (in our culture of continuous improvement & human engagement)

- People don’t resist change, they are fearful of its affects on them. Therefore to successfully engage people in lean, there must be:
  - Clarity of vision, direction, purpose and intent (start with why)
  - A feeling of trust and safety (my company is engaging in lean for my benefit)
  - Mentorship & coaching to teach the new thinking & beliefs
  - Autonomy to make changes closest to where the work is being done, nearest the process

- Traditional “management processes” control resources & people. Lean thinking and transformations need leadership.
  - Leaders need to release control, not responsibility
  - Leaders need to be trustworthy
  - Leaders need to care about the whole person on their teams, not just the employee
  - Leaders engage people in the achievement of the company
Essence of People Centric Leadership

People Centric Leadership an Essential Element of Lean, and Just Smart

• Lead the People, not the Numbers
  • The myth of Shareholder Value
  • Shareholder Value is an outcome; and people create results & outcomes
  • Firms of endearment are more successful

• So goes the Culture, So goes the Company
  So goes the Leader, So goes the Culture
  • Leaders own the culture of people centric leadership
  • True Power comes from personal power vs. position power
  • Value in group thinking & group living

• Leaders Must be Trustworthy
  • Leaders must be trustworthy – focused on other’s; credible; reliable; open & vulnerable
  • People will not engage without trust. People will not risk without trust.
  • Leaders need to sacrifice themselves for their people & teams; not sacrifice their people for themselves
  • Leaders are expected to run Toward danger
  • Leaders must have integrity
People Centric Leadership an Essential Element of Lean, and Just Smart

• A Sense of Safety
  • People are social beings. They need to trust that their leaders, co-workers & teams have their back
  • People will not attempt to achieve new levels of performance without feeling safe
  • Failure must be a learning process & feedback, not a step toward loss
  • Team collaboration & interdependence comes only with a sense of safety and care for others

• Leader’s Focus on the Whole Person
  • Leaders engage with people & teams as whole people, not just their “employee role”
  • A wider care for their families and communities
  • Seek personal growth, development in their life – share in that responsibility

• Learning, Personal Development & Autonomy
  • There must be an organizational commitment & expectation to learning & personal development
  • Opportunities for development are shared, open to team feedback and learning, watch blind spots
  • Autonomy is an important part of motivation, give authority to those closest to the information

• Fearlessness
  • Fear is a strong emotion limiting success. We must work together to overcome it.
  • Fear of failure, fear of mistakes, fear of risking, fear of success – the great disablers
"People will support a world they help create."

- Dale Carnegie
The Power of People Centric Leadership

Through People-Centric leadership we align …

• the **head** to a vision
• the **heart** through inspiration

• the **hands** to continuous improvement

The results are … extraordinary levels of **trust**, **FULFILLMENT** and **performance**.
People-Centric Leadership