

The Lean Practitioner's Field Book

Proven, Practical,
Profitable, and Powerful
Techniques for Making
Lean Really Work

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A PRODUCTIVITY PRESS BOOK

Lean and Value of the Person^{*}

What Would it Take to Own this Scorecard?

Results: The 21-Month History Went Like This

- Sales went up 400%.
- Profits rose to 30%.
- Employment went up 300% (the workforce grew to over 1000 employees).
- Productivity rose 64%.
- Labor grievances declined from as many as twelve per week to one per year.
- Quality of the product became the best in the history of the plant.

The Pittron Steel Foundry exceeded the goals of their five-year plan in less than two years, and in the short space of twenty one months, it moved from a deficit of 6 million dollars to a profit of six million dollars—a profit-loss swing of twelve million dollars.

At the heart of this story is Wayne Alderson, a man of vision and faith. A point man who proved that when you reach the hearts of your people, you will achieve the *remarkable*. He took his Value of the Person (VOP) principles to the marketplace, the boardroom, and the shop floor and produced dramatic results all as a by-product of doing what is right (Figure 32.11). So on your journey to impact *your* bottom line, remember this scorecard and how it was achieved through the VOP–Theory R (Figure 32.1). Wayne Alderson has truly left us with a legacy. He was a messenger of the Value of the Person and committed 40 years of his life teaching others what can happen when the VOP becomes a way of life at work and in our homes. We are now charged to take these proven truths and see how they can become transformational for you (Figure 32.2). As you read on, you will see the dramatic impact of this commitment through the stories of countless organizations who have been transformed by the VOP. We have all been told that one person can make a difference. You can be that person too!

You Can't Be Lean without the People

One of the central tenets of Lean is respect for humanity. But what does that mean and how does that look in the process of transforming the *traditional* to *innovative*? At first glance, who wouldn't want to experience all that Lean can offer? But the realities of changing not just processes but people into a new way of thinking and working is the center of the biggest challenge.

Wayne Alderson's challenge is something you dare not ignore.

^{*} Contributed by Nancy McDonnell, Joe Cuske, and Paul Limbach.¹



FIGURE 32.1 VOP logo. (Courtesy of VOP consultants.)



FIGURE 32.2 Wayne Alderson (June 7, 1926–February 22, 2013) Founder of Value of the Person consultants. (Courtesy of Nancy McDonnell.)

It is not just the buy-in to the process from the company that will make Lean successful, but it is the combination of buy-in and sense of belief, from the people who need to make it happen. This is the most critical variable and the differentiating factor between you and your competition.

How do you tap into the hearts of your employees so they embrace the transformation into Lean? How do you get your employees to see the change not only as a way to build their company but a way to offer long-term security to their families as well?

Let's take a look at some experiences that others have had while in implementing the Lean process. See if you can relate to them on your journey and see what it tells you about where the people fit in.

Too many managers hear about Lean manufacturing, continuous flow processing, or line balancing, and they conjure up ideas of smooth-running power conveyors automatically transferring parts to

robotic work cells specifically set up to maximize throughput and productivity. Now that may be true in a few applications, but in situations where most of us work, this is not the case. Transformation to the Lean concept is not about automation and robots but requires transformation from the people to make it happen.

Introduction to the Lean revolution usually goes something like this: we go to a workshop or seminar and see the accomplishments of Lean processes somewhere else. We hear the great numbers on productivity gains and return to our plant, energized. Anticipating the same successes, we decide to implement a Lean test line or a Lean test area to see how it works.

The usual process is to get together with a few engineers, a maintenance guy or two, and an up-and-coming manufacturing guy to facilitate the change. What a plan. We then lay out the line, buy some new tools, maybe do some videoing, and then decide how to lay out the work flow.

The next steps involve getting the line workers together and to have a small informational meeting on what we are trying to achieve, place each of them in the new formation and instruct them on what “we” want them to do at each location. Does any of this sound familiar? Now, this may not be the way all Lean lines go in, but I am also sure that we have hit on a few of the steps used to put one of your lines in. So what is missing in the aforementioned scenario? Regardless of your type of launch into Lean, big or small, you will never be Lean without the *people*.

What Does Respect for Humanity Feel Like to the People?

We have all heard the cliché; people are our greatest asset, but chances are the way you are currently operating and the way you will operate your Lean line will barely include this great asset. The technical and scientific aspects of Lean are easy to grasp, they are comfortable, exciting, and offer tangible control. It is the people aspect that becomes the greatest challenge. Respect for humanity, one of the central tenants of Lean, can be translated into respect for and trust of your people. So what should this tenant look like for a Lean organization?

A successful Lean program, whether it is a small test launch, a complete manufacturing line, or a complete factory, will depend upon how well you engage and spend time with your people. They need to understand what you are doing, why you are doing it, what you would love to accomplish, and what you expect to accomplish. The more your people own the Lean process, the stronger it will be, but for them to own it, they have to be empowered by the people who have the vision for it...you!

Employees involved in the program will of course desire to know what difference the new processes will make to them personally. Typically, they will ask the question, “What’s in it for me (WIIFM)?” Why wouldn’t they think this? Employees have “seen programs come and seen programs go.” For the most part, these new philosophies have too many times translated into jobs being cut, layoffs, or from the employee’s perspective, more work for less pay. So to the people, why would Lean be different? As leaders, do not let these common perceptions turn you off and keep you from engaging with your people. They should be viewed as a reason to engage, an opportunity for honest discussion (communication) and understanding.

If Lean is to be successful, the people need to be included in the bigger picture, but they cannot see it if we do not share it with them. We need to remember that employees are not the ones who had this vision to switch to Lean manufacturing. So, in order for our people to feel our respect they must be engaged in the process.

The people need to see the vision. They need to understand the *why* and *how* they are doing a task fits into the betterment of the whole plant’s performance. Employees want to know how changing what they do will impact the betterment of the entire organization. And they need to see how bettering the operation will better themselves and their families. The Lean concept is one that addresses the greater whole, the system. The sooner your people make this correlation and experience increased communication, managers working together, and the betterment of relationships within and across departments, the sooner they will begin to trust that Lean is working and will work for them.

Recently, at company X who are just starting their Lean journey, I was invited to several meetings that involved senior management, floor management, and shop floor personnel to explain Lean. After a brief introduction by management, they asked if I had any comments. I started out by saying that all management including myself are overhead and add no value to the customer. It is only those who assemble, turn wrenches, etc., that do add value. So our role is to be resources to the floor (gemba) to ensure that we provide everything they need so the customer's needs are met. After my statement, the floor employees felt that they were an integral part for the success of this company and problems were brought up. This is the beginning of that development of respect and trust (respect for humanity) throughout all levels of the organization.

We have all heard that we are only as good as the weakest link in the chain. How does that really apply to what we are talking about on our Lean roll out? The cliché needs to be explained in real terms so the people not only understand but truly realize the Vision. For employees to believe in Lean, they need to trust the messengers and be led by managers whom they want to follow. Managers check their egos at the door and become servant leaders (resources) who show their support for their team(s).

This is where leadership and not managership comes in. One of the key components to exploding the bottom line in Lean is found in the organization led by leaders who value. Employees will value the leader who values them. And when your people choose to follow because they believe in the vision of their Leader, you will experience a team of people who will support you for real!

To be successful in Lean, you must have this help and support. This means that you need others to buy in to your vision to help you attain your goal. Implementing Lean with your team is no different. People need to feel like they matter to the organization and the specific task at hand. To implement a Lean process without buy in from the people is dangerous and will hamper the immediate success of the new project. Think of it this way; when the team members (employees) feels ownership, they are more willing to suggest ideas to enhance the project. The more employees at all levels feel valued, the more genuine and creative their impact will be. Inviting your people to join *with* you to be sculptors of the vision will help to root Lean into a way of thinking.

The bottom line is this. Create an environment where people feel valued and you will create a level of communication where employees are willing to not only contribute but to listen as well. Fostering this type of environment will result in relationships being formed between managers and the people working on the Lean line. This dialogue will build both trust and respect within an organization. If the people whom we expect to actually accomplish our desired results are given respect and shown they are appreciated, we can achieve results that far outweigh those in an environment where the people are just taken for granted. In reality, most managers find it more comfortable to focus on the technical side and manage within their comfort zone.

Three Major Parts to a Successful Lean Implementation

1. The equipment
2. The layout
3. The people

In the implementation of the Lean process, beware of resting on your laurels, reveling in the glory of successfully putting in the first two parts. Don't allow the feeling *we are almost there* to stop you from getting there, which is a pitfall so many companies make. With the amount of energy and work it takes to get the product to flow and equipment put into place, it would seem that the people part would be easy. But, in the big picture, equipment and layout are just the beginning. These two components, with the technical and scientific talents out there, are what most organizations successfully complete. It is this third component, the people, that holds the key. They are the unknown variable, the factor differentiating you from all others in your industry. Your people are your competitive edge; yet, how many of us really view our people in this way?

The question is, “How much time do you spend with the people, building relationships and creating a culture that allows you to tap into your greatest untapped resource?” Some would pose the question: “Should not 3 happen concurrently with 1 and 2? What do you think?”

The key to profitability is differentiation. Everyone can eventually learn to do the math required to balance flow and develop proper tack times. Anyone can buy equipment. Your competition can normally buy the exact same things you currently have or decide to purchase. The major point of differentiation no one else can copy is the *people*. Every company can hire people, but do they have the ability to tap into their people to generate a desire to make the difference?

The *key factor*: Develop the relationships it takes to make your people the reason *why* your Lean line works. You can't buy your way into Lean. *You need to love your way into Lean! Passion is a requirement for Lean!*

Lesson Learned: *Remember, you can't be Lean without people. And your people won't help you implement Lean to the best of their ability if they are not part of a culture that lives out the principles of the Value of the Person (VOP), treating people with love, dignity, and respect in an environment of trust. And your people won't follow managers unless they are managers who lead with heart and spirit. Managers must become leaders that treat everyone with respect so that trust may be developed.*

What Does Love Have to Do with Lean? (Figure 32.3)

Company X sends one of their toughest supervisors to a VOP–Theory R seminar in Pittsburgh. The concepts of the VOP, leading your people with love, dignity, and respect, touched a cord and challenged this supervisor to look at how he truly was living his life at work, how he was really treating his people, and more importantly, how he was living his life at home.

He learned about Theory R Leadership and saw the impact it could make for him at his company, but it would require change from him and change from his leadership and his employees. This manager saw something he wanted, and he decided to take the principles to heart and be a change agent for this way of living and leading in his department. This one supervisor became the catalyst for change within an entire organization. Because of the change in his behavior and style of leadership, the department started to experience great results: absenteeism, scrap, and grievances all experienced significant reductions. Management started to take notice. Soon, a team of managers and union leaders were sent to check out the seminar as well. When they returned to the plant, they too were excited about what the VOP–Theory R principles could do for them, at work and in their home.

The upper management started to listen and became interested. How could such a diverse group of union and management leaders all be united on a principle of leadership? It was because they experienced something that touched their heart. It was a principle they all embraced. How unique; joining together on something we can all agree on. Each one of them wanted to be treated with value, love, dignity, and respect. Why not make that the foundation and focus of how the plant would be run?

Company X stepped out on a journey that brought a dramatic change to their culture. They started in one plant, presenting the seminar to groups of management and employees together. And they invited their spouse or significant other to attend with them. How great would it be if you could create an environment at work that is positive, where people feel good about themselves, and are able to carry that positive energy into their home!

The principle of valuing each other with love, dignity, and respect was made real as employees and managers alike began to focus on how that would need to look within their plant and then their shift and then their department. What would this need to look like individually as they performed their job responsibilities? The VOP became the focus of how they treated each other. Soon, impact was seen on the bottom line and the CEO started to ask questions. What is happening there?

The CEO attended one of the seminars with the people, supporting their efforts to change culture and leadership style. Impact was seen and felt from the boardroom to other divisions and other plants. This change to a culture based on the value of the person has impacted their ability to not just survive but to thrive as an industry leader. It has played a significant role in the implementation of Lean because its roots are based in a culture that engages and empowers the people.

Lesson Learned: *One person can make a difference! The VOP begins with you, one person at a time. When you engage employees and train managers to lead with the VOP–Theory R principles, you will create the type of culture that supports the Lean vision. Share the vision for Lean to an employee base that is committed, loyal, and valued by leaders who have built relationships along the way and you will experience the power of Lean. Results will become a by-product of doing what is right!*

VOP Principles of Love, Dignity, and Respect

What is so right about valuing another person? It is a basic part of our humanity.

There's not a person in any organization—executive, manager, supervisor, or team member (worker)—who doesn't have that thirst and desire to be valued. However, in the workplace we do not traditionally want to admit this openly to one another. On the other side, an organization rooted in Theory R openly recognizes and makes decisions based on this tenant, that everybody needs thirsts and desires:

- Love
- Dignity
- Respect

Theory R contends that every person in the workforce, manager and employee, has a deep-seated human need to be loved, to be treated with dignity, and to be respected. And, the organization that makes decisions based on this knowledge of the human spirit will see carryover to a better bottom line.

What Does Love, Dignity, and Respect Look Like in the Workplace? (See Figure 32.4)

The VOP principles are rooted in basic truths of life. Simply stated, a person functions best in an environment that is rich with love, dignity, and respect. The facts are clear: people work better in a workplace where others *affirm* their presence, *appreciate* the fruits of their labor, and recognize and respond to the contributions they make.



In-house training



FIGURE 32.3 Nancy and VOP class. (Courtesy of Nancy McDonnell.)



FIGURE 32.4 Putting people first poster. (Courtesy of Paul Limbach and VOP.)

Love Can Be Experienced through Acts of Affirmation

Love is a basic human need that plays an important role in a person's growth and development. It is the heart of what the VOP is all about. It is not a sentimental emotion but rather an expression of steadfast, unconditional caring for another person. It reflects a willingness to walk the talk at any cost. An employee may work but never fully participate, contribute, or develop a loyalty to the organization unless he or she is shown love. In the workplace, love can be expressed through acts of *affirmation*.

Exercise: So why not think about your operation:

- How much is lost to your bottom line when there is a lack of trust, poor communication, and a missing sense of belonging?
- How much is lost to your organization when your workforce has a lack of connection to the objective of your business?

Lesson Learned: *A workforce that feels as though the organization embraces and affirms them as people will respond positively and the impact of that response almost always flows to the bottom line.*

Equate the impact of what this could mean to you as you hear of the ways other leaders and their organizations made the intangible principle of affirmation a tangible reality and how this impacted their bottom line:

1. "We started to give our teammates the benefit of the doubt, assuming they did not mean to make a mistake rather than taking the attitude that they intentionally wanted to cause a problem. And we found a tangible way to do this so we were seen as leaders who were engaged and cared. For example, in a 24 hour transit operation, things would come up at the end of the shift that would preclude you from being able to properly *set up* the next shift for success. Instead of complaining and assuming they were just being lazy, we made a commitment to assume the best and would now ask, "What happened yesterday for you that didn't allow you to set things up properly for us? We figured that something big must have happened." This shift in attitude may seem small, but the impact was huge. Over time, it resulted in great teamwork between shifts, something that was a major problem prior to VOP. By taking time to find ways of affirming, we started to meet our goals for which we were judged."

2. "Supervisors and managers said thank you and please more often when asking staff to step up. They consciously dropped the attitudes so often portrayed by the traditional manager, "I am paying you time and a half to fill this shift so why are you complaining?" It would seem to be an insignificant shift in leadership, but as a result of actions that affirmed the employee, employees in turn stepped up sooner and volunteered to fill shifts. We went from having forced overtime to no *out of service* and zero forced overtime. This was huge to our business and in my eyes clearly demonstrates the importance of leadership style. By modeling better behavior, we created a better bottom line. Everyone began to work together and care (affirming) their fellow teammates and our customers."
3. "Maintenance is a key factor in a bus garage. When the maintenance group began asking drivers what was wrong with the buses when they came off the road, it communicated to the drivers that maintenance really cared about them, their problems, etc. By the simple shift to become proactive with creating a positive relationship between the workers, maintenance now had a chance to prevent issues, service ran smoother, drivers were happy, and our customers were very satisfied. It is a perfect example of how business goals can be met as a by-product of making the principle of affirmation the standard for leading your people."
4. "As an organization, we began to make changes and do certain things that would be seen by our people as a tangible demonstration that we did value them and wanted to affirm the fact that we understood the things they were up against in a very tough work environment. For instance, in a large foundry operation, it was tough to have great lines of communication, so that our people would know all the things that were happening in the foundry, not just operationally but with them as a team working together both union and management. To address this, we installed three 50 in. monitors at the plant programmed to provide a continuous stream of information for employees. We included information on benefits, activities that were available to them, family events, and accolades toward employees."
5. "We installed a six-terminal computer lab with 24 hour access for employees, once again communicating that we know and care about the obstacles that they face in their daily lives. The decision to make these monetary investments was simply the right thing to do (Theory R). By making a shift in our thinking as an organization to find ways to be proactive on how to better serve and affirm our employees, we recouped far more than our investment. The impact on the plant was immeasurable by creating a sense of family, loyalty, communication, pride, and trust. By demonstrating that we live what we say, we believe that our plant has experienced a better bottom line not just because we are a great management team but that we are one team that gets it."

Equate what could happen if you would mobilize your people, as these leaders have done, to willingly and enthusiastically work *with* you to not only achieve but exceed your Lean manufacturing goals? There is power in *partnering* through strong relationships. It is your edge, the unknown factor that your financial people may not be able to factor in, but in fact is the secret to beating your competition. Most companies don't get "what love has to do with it"!

Dignity Can Be Experienced through Acts of *Appreciation*

Dignity is the cornerstone for self-worth and self-identity. It relates to how each of us regards our own value to our workplace, our family, and our community. To a great extent, a person's sense of dignity is influenced by their environment and by the ways in which we are treated in casual, daily interactions. Any message that conveys to a person, "you can readily be replaced," chips away at a person's sense of dignity. However, when an employee's dignity is supported by a message "you are needed here," they will feel inwardly strong and secure. The secure employee is more likely to be positive and to manifest

increased dedication and creativity to the organization. Expressing *appreciation* is the means by which the message of dignity can be conveyed to others.

A workforce that feels like the organization embraces and appreciates them will respond positively and the impact of that response will always flow to the bottom line.

Equate the impact of what this could mean to you as you read the following stories. See how other leaders and their organizations made the intangible principle of appreciation a tangible reality and how this impacted their bottom line:

“We started to examine ways in which we were allowing people to act in the business, which in the end made people feel they were not appreciated as a person of worth and dignity. We began to see that some of the actions that we just accepted from our people were picking away at the self-worth of our employees. We did things such as no longer tolerating name calling, offensive pictures, or posters. We began to focus instead on building up the dignity of our people not based on job title but because of who they were as a person. One of the standards that we put in place had to do with the break room. We no longer were going to accept employees who would not clean up after themselves and leave trash everywhere in the break room. Everyone was asked to clean up after themselves and to not cop the attitude of leaving it up to the janitors, just because it is the janitor’s job. This shift in thought and action not only impacted the janitor but in the end impacted the thought process of the entire team throughout the organization. If we respect the lowest job, and in the case of our bus garage, it was the lowest job, then what does that communicate to everyone? Even though as a janitor your job is to clean up, you still are a person of dignity, and by demonstrating a lack of tolerance for taking others for granted, it raised the level of what a person’s self-worth was worth to our organization. As this shift was made, it did several things. It allowed the janitors to pay attention to more important things within the operation; the site looked better and everyone took responsibility not just in doing what was right in the lunch room, but soon there was a shift to “just doing what was right.” As the people in our operation understood that we were serious about affirming the value of our employees no matter what the job, it created a higher level of performance not just from the janitor but the team.”

“Another example of making a shift in leadership style could be seen when we, as managers, committed to listen to all employee complaints and issues. Nothing was considered too small or petty to resolve it together. Prior to VOP, managers called these folks *cry babies*. Just the term was even disrespectful. Once we started looking at how and what behaviors we were modeling, the tide began to turn throughout the operation. As we started to appreciate our people by dignifying what they had to say, we saw a major turnaround. Since our approach changed, we opened lines of communication and began to engage more with our people, which in turn made for a more pleasant place to work and contributed to a one team concept that rocked the bottom line.”

“As an organization, there are so many creative things that you can do to root the culture of the VOP so that your people not only experience that they are appreciated as an employee on the floor, but as a person with a family outside of work. We established a VOP calendar of events and programs that was supported through HR and operations (see Figure 32.5). Departments would have cook-offs, some would organize basketball teams, fishing contests, kids Christmas programs, etc. Each month, this calendar would show what was going on inside and outside of the plant by the plant family. Through this, we created a sense of family that would reach out to the home as well. These activities encouraged employees and employee family members to interact outside the workplace too. That greater sense of value, self-worth, and appreciation created a culture in our plant that produced the best from each other. We can attest to the impact it had when in 2006, while the employment level at the plant was approximately 1200, we hosted an employee appreciation day at six flags in which over 3200 employees and employee guests were in attendance. This kind of attendance is a direct reflection on the appreciation and loyalty that our employees and families had toward the company” (see Figure 32.6).








September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 NFL Contest 	2 Bible study 11:30 am 	3 Free movie Marmaduke 7 pm Free movie Top Gun	4 Free movie Marmaduke 1, 4, & 7 pm
5	6 Labor Day holiday Parade and picnic	7	8 NFL forms due	9 Bible study 11:30 am Meeting 4:30 pm	10 Pattern Shop Fish Lunch	11
12	13	14	15 NFL forms due	16 Bible study 11:30 am 	17 Core Room Lunch Italianfest Collinsville	18 Italianfest Collinsville Forest Park Balloon Face
19 Bass Fishing Tournament 	20	21 Inspection Lunch	22 NFL forms due Melted metals lunch	23 Great Godfrey maze outing 6:30 pm-8:30 pm Bible study 11:30 am	24 Sideframe Bldg. Fried chicken and Washer Lunch	25 Six flags tickets on sale for \$22.99 plus tax
26	27	28	29 NFL Forms Due	30 Bible study 11:30 am 		

FIGURE 32.5 Employee calendar. (Courtesy of Nancy McDonnell and Paul Limbach.)



FIGURE 32.6 Teamwork. (Courtesy of Nancy McDonnell.)

Equate what could happen if you would mobilize your people, as these leaders have done, to willingly and enthusiastically work *with* you to not only achieve but exceed your Lean manufacturing goals. What changes can you make in your organization and the leadership style of your managers that would impact in a positive way an employee's sense of worth and feeling of being appreciated for who they are and not just what they can do for you? Let those tangible actions produce the feelings of trust, loyalty, responsibility, and ownership in your people so that your people take you to the next level of success. Overachieving because they care!

Respect Can Be Experienced through Acts of *Recognition*

Respect is rooted in relationships in which each person openly acknowledges and applauds the accomplishments of the other. When an employee is recognized for who they are and not only what they do, a message of confidence is conveyed. As personal confidence and self-esteem flourish within an employee, the employee will work harder and longer and expect the highest quality of performance from themselves and others. The means by which we convey a message of respect to others is through acts of *recognition*. A workforce that feels like the organization embraces and recognizes them will respond positively and the impact of that response will always flow to the bottom line.

Equate the impact of what this could mean to you as you hear of the ways other leaders and their organizations made the intangible principle of recognition a tangible reality and how this impacted their bottom line:

“Finding ways to recognize our people and make the VOP principle of respect real was the key to the success of our operation. We decided to start by looking at our employees with new eyes. To see our employees closest to the work as our “subject experts” and to find ways to treat them that way. It required a shift within management. We started several employee involvement teams to improve operations and maintenance. These teams were led by union employees, not supervisors, which spoke volumes to the entire organization. It demonstrated how much we respected them and through that act of giving up control allowed both the union and management employees to build better relationships. Both teams improved their areas and went on to receive national recognition by the American Association of Public Transit Agencies. And then, to show our respect for their efforts, we sent the team of leaders and their wives to accept the award, rather than sending the head of operations. By finding a way to make the principle of respect real, we achieved far more back as an organization. This change in relationships contributed to us exceeding our operational goals.”

“We took the time to find very real ways to make gratefulness part of the culture of our organization. This meant that the managers needed to see that taking time to express their gratitude for the work their employees do, acknowledging their respect of them by finding ways to recognize their efforts, is just as important as meeting safety and productivity goals. Some examples of these tangible steps included the following:

- Hosting lunches when we met all of our goals/indicators to hosting a yearly boat cruise for all employees and their spouses.
- We found a way to promote people who took initiative, stepped up, and were given a chance to *show* that they could do the role.
- We found a way to get around a corporate requirement that required a degree for certain positions that excluded some internal folks who were long-term employees.
- We made changes to allow employees to apply and be considered, using additional years of experience along with a commitment to complete their degrees in a timely manner. Many of them and their families shared that because of this one change they continued to pursue their degrees. The pride was amazing and their gratefulness overwhelming.

So who really benefited? It wasn't just the employee and the family, but it was our operation. Not only did we benefit from the expertise of our elevated and recognized employees, but we benefited from the loyalty and trust rooted in the entire family. How do you put a value on this? It is invaluable.”

“As an organization, we looked at processes and changes we could make that would *recognize* the importance of all leaders within the operation. This included the following:

- We improved relationships looking at union leaders as partners rather than our enemy.
- We implemented a weekly union/management labor relations meeting.

- It was symbolic to all of the plant that we respected the value that all of the leaders, union, and management played in making the foundry a successful and viable operation. This practice enabled us to see each other differently.
- We began to develop relationships and see that no matter what position the leader held they were needed to be a team working in the same direction.
- We changed our reporting of scrap from a percentage to a dollar figure so the employees could understand the cost of scrap per day. By working together, we realized that percentages didn't have the impact of what the figures meant to the operation. As relationships grew and their worth was elevated, employees took ownership to assure that scrap would be the exception rather than the rule!

Results: So how did this practice of making the principle of respect part of our culture, have impact on the plant? In 2007 and 2010, we negotiated collective bargaining agreements with all four unions without a work stoppage and, as a bonus, up to 3 months prior to the expiration of the agreements! Grievances reduced from 327 to 138. Scrap levels were reduced dramatically. It was apparent that love, dignity, and respect flowed to the bottom line. It makes what you are trying to achieve easy to achieve because it brings people together and when people work together, they can achieve the unachievable.”

Equate what could happen if you would mobilize your people, as these leaders have done, to willingly and enthusiastically work *with* you to not only achieve but exceed your Lean manufacturing goals. What changes can you make to build into the fabric of your organization and the leadership practices of your people very tangible practices to uplift the three principles of VOP—love (affirmation), dignity (appreciation), and respect (recognition)?

THE VOP BEGINS WITH YOU!

An electrician from company X attended a VOP–Theory R seminar and was motivated by the basic principles of love, dignity, and respect. He was inspired to look at how he did his job. He repaired arc machines and each day would get very angry about all the repairs he had to do. He would get angry about the employees, who in his mind didn't respect the equipment and the fact he had to repair what they would carelessly break.

After attending the seminar, he began to look at himself. He decided that it was his responsibility to go and meet the people who used the tools and see what he could do to reach out to them. In all those years of doing his job, there was no connection between the people from one area to another. When he went to be with them, he saw the *person* who was doing the job. He found out that it was not their careless use of equipment, but there were some real issues he did not know about. Soon things began to change. Because he took the time to be with the employees he learned their names and they began to communicate. Because they communicated, they built a relationship. Soon things began to change. Because they built a relationship, they worked together to resolve the problems. He became more energized and took it upon himself to implement the changes that reduced carbon arc torch repairs. Soon, he rarely saw broken pieces of the equipment. The repair work reduced from 40 hours per week to 16 hours per week, which greatly impacted the bottom line. As one person took the responsibility to reach out and listen, a culture of value was born between those employees and across departments. This also impacted both the quality of work and how work was done. It led to a better bottom line.

Lesson Learned: *The VOP begins with you. It doesn't matter what position you hold. Anyone can become a leader of the VOP principles and influence how work gets done, with spirit and engagement. When a Lean*

line is embraced by a team of employees who are living the principles, affirming, appreciating, and recognizing each other, that line will reap the benefits of creativity, new ideas, and successes above and beyond.

Need to Be Valued Is Universal

Human needs don't evaporate over time. They don't dissipate if ignored. If anything, human needs for love, dignity, and respect grow stronger with age. Furthermore, the needs tend to be more keenly felt the longer they go unmet. This is a key factor in understanding how to tap into the bountiful knowledge and skill within the ranks of your organization. Another reason to work hard at creating a culture rooted in the VOP is the ability to tap into the rich resources of your team's knowledge. Tapping the ideas and skills of both short (temps)- and long-term employees makes for a successful, over-the-top Lean line. It never ceases to amaze me what our employees do in their own time such as hobbies, extracurricular activities, and community involvement. Some are in school, some are firefighters, ironman competitors, some are motorcycle racers, snow boarders, and mobile app creators, and many have their own little side businesses or some are working two or more jobs to make ends meet. Yet often we let them leave their brains at the door. When you tap into this hidden knowledge and create an atmosphere where employees work with each other because they choose to contribute, you will get the great results you are looking for.

EVERYONE WANTS TO BE TREATED WITH VALUE

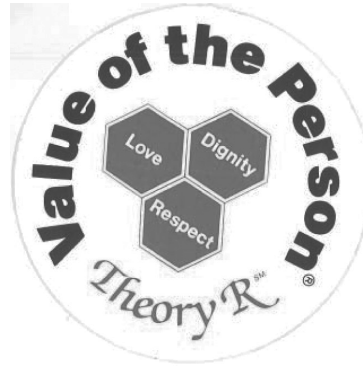
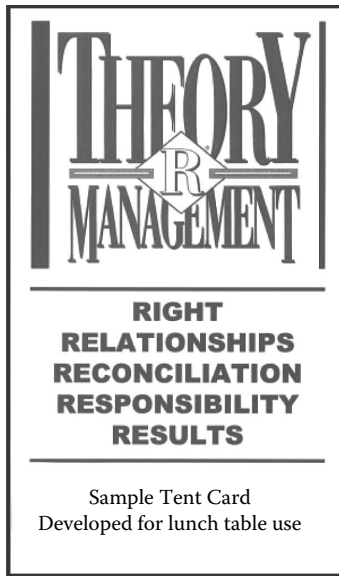
Consider Fred, a worker who is 25. He has been on his job as a medical technician for two months, and he is eager to learn his job and to be out on his own for the first time in his life. He has a need to be loved and to be shown dignity and respect by persons with whom he works. He may not even know he has this need, but he has it nonetheless.

When his performance goes unrewarded, his accomplishments go unnoticed, and he begins to feel affronted. Fred would have no reason to feel affronted, disappointed, angry, frustrated, or otherwise miserable about the lack of reward, praise or recognition, or the occasional snide remark or slang comment if he didn't have a need to be valued and to be shown love, dignity, and respect. Why be bothered by such behavior if those things don't matter or if they aren't really universal needs within every person?

Fred soon realizes that he isn't alone at the hospital. Joe, Linda, Sam, and Sally all feel the same way. None of them likes to be overlooked, underappreciated, or mistreated.

Bill who is 60 and who has been employed for 25 years at the same hospital can do his job as well or better than anyone else in the medical technology area. The work hours and the stress related to the job don't bother him. He enjoys putting in a full day and going home with satisfaction about a job well done. He has a strong sense that lives are improved and even spared through the work he does. But insult Bill, snub him, treat him unfairly, and fail to reward his efforts or recognize him and Bill is going to feel mistreated far more than Fred. Many in management might assume that because Bill has been at the hospital longer, he needs fewer positive strokes and less affirmation than the new hire, Fred. Bill's longevity and job loyalty may be misinterpreted as a tough skin and in many organizations are put in the category of "no need to pat on the back."

The longer an employee has been with a company, the more the employee needs to be shown affirmation, appreciation, and recognition. The need grows with the passing of years and the loyalty the employee has vested in a job well done.



Sample Hard Hat Sticker

FIGURE 32.7 Symbolic reminders used to reinforce daily VOP actions. (Courtesy of Nancy McDonnell.)

So what happens to the frustration felt by Bill and Fred? It doesn't go away, it just goes underground. It influences the employees' willingness to work with you as a partner or to just do enough to get by. Just think what can happen to your Lean line if employees would unleash their knowledge, energy, and participation to make a company great.

Lesson Learned: *Because the need to be valued and treated with love (affirmation), dignity (appreciation), and respect (recognition) are basic to everyone, actions aimed at meeting these needs are always right. If results are what you want, get them as a by-product of tapping into the human spirit. Make your culture a priority.*

Most Traditional Managers Refuse to Recognize that Human Needs Drive Human Behavior

Human needs cannot be legislated away, dismissed with a new procedure, or overcome with an ingenious gesture. But most traditional managers refuse to face the facts about the needs for love, dignity, and respect. Most traditional managers also refuse to recognize that human needs drive human behavior. When certain basic needs are not being met, behavior turns sour and becomes disruptive. Such behavior will affect their work performance and morale, maybe not today but definitely sometime in the future. Just think of what has been lost in terms of making your company great and your Lean experience outstanding by the amount of ideas and performance opportunities that have been lost. The employee may not be able to control their circumstance but they can control what they choose to give to you and the organization. The secret to an outstanding bottom line more than not correlates to how valued your employees feel.

Exercise

Ask yourself:

- "How much is being lost to my bottom line because of a lack of relationship, trust, and loyalty with my employees?"
- "Do I perform better when I am affirmed, appreciated, and recognized?"
- "How do I feel when I am not given those basics in my work relationships?"

- “How does this affect the quality of my work?”
- “Think about circumstances where this knowledge of human behavior could have impacted how you chose to handle certain situations on the job.” If handled differently, what would the outcomes have been to the organization and to the bottom line?”

Why Is Valuing So Difficult?

As much as people desire to be valued, not everybody chooses to give value to others, to give it openly, or to give it in an unqualified way. Why? Oftentimes, this is because we are afraid of losing something. Managers are often afraid that employees may perceive them as being weak, less capable, less sure of themselves, and less in control.

Those fears are unfounded 99.9% of the time. The person who is truly capable of valuing others and expressing that value in a genuine, honest way is nearly always a strong person and a person who is receiving high-value statements and behavior from someone else.

A sense of valuing, therefore, can spread through a company person by person by person. However, it has to start with one. It only takes one person to begin the process, another person willing to receive that person's statements of value, and then the courage to pass the acts of kindness on to others.

Lesson Learned: *Valuing others isn't difficult. Expressing value for others is! You must have a compelling need to change.*

Thinking the Right Things Is Not *Doing* the Right Thing

Valuing others is not a matter of *thinking*. It is a matter of *doing*. Theory R leadership does not merely call for employees to think their peers are valuable. It doesn't challenge managers only to think workers are worthy of love, dignity, and respect. It requires leaders to take action.

A Look at the Three Horsemen

The three horsemen is an effective tool for Theory R leaders to use when resolving operational and people problems. It provides the Theory R leader with a mechanism to take on the responsibility of walking the walk and creating a culture that supports growth and success, a culture that will promote buy in to Lean. The three horsemen are as follows:

1. Communication
2. Engagement
3. Follow-through (Figure 32.8)

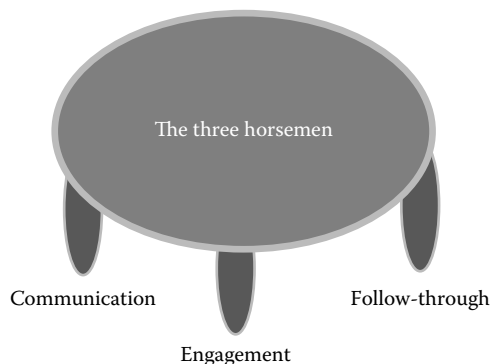


FIGURE 32.8 The three-legged stool. (Courtesy of Joe Cuske and VOP.)

Assessing Each Leg of the “Three Legged Stool”

Communication

The Theory R leader will ask not just *what* they need to communicate but *how* they need to communicate so people will listen. “It is not what you say, but how you say it. “It is not what you do, but *how* you do it that opens doors, builds relationships, and elicits committed employees.” The Lean practitioner (LP) needs to be a master at communicating the vision in such a way that people embrace the ideas rather than tolerate. By knowing your people, you will know how to approach, how to present, and how to share your vision so it becomes their vision. The key is to *know your people*.

Engagement (See Figure 32.9)

The Theory R leader will ask, “How can I engage with my people to share my knowledge and include, rather than exclude when facing tough issues, events and operational challenges?” Giving others the opportunity to be in charge of their destiny, to become part of the solution, is a powerful tool for rallying acceptance of even the nastiest of tasks. Just *how* you engage, the tone of voice, the honesty of the words, and the delivery you choose, matters. Engagement elicits buy in. Buy in elicits ownership. When employees take ownership they become invested in building the business.

The Temkin Group published its Employee Engagement benchmark Study earlier this year and here are some findings:

“Among plants whose production performance is significantly better than that of their peers, 75% of employees are highly or moderately engaged, compared to 47% at underperforming companies. For companies with a significantly better VOP experience than their competitors, 75% of employees are highly or moderately engaged, compared to 34% at lagging companies.”

And in another study, Edelman put together a compilation of seven studies on employee engagement. One of those studies is by Aon Hewitt, and according to Edelman, it reveals:

“Every 1% increase in employee engagement indicates a 0.6% growth in productivity accordingly to Aon Hewitt’s 2013 Trends in Global Employee Engagement report. Applying this logic to Company X with a gross margin of 55% and a 15% operating margin, a 1% increase in engagement would be worth an extra 1.5 more days of production. Hardly pocket change.”



FIGURE 32.9 Engagement. (Courtesy of Nancy McDonnell.)

By giving your people the opportunity to control their destiny, engaging them in the process, no matter how difficult, will build a team that believes in you and the betterment of the business. Now, when you say you “value your people,” they know you value them, because they have *experienced* that you do! Just think, if this type of culture and way of leading were part of a Lean organization, how open employees would be to give their all, and why not?

If you build your people, your people will build your business.

Wayne T. Alderson

Follow-Through

An equally important leg of the three-legged stool is follow-through. Follow-through is the act of ensuring that promises are kept. For instance, if we say we will have a piece of equipment repaired, we follow up to ensure that repairs are made. If we say we will make the recital, we drop other things to show we care. Think about General MacArthur. He made a promise, I shall return, and he did! Follow-through is about personal commitment. You ensure things go as promised. The Theory R leader keeps their word. And when you keep your word, time and time again, people respond with loyalty and trust because they know what you say is what you are going to do. “Making your word your bond” is one of the oldest, but most powerful leadership principles. It is about relationship and doing what is right. In a Lean operation, where buy-in, delivery, and engagement of ideas are so important for long-term success, this third element is critical.

COMMUNICATION, ENGAGEMENT, FOLLOW-THROUGH

At company X, a supervisor came in to join us and explained he was late because he had just finished disciplining an operator and was going to write him up. He said “I can’t believe this guy was sleeping on the job again!” He asked us what we thought about it. Having a bit of history with this, we asked if they explored sleep apnea. We actually knew of someone in the past that had fallen asleep standing up while running a piece of wood over a saw. He woke up right after he cut part of his finger off!

We asked him to explain the circumstances. He works down on the conveyor line and makes sure the parts don’t get stuck there. If they do, he has to take a 4×4 and moves them until they start to move again on the conveyor. We asked “how often do they get stuck?” He responded, “Oh, about every 10–15 parts (which are on a one minute cycle).” We then asked if he could show us the spot. He said “sure!” When we arrived to the spot in a distant corner of the line, there was no one around; it was over 90°F and we saw a single lounge type chair. So, let’s recap here for a moment; we have an operator (team member) who has a boring job (waiting for a part to get stuck) in 90° temperatures, sitting on a “poor excuse for a lounge chair” and he has fallen asleep before. Let’s see, “How can that be?” Our response to the supervisor was, “How dare you write this guy up! “Whose fault is it he fell asleep? It’s the management’s fault. Before you write him up we want you to do that job for a day or anyone else in management and see if you can do that job without falling asleep! The management should redesign the job. For instance, can we keep the unit from getting stuck so we don’t need a person there?”

Lesson Learned: *The importance of using the three horsemen as a tool to assure you are seen as a Theory R leader. Think about how the supervisor could have used communication, engagement, and follow-through to achieve a better outcome.*

Theory R Leadership Calls for Action

It calls for managers and employees to:

- Do the loving thing
- Do the respectful thing
- Do what upholds the dignity of a person

Thinking requires only awareness and an adjustment in attitude and feeling.

Action requires courage. It means putting your reputation on the line for someone else and another person's needs before your own.

PERCEPTION IS REALITY

The plant manager in company X embraced the journey to move his plant from a more autocratic and fear-based culture to one based on the leadership principles of VOP–Theory R. Not only was he providing training for employees but was giving special leadership development to his managers and core team leaders as well.

Following a training session, the plant manager spoke up during the meeting and declared, “This is how I lead and operate already! It is how I was raised!” The room went silent as the management team clearly did not experience what he thought he was demonstrating. It wasn't until the vice president spoke up and challenged the discrepancy that occurs on the plant floor from *what we think we do* to *what others experience we do*.

This insight was the catalyst to open a very meaningful and honest discussion. One of the most powerful moments occurred when the plant manager declared “I now see that people can't see my heart. I need to walk the talk and live the life I believe is right in my heart.” What a powerful statement of truth! From that moment on, the plant manager began to lead his plant and mentor his people by living out the values. Through that “Ah hah” moment, the culture began to change and people began to believe and follow. As a by-product, the plant moved from the bottom of the division to the top.

Lessons Learned

- “People may doubt what you say, but they will always believe what they see you do.” Perception is reality! You may think you walk the talk but do your actions truly live up to it or do they betray you? How do your people really perceive you?
- “People cannot see your heart.” You must communicate what's in your heart through actions of love, dignity, and respect.
- A VOP culture can't be declared into existence; it has to be lived into existence. It is truly about leadership.
- And so it is with Lean. For Lean to be truly successful, it must move beyond a way of thinking into a way of living that is rooted in the hearts and minds of the people. Are you leading your people into a new way of living? What do your people see? Do they experience what is in your heart?

THE BOTTOM-LINE IMPACT OF VOP (WHAT DOES LOVE, DIGNITY, AND RESPECT HAVE TO DO WITH IT?)

The plant manager at company X, who has embraced and implemented the principles of the VOP, shares his perspective of how it has impacted the bottom line.

“It is extremely hard to place actual numbers to the affect of VOP to the bottom line. I think it’s safe to say that there has been a 10% to 15% improvement in productivity and an additional 20% reduction in defective percentage. Both of these represent very large dollars to a manufacturing organization like ours.

However, rather than to quantify our results, I would like you to think about your results, your bottom line, and the possibilities of what could be. How much have you lost to the bottom line because of a lack of trust, poor communication, and a workforce that does not really feel part of the organization, its goals, objectives, and future? Keep that perspective as you think of your processes and the programs you have put in place to achieve results. Could you be achieving greater results if you would focus, as we have, on building a culture based on the principles of the VOP.

As we share what we have experienced, think of the possibilities you too may have at your fingertips if you were able to tap into your people so they could bear the results you want to manage out of them:

VOP created the framework and environment to grow trust between all people of the organization. From there, the morale of the workforce began to improve and people desired to belong (to the group and the purpose of the group).

The three horsemen (engagement, communication, and follow-through) have become the tools to wring out the synergistic productivity of the individuals working as a team.

And of course, the intangibles must also be counted, as everything matters and flows to the bottom line:

Workstations are kept better, not cluttered and disorganized; equipment is better maintained and when it begins to fail, attention is given rather than allowing it to be destroyed; safety is improved. People are watching out for others, even for seemingly small things; people share more of their ideas and creativity and look less for the personal credit, and they are rather interested in the group succeeding (and that is satisfaction in itself); a definable culture, bigger than a single personality, continues to develop. This allows everyone to hold everyone accountable to the desired culture and can point to how it is or is not representing the ideal. Without this ideal, the culture is a function of the leaders and their beliefs and actions.

The beauty in the *message* is that there is always *more* when treating the organization with love, dignity, and respect. We are experiencing the more and hope that you will be able to envision what the *more* can do for your organization and your Lean manufacturing goals.”

Exercise

Love = Affirmation

Self-assess—In your daily interaction with your employees, are you purposefully affirming the good that you see in them as individuals, in their job performance, and as a department? What changes can you make in your behavior? How can a change in behavior inspire engagement with your people so you are seen as a leader who lives VOP?

Dignity = Appreciation

Self-assess—In your daily interaction with your employees, are you purposefully communicating appreciation for what you see in them in terms of their work ethic, their job performance, and in what they stand for as an individual and as a department? What changes can you make in your behavior? How can a change in behavior inspire engagement with your people so you are seen as a leader who lives VOP?

Respect = Recognition

Self-assess—In your daily interaction with your employees, are you purposefully communicating recognition for them as individuals, employees, and as a team? What changes can you make in your behavior? Remember that a person's style determines what they perceive as recognition. What is recognition for one person may be totally the opposite for another. Some like to be in the public eye while others prefer to be recognized behind the scenes. How can a change in behavior inspire engagement with your people so you are seen as a leader who lives VOP?

Move to Theory R Leadership: Establishing Your Culture (See Figure 32.10)

Everyone seeks desires and thirsts to be treated with love, dignity, and respect. The VOP creates an environment where people choose to be productive.

When we feel good about whom we are, we automatically try to do better with everything we attempt, give more effort, take more pride in our work, and become the loyal team member that comprises a strong, competitive company. The simplicity and stark reality of the truth in the statements earlier can be realized in the following real-life story.

Eastern Airlines, a once powerful and profitable airline, is no more. In the midst of the battle that ensued between labor and management, a small voice of wisdom was spoken by an Eastern Airline's employee. Read closely the powerful words.

"It's obvious that the reason most Eastern employees show up late for work and abuse sick and injury leave is because Eastern is not a pleasant place to work and people naturally try to avoid unpleasant places. I personally used to enjoy going to work, but in the last few years, the constant gloom and harassment has made Eastern a very unpleasant place to work and it shows up in employee absenteeism and poor productivity. Eastern management has instituted an attendance control program that addresses the effect instead of the cause and actually adds to the cause because it makes Eastern an even more unpleasant place to work. Since we know the cause, the solution is obvious—make Eastern a more pleasant place to work. I firmly believe that the concepts of the VOP are absolutely necessary to reverse the self-destructive course labor and management have charted for Eastern Airlines. If we do not cease the antagonism and become partners, we may soon find ourselves without an airline to fight over."

It is the responsibility of everyone, both management and employees, to let the VOP principles guide us in how we treat each other within the organization at all levels. One does not need permission or a title to treat another with love, dignity, and respect. Every person can take responsibility for how they choose to treat those around them. Treat others as we would expect to be treated.

But when it comes to the *culture* of an organization, it must be driven by those in charge. It is the management who makes all the decisions. It is the management that creates the vision. It is the management that sets direction for the future of the business. It is the management that hires and fires. It is the management that drives the culture of their organization. As in the story of Eastern Airlines, it was those within the management that chartered the course and led the way for the accepted culture that eventually brought down the entire organization.



FIGURE 32.10 Sharing the VOP. (Courtesy of Nancy McDonnell.)

Lesson Learned: *The culture of an organization needs to be led by innovative and nontraditional leaders with vision. They are the ones who set the tone for the established culture of their organization. This is why there is such a critical need to develop traditional managers into innovative VOP–Theory R leaders.*

Lean requires a cultural transformation within a company. It cannot be owned solely by the people on the front line. It needs to be owned and driven from the top so the impact is felt throughout the organization. Just as Lean needs to become part of the value streams within the enterprise, so too does culture. Therefore, we need to understand that if you are to have a culture rooted in the people, it must be led by a leadership group that believes a VOP–Theory R style of leadership is the right thing to do!

So, look back at the story of Eastern Airlines and think about Lean. Can you imagine putting in the first two aspects of the Lean equation, equipment and layout, and not address the mistrust that characterized the culture in the aforementioned story? It may be an extreme example but hopefully has given a great picture of how important a strong, value-based culture is to the successful implementation of Lean.

Five Fundamental Concepts of Theory R Leadership

The VOP principles—love, dignity, and respect—can take root in an organization at any level. They can be initiated by any person and directed toward any other person within an organization.

However, Theory R leadership is a style that calls for those in positions of leadership to *initiate, implement, and sustain* VOP thinking as a way of doing business within the walls of the organization:

1. The Theory R leader does this by first evaluating his or her own attitudes and behaviors.
2. The Theory R leader then encourages and rewards VOP attitudes and behaviors in others.

VOP–Theory R leadership is a style not a formula. It is a way of life and not a program. It needs to be come top of mind. It needs to be experienced by others through the way you live your life both at work and in your home! (see Figure 32.7.)

Guideline 1: Do What Is Right

Doing what is Right is the fundamental motivation for and guideline of Theory R. It is the overall attitude that must exist for Theory R to work. Any other motivation becomes manipulative. It is radical in its simplicity. “You mean I am to value my people just because it is right and for no other reason?” The answer is *yes!* And that is radical!

What Are the Fundamentals of This Guideline?

The guideline for making all Theory R leadership decisions is this: *Do what is right*:

- It is always *right* to treat other people in a way that affirms, appreciates, and recognizes their value as individuals.
- It is always *right* to enact programs and policies that build up the self-esteem of people and to develop programs and policies that lead to reconciliation among people.
- It calls the leader to check their decisions and actions to assure that manipulation is not the motivating factor.
- It says to do what is *right* because it is right even though it may be something you really do not want to do.

Lesson Learned: *The Theory R leader does what is right for one reason only—because it is the right thing to do and for no other reason!*

Guideline 2: Build Relationships

What Are the Fundamentals of This Guideline?

The fundamental principle in Theory R leadership is to build relationships that are built on trust. Organizations are only as strong as the relationships among the people in the organization. Theory R requires issues of love, dignity, and respect to be at the center of all policy, strategy, and economic decisions. The planning process at all levels must include a concern with how decisions impact relationships.

Theory R leader is called upon to:

- Remain *people sensitive* at all times
- Come to know others in new ways
- See a person as the whole person, with families, dreams, and aspirations
- Get to know the stories of their people
- Be willing to express affirmation, appreciation, and recognition in ways that are genuine, spontaneous, and unconditional
- Be a good communicator and listener because it provides opportunity to build and root strong relationships from person to person
- Follow up and keep promises as trust grows out of keeping our word

Lesson Learned: *Building relationships through daily interaction with employees is an effective method to build trust. Consider the time required as an investment in people. This illustrates your commitment to them.*

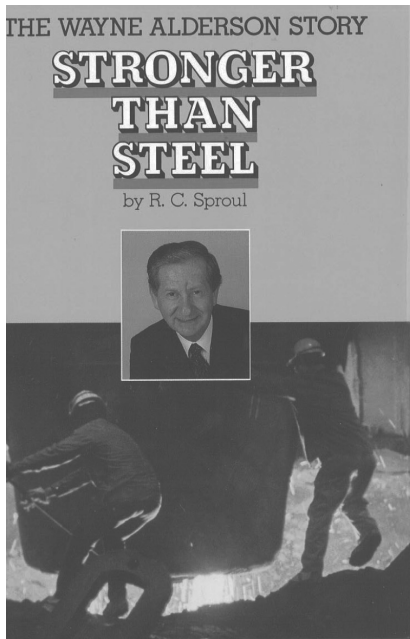


FIGURE 32.11 An inspirational book documenting the inspirational story of Wayne Alderson the turnaround at Pittron Steel and the inception of the VOP. (Courtesy of Nancy McDonnell.)

Guideline 3: Strive for Reconciliation

What Does It Mean to Lead with a Spirit of Reconciliation?

If the fundamental principle is one of building relationships, the fundamental goal is to have those relationships be healthy and strong. That requires the Theory R leader to strive for reconciliation.

To be a leader who leads with a spirit of reconciliation means that you must do the following:

- Engage. It is a step beyond forgiveness because it requires people to come together.
- Work hard to find mutual ground so individuals experience an outcome of healing, understanding, and growth.
- Find a way to bring about change through a spirit of truth and honesty, perseverance, and vulnerability. A fundamental shift is required from being the *me-oriented* leader to being an other-oriented person.
- Be genuine. Knowing your actions must support your words.
- Make decisions to reconcile based on preserving the relationships. Understanding that at the end of the day relationships must go on in harmony and growth if the organization is to be all that it can be.

People and Their Baggage

People will pick up and carry baggage when a breakdown in reconciliation takes place. Baggage is known as the silent killer and causes a downward spiral in organizations. Once baggage develops, the virus spreads, people withdraw, and ideas are withheld.

Multiply that by a workforce of people and realize the dramatic importance of leaders who strive to reconcile the right way, the Theory R way!

BAGGAGE AND THE BOTTOM LINE

This story of company X comes from an experience at a VOP seminar. It was a day into training a group of employees, supervisors, and managers from a local plant. The participants were engaged in dialogue around the importance of reconciliation. There was some discussion on what happens when people don't resolve their problems. Discussion ensued as they looked at it from both the perspective of relationships at home and in the workplace. They also dealt with the responsibility of those in leadership to have their ear to the ground and play the role of mediator. There was a good bit of dialogue around the topic of carrying baggage against someone and what harboring resentment can do. Participants were challenged to take action, to reach out to the person against which they were holding baggage, whether at home or work, and to reconcile.

Before the next session began, a man stood up and shared a story that happened during break. He was moved by the discussion and shared that he was holding *baggage* against one of his coworkers. He worked next to this man and hadn't spoken to him for 20 years! Can you imagine working with someone for 20 years and never speaking? He went up to his coworker who happened to be at the seminar and said he wanted to make things right. He wanted to have them just start over and extended his hand. The other worker reciprocated and as the baggage was dropped, a weight was lifted. The funny thing was that neither one of them remembered what the original incident was!

Lesson Learned: *When a conflict is allowed to go unresolved, it not only affects the people involved but the whole department, the projects, the teamwork, the initiatives, and the job. Imagine what could have been over the last 20 years!*

Guideline 4: Take Responsibility

What Is the Fundamental Response?

- Responsibility by everyone.
- Theory R calls clearly and boldly for each member of an organization to take responsibility for his or her personal actions toward others.

Theory R leadership have the following responsibility:

- Take the first step, the second step, and the tenth step to find ways to support the direction of the company and inspire employees to become part of the team.
- Be the change agents, proactively engaging employees, building trust through open communication, and setting/role modeling the example.
- Do symbolic acts so people *see* and *experience* the heart you have for the VOP as they see you walking the walk!
- Keep employee morale and standards high, creating pride in themselves and pride in their work.
- Lead in a Theory R way that inspires people to greatness.
- Follow the principles of the three horsemen as a tool for resolving operational and people problems: communication, engagement, and follow-through.

Guideline 5: Experience *Results* as a By-Product

What Is the Fundamental By-Product? Results!

- They are *not* the beginning point for Theory R, they are the end point.
- They are *not* the motivation, they are the automatic outflow of the process.

What Is the Motivation for Theory R Leadership?

- To do the *right* thing
- To build *relationships*
- To seek *reconciliation*
- To take *responsibility*
- To achieve *results* as the *by-product* of doing what is *right*

What Do Results Look Like?

Growth in personal relationships = stronger team.

Growth of output = increased productivity.

Growth of excellence = perfect quality.

Growth of participation = increased attendance and group morale.

RESULTS OF THE VOP–THEORY R WAY!

Company X, transit company, began their journey with the VOP and experienced outstanding results and growth in many areas from a stronger team to an outstanding bottom line. After a year and a half into their journey, the company was faced with the good problem of growing customers. Additional services were now needed to meet increasing customer demands on some of their routes. Unfortunately, the current budget would not allow them to just add service hours, so a team was formed to find ways to reduce the service on routes that were not needed—this meant to remove the waste, which is *Lean*!

Since the VOP was instituted at the transit company, relationships with union and management grew strong and trust improved. To resolve the problem, a team leader was chosen from the operator ranks, a driver. By making this choice it showed support and gave recognition to the key stakeholders in the process. The driver was Bill, a senior driver and a union organizer. He led the team of drivers and schedulers from headquarters, and together, they were given the goal of finding service hours by reducing the less needed service on some of the routes. For every hour, they were able to reduce; the management agreed to add that hour back to the areas where it was needed. Bill led the team very well, took out the unneeded service in areas that were no longer productive, and added it to service the other areas.

As a result of their great work, Bill and the team were recognized for their outstanding efforts by leadership, both locally and nationally.

In the past, before VOP came in, this type of cooperation would never have occurred. Instead, the scheduling department would have just done the work alone and it would have not been bought in by the operators or even been effective at all. With the driver's help, they were able to quickly identify the wasted trips and remove them. It built buy-in and took great cooperation to have this cross-functional management and union team work effectively to improve service to the customers.

Without VOP and the relationships that had been built, the union would never have agreed to the team and definitely would have resisted the changes.

Lesson Learned: A VOP culture supports the Lean process. This was a perfect real-life example of how doing what is right, building relationships, choosing avenues for reconciliation, and taking responsibility led to outstanding results as a by-product. These results not only impacted the bottom line but impacted the team spirit so that future Lean projects would be seen as beneficial to everyone, the people, and the company alike.

Milk Run Principle

Those of you old enough or *rural* enough will remember the milkman. There was a scheduled day and a prescribed route for delivering milk to families. The scheduled delivery of milk, the staple of family dinners, always ensured that there would be a fresh complement for the family meal. The milkman was so regular that the colloquialism was perfected, “to be a good leader, you too must have an inner milkman.”

So what is it that makes this *milk run principle* so important to leadership? It is an illustration of what consistency does for people. When you are consistent, employees know you will be there. When employees know you will be there, it makes you believable. When employees believe in you, they will follow where you take them.

People must come to rely on your schedule and trust in your response. Have it telegraphed. Make it known. Sign your name on the dotted line! People want to count on you to be *present* and *accessible*. You need to be *confident* and *timely* even when you know it will not always be pleasant or popular. Theory R leaders are willing to take the bullet and to be on the point. That does not mean you need to acquiesce, rather you need to be committed and consistent. Your people want to be able to count on your response and actions to be consistent.

Controlling Your Controllables (See Figure 32.12)

Controlling your controllables is an important perspective for the Theory R leader and the LP. The daily pressures placed on each to keep the operation going and the Lean line operating are most times insurmountable. Pressures from the top to the bottom and from the sides make it easy to become distracted and off your game.

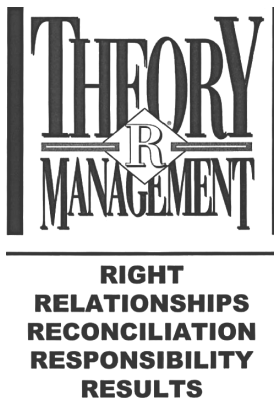
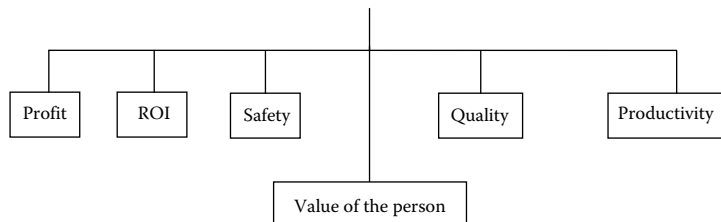


Figure 1—Traditional Organizational Management Approach



Theory R challenges the traditional approach (Figure 1) and says “Value of the person behavior is a must-do aspect of the corporate culture.” The new bottom line for an organization that wants to meet the challenges of a global economy should look like Figure 2 below. This is key to achieving the best out of Lean.

Figure 2—Value of the Person—Theory R Organizational Approach

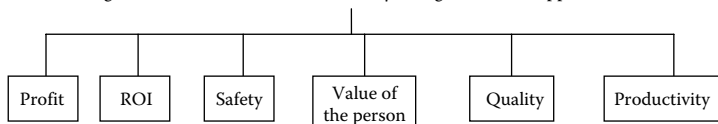


FIGURE 32.12 Theory R’s place in corporate metrics. (Courtesy of Nancy McDonnell.)

This is where disciplining your mindset and centering your focus is so important. By developing this skill, to focus on *controlling your controllables*, you will achieve the consistency needed of a true leader. It is a focus that brings you back to the center, the people who you are leading, and who are needed to accomplish the job.

Instead of becoming overwhelmed by the pressures, the tasks, and the demands, make sure that you always go back to what it is you can control—*you!* You may not be able to control the decisions made by those from the top, but you can control how you act, what you say, and how you live out the VOP–Theory R principles. This discipline will be an invaluable lesson for achieving long-term success.

CONTROLLING YOUR CONTROLLABLES AS A WAY OF LIFE

For several years, company X has been into VOP working on creating a culture within their plant that is rooted in the VOP–Theory R principles. This plant has not only done training with their workforce, but they have done extensive training and development of their supervisors, managers and leads on Theory R leadership. I asked the plant manager where he sees the impact of rooting the VOP in their plant. How does this manifest itself? After taking some time to think about it, he said, “There are so many stories, but what I see the most is it has caused us to stop and think about how we make our decisions. No matter what it is, it has become natural. We consider how we do things and how our decisions affect the people, what will we need to *do* to communicate, engage, and follow-through with those involved. We have learned the discipline of controlling what we can control—*us!* Paying attention to the little things, like looking people in the eye, having coffee in the lunch room, taking time to say thank you, and building relationships. It may not seem like much, but those are the daily *do diligences* that have made us great. Taking responsibility to control what we can, to do what is right! It is part of us now and provides good working relationships that allow us to accomplish anything together.”

Lean and VOP–Theory R Leadership: The Connection and the Conflict

So Why Not Be a Theory R Leader and Why Not Be Lean?

So why not be a Theory R leader who implements the VOP principles of love and dignity and respect? Because it is hard to do!

Whether you are managing a project or running a company, organizing a charity, or commanding an army; the human element must be weighed in and measured. Just think of what you are up against, so many personalities, so many life experiences, so many interaction effects; it is overwhelming when you think about all of the combinations and potential pitfalls for things to go wrong. Yet, it is the human element that will eventually make the difference between success and just another venture.

Managers are not taught leadership in school. They are taught how to manage. Management by objective (MBO) or managing by objective was the catch phrase in the 1980s that gave way to management by walking around (MBWA). Regardless of the technique or the most popular buzz words, the objectives are the same, producing *managers* who know how to *manage* rather than lead.

The core of any worthy leadership style is in valuing the person, to have a true sense of purposefully belonging and caring for those you are entrusted to lead. VOP is essentially having, showing, and eliciting love, dignity, and respect with those people with whom you engage each day (see Figure 32.13).

Love, dignity, and respect are universal truths and Theory R leadership practices are innovative principles. But, oh so difficult to practice! How can that be? The words sound so easy!



FIGURE 32.13 Wayne one on one. (Courtesy of Nancy McDonnell.)

The Theory R Leader Will Choose to Build Relationships by Doing The Things They Do Not Have to Do and Saying the Things They Do Not Have to Say

Familiarity often breeds mediocracy.

As we become familiar with others and our surroundings, we often become more and more comfortable and more and more complacent in practicing the “universal truths of the VOP.” Each day, we let lack of care and concern creep into our relationships. We become too busy to take the time to reach out to others and determine what is important to them rather than to *ask* what it is we can do to lighten their load. We listen less and respond quickly, often with a harsh tone of voice and sharp criticism. We have no concern for feelings because we hide behind our excuses, “We didn’t mean it that way. *You* are the problem because *you* took it wrong!” Does that sound familiar?

This is true in our personal as well as professional relationships. Whether at work or at home, the VOP principles can and do influence our lives. Think about your own family situation. How did you wake up this morning? Who did you greet when you walked into work? Can you say that each encounter, whether at home or at work, was met with a genuine desire to show another person love, dignity, and respect? Did you truly value the people you came in contact with? What about the maniac on the freeway? What about the cashier in the grocery store?

Talking the Talk Is Simple, but Walking the Walk Is Tough

VALUE, A STEP BEYOND LOVE

A manager from company X was home one evening, sitting with his wife. She asked him, “Do you love me?” He said rather annoyed, “Yes, I love you, I married you didn’t I? She came back a second time. “Do you love me?” He said again, in a more concerned manner, “Yes I do love you.” She was the person in his life that he loved the most. And then she asked again. “Well if you love me, why don’t you value me?” the silence was deafening.

There is a big difference between saying we love and living it. Belief is the result of experience—that what you say *is* what you *do*.

We ask our people to believe we value them, but do we? It is not up to what we say, but what they experience (what we demonstrate by our actions). We ask our people for their ideas and support to put in a Lean line, but if we have not done the things to build the relationships, why would we think we would get all the benefits of what Lean can provide? Think about you as a manager and what motivates you. How were you greeted today by your spouse or boss? How did that influence you, your enthusiasm to give all that you can give and to be all that you can be? Feeling valued or valueless makes a difference no matter who you are, whether you are the manager, the production employee, the father, son, or daughter.

Implementing a VOP–Theory R style of leadership is hard to do, but the benefits that come as a by-product, whether at work or at home, lift the soul!

Lesson Learned: *Lean is not for the light of heart and neither is VOP. Both are about transformation and with transformation come difficulties. But those who continue on and pursue their dreams find prosperity. At home, this can look like strong and meaningful relationships ready to weather any storm. At work, it can look like strong and meaningful relationships ready to tackle any downturn or upturn. And with Lean, it can look like a team of employees and managers supported by a culture that allows the processes to work so prosperity and innovation overshadows the competition.*

Essence of Being a Good Leader Is when You Show through Actions Your Commitment to Love, Dignity, and Respect

Every individual has a burning desire to be loved, to have their dignity upheld, and to be respected by those who matter the most to them. When we do this as leaders, people want to follow. When we fail in delivering these aspirations, people shutter at our presence and reluctantly do as we ask.

VOP is not easy. Lean is not easy. Being the messengers that deliver the message is not easy!

EMPLOYEES DON'T CARE HOW MUCH YOU KNOW; THEY WANT TO KNOW HOW MUCH YOU CARE ABOUT THEM

A manager from company X was home with his grandson who was ready to start the fifth grade. Each year, before beginning school, the grandfather would always ask his grandson, “Who has been your favorite teacher so far?” It did not take long for the boy to respond, very matter of fact he said, “Why Mr. McFerrin. He is my favorite teacher!” The grandfather was surprised because he remembered stories through the years of how tough he was and really required the students to do their best and strive for more. He asked his grandson rather curiously. “So why would you say Mr. McFerrin?” His grandson responded, “Because Mr. McFerrin cared about me.”

Lesson Learned: *When people feel cared about and experience the actions that show, whether a young child or a seasoned employee, they will respond with loyalty, commitment, and excellence. Rising up to meet your expectations because they know you care!*

At home, what words and actions do you use to tell your teenager you respect them, and at work, what words and actions do you use to tell a coworker you love them?

Since our actions are what amplify our feelings, it is important to find tools, processes, and best practices that will help to implement right actions.

Lean and VOP

Lean is not for the “light of heart”; it is a journey, a marathon race that requires you to stay on course so that in the end, the desired results are achieved—prosperity over the competition. VOP–Theory R is not for the “light of heart” either. It is a journey as well, which requires you to stay on course so in the end, the desired results are achieved—as a by-product of doing what is right for your people.

VOP is not about short-term quick fixes and neither is Lean. Organizations that go Lean and go VOP understand they are in it for the long haul and will experience ups and downs along the way. Both Lean and VOP are based on vision leading to long-term sustainable success.

Lean gives organizations a strategic competitive advantage over their competition. When this strategic plan is rooted in a VOP culture, cultivated by a Theory R style of leadership, the people (your variable in the Lean process) will produce and exceed the vision. Lean will bear the success of what the foundation, the people, produce.

VOP CREATES A RELATIONAL BASE THAT ALLOWS PROCESSES, PROGRAMS, AND PROJECTS TO BEAR THE GREAT RESULTS THEY WERE INTENDED TO ACHIEVE

Company X is a household word and seen as a leader in the automobile industry. A new vice president was assigned to a new division made up of a conglomerate of 13 loosely organized individual businesses. One by one, in each of the separate businesses, they modified the management practices they had been operating under. They reached a point where one of the major components was not capable of revising its internal operating principles to coincide with the culture of participative management that had been achieved in the rest of the organizations. Stated simply, the folks in that component group couldn't seem to cooperate with each other.

One of the key managers in that division heard about the work of the VOP and requested to bring them in to train and focus the group around the VOP–Theory R. They were shown how a value-based culture could sustain their vision for a new direction. The outcome of the relationship was incredible. It was the focus that enabled the division to unlock the missing piece of reaching their people. Once the culture took the turn, the people became supportive of the business direction. No longer was there a threat, they became a team not threatened by the vision, but became part of the vision. In the process, not only did the VOP turn things around, but it gave the division management a new model eventually used to further modify the operating practices in their other businesses.

The vice president wrote: “Our successes were dazzling, customer relations were world class, employee relations ranked first in the entire company, profits soared, and we were ranked best in the industry by the *Automotive News*. Best of all, we came together as a loving, caring group of people who became known throughout the Detroit metropolitan area for our good works and charitable activities.”

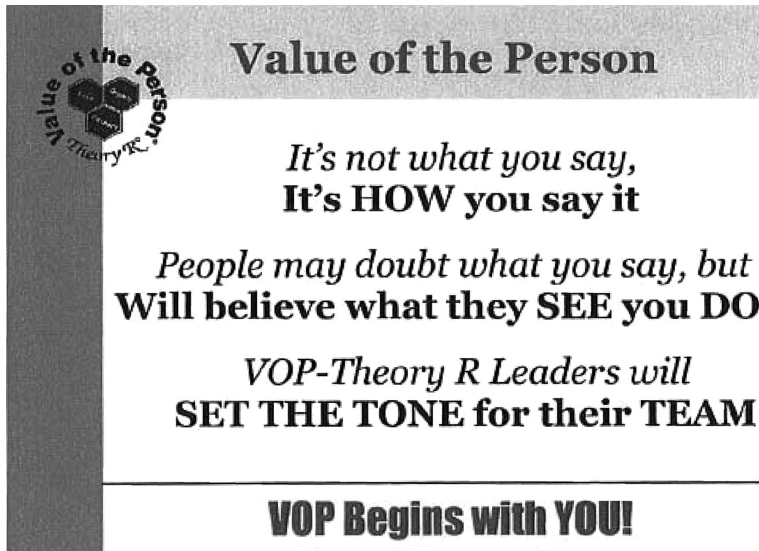


FIGURE 32.14 VOP words to live by leadership card. (Courtesy of Nancy McDonnell.)

Lesson Learned: VOP–theory R can support and strengthen business initiatives, by creating a culture that is embraced and supported by the people. Out of relationships, everything flows, a stronger Lean, a stronger bottom line, and a business that is strong, competitive, and growing!

A VOP culture creates the environment where people choose to do their best. It provides the fertile ground in which ideas and teamwork can flourish and results can skyrocket, as a by-product of doing what is *right*! It is about people connecting with people who love and value each other (see Figure 32.14).

Lean is a *continual pursuit* to find the better way. VOP is a *continual pursuit* to go from good to better to best. It is about effective leaders inspiring people to not only be efficient but effective in that efficiency.

Commitment, vision, VOP, and Lean are key ingredients for achieving the competitive edge, beating the competition, and becoming the best in the industry.

Chapter Questions

1. What is theory R?
2. What are the similarities between a milkman and a good leader?
3. What are the three major parts of a successful Lean implementation?
4. What is respect for humanity?
5. Can one person make a difference? How?
6. How can *control the controllables* help the Lean leader?
7. What are the responsibilities of a Theory R leader?
8. What does the need to be valued and the Lean journey have in common?
9. What is the motivation for Theory R leadership?
10. What are the needs and desires Theory R openly recognizes everybody seeks?
11. What did you learn from this chapter?

Additional Readings

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Note

¹ Nancy Alderson McDonnell, president and cofounder, Value of the Person Consultants, 246 Washington Road, Pittsburgh, PA 15216, cell: 412-721-6383 and office: 412-341-9070. To learn more about VOP–Theory R business seminars, leadership workshops, coaching, consulting and to purchase resource materials: info@valueoftheperson.com; <http://www.valueoftheperson.com>. Resource materials include the following: *Stronger Than Steel*, by R.C. Sproul—a powerful, inspirational autobiography of Wayne Alderson, Founder, VOP Consultants. The book takes the reader on a journey of a point man, from the Siegfried Line to the Picket line of the Pittron Steel Foundry. It details the impact that the VOP principles can have in the lives of people and the dramatic bottom-line results. *Theory R Management*, by Nancy Alderson McDonnell and Wayne T. Alderson. This book will teach you how to empower your employees to achieve excellence, revitalize your business, exceed global challenges, and improve the culture of your workplace and bottom line. It details how to take VOP principles and effectively adapt them to a Theory R style of leadership. Special feature Documentary film, *Miracle of Pittron*, produced by Robin Miller Filmmakers. Filmed at the Pittron Steel Foundry where Wayne Alderson put into practice the VOP–Theory R principles. It documents the complete turnaround of the Pittron Steel Foundry, producing one of the most profitable and modern foundries of its time. All resource materials are available through the Value of the Person consultants.