



Raising the Intensity and Sustainment Levels of a Lean Organization

> **client** | WIKA Instrument Corporation, international leader in the manufacture of pressure gauges and other critical measurement instruments.

> **challenge** | Several years into its LeanSigma transformation, WIKA enjoys a steady annual growth of 12-15 percent. Directors and executives are seeking ways to develop skill sets in line with the company's future and the high-performance culture being created.

> **solution** | They engaged TBM's Lean Leadership and Sustainment practice in order to more accurately assess leadership gaps and the growth potential of the organization and individuals. A strategy combining both individual and team coaching and growth plans was developed — ensuring that company leaders are on the same world class growth curve as WIKA.

> **results** | While this longer-term project is still underway, company leaders are articulating definite goals, often for the first time, operating outside of old comfort zones, and using the assessment and personal development tools they've learned to encourage growth in their direct reports. Career development within the company is becoming lean, allowing them to more efficiently promote talent from within.

Executives with lean experience know how to adapt quickly to new situations and information. Huge inventory reductions, freed-up workers, new product lines and productivity — effective leaders learn to deal with the constant change associated with lean growth.

But are those same leaders continuing to grow in the midst of constant change?

In every successful lean journey, there comes a time when executive leadership teams need to look inward and ask: Are we prepared to lead the company we are becoming? Will we know how to compete profitably in this evolving global market place?

At WIKA Instruments, more than five years of a LeanSigma transformation had left them in an enviable position. Competitors were falling to pressures from globalization and commodity pricing in the industrial gauges sector, but WIKA was enjoying 12-15 percent annual growth. There were new product lines, shorter delivery times and better all-around flexibility.

While production methods and business processes had changed, however, WIKA still had remarkable employee stability. It was one of the things Brent Shadix, executive vice president of Human Resources, noticed when he started work at WIKA two years ago.

"Lots of our people have been here 20 or 30 years. The president, the director of Operations, the COO, the directors — they had all been here for more than a decade, which is great," Shadix said. "But there was nothing in place to help them all grow along with the company."

"Managing a \$20 million company requires a different skill set than managing a \$150 million company."

Shadix also saw that pressures were building. Managers had more direct reports; there were

additional and more varied tasks. Some people needed better time management skills, others needed to delegate more and learn to coach and mentor. Interpersonal skills had become even more important, along with an understanding of new global business markets.

Shadix wanted to help his colleagues get the skills they needed for long-term success. "I'm a long-time proponent of succession planning and career development," Shadix said. "I just knew that if we were going to grow, we needed some coaching."

“ We needed to take a good look at ourselves and we wanted facts, not emotion. . . we went through SML with TBM and looked at what was preventing us from moving forward. We had to recognize that sometimes, when you grow so fast, you put Band-Aids on things instead of putting the right management structures and skill sets in place.”

First, Shadix had to establish what training and support his team required. And he wanted to make sure any new program would work with WIKA's lean business. With the support of WIKA President Michael Gerster, Shadix engaged TBM's Lean Leadership and Sustainment practice.

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Career Development for All

In addition to the special coaching sessions for the core group of leaders, WIKA also has a Performance Management Program for all 600 employees - from the front-line welder to the president - with three major sections: objectives, measures and goals.

Each employee has three personal development goals, which might be met with one of 500 online classes available at WIKA, or leadership course work at the local Technical College. Some employees need extra English language skills. Some need help leading teams. Measuring an employee's progress has helped WIKA identify high-potential individuals, says Brent Shadix, executive vice president of Human Resources.

"Once we offer these opportunities, we can find people who take the ball and run," Shadix said. "If the potential is not really there, we can still help people grow in their current job. We always have to be looking for ways to be better; we can't be status quo."

About Hogan® Assessment Systems

Hogan Assessment Systems and TBM have joined forces to provide help with the identification, selection, and development of organizational talent and leadership. We use a variety of tools to measure everyday personality characteristics, counterproductive personality characteristics, core values that reflect job satisfaction, and cognitive reasoning skills needed for effective decision-making.

Our Approach: The 3x4 Success Matrix

TBM's Lean Leadership & Sustainment practice organizes its training and development into three integrated categories, each consisting of four leadership sections.

The **Vision & Alignment category** includes sections on Lean Leadership Assessment; establishing a Lean Transformation Vision and Roadmap; conducting effective SML/Policy Deployment, and selecting Lean Key Performance Indicators.

In the **Skills & Tools category**, effective Lean Deployment is emphasized, along with detailing the Daily Management for Lean Leaders; establishing Leadership Standard Work; and Managing for Daily Improvement (MDI).

Executive Development's four sections are Executive Coaching; Leadership Team Development; High Performance Enterprise Assessment, including a two-day, post-assessment workshop; and developing Talent Management Systems to support career planning, advancement and succession management.

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Along with assessing the leadership team's strengths and weaknesses, WIKA also needed to look at the internal triggers that people were responding to, and to identify any gaps between perception and reality, said Jerome Davis, TBM executive coach.

"First, you need to look at what motivates an organization. We want to know the vision for a company and how it is communicated," Davis said. "We need to know the culture, but we want it in data."

A critical first step, therefore, was to conduct a customized High Performance Assessment, in which executives, directors and managers in the company—the company drivers—evaluated the company's goals, abilities and shortfalls. The findings were discussed with Shadix and Gerster along with Davis and Herb Brown, TBM Lean Leadership and Sustainment practice leader. Results were validated by conducting follow-up interviews with several key management team members.

In addition, coaching participants were given a 360-degree assessment. Then, the Hogan® personality and development surveys were given to key people. (See sidebar for more information.)

"We started with six top executives and then we looked at the people who will be coming up, at who is in a key job and needs to develop," Shadix said. "The 360 review, the Hogan personality inventory and development survey—at first I thought it was a lot. But then I saw how they all fit together. We need to look at ourselves, at how we work from the inside out."

"These assessment tools have a proven background in helping executive, junior executive and site managers understand their own leadership skills," Davis said. "They are fact based and user friendly. And they're important because the power of personal insight is necessary to build and sustain lean cultures."

Using this data, Davis and Brown then conducted a two-day customized workshop with the 29 key people who participated in the High-Performance Assessment, examining WIKA's strengths, weaknesses, opportunities and future

plans. The workshop's agenda included discussions on WIKA's future planning, leadership accountability and a candid evaluation of the management team.

With a more finely honed sense of what the company needed from its leaders going forward, the team then chose 17 people for individual coaching sessions—including Shadix and Gerster.

The coaching will last nearly a year, during which time each participant will create and execute a development plan, meeting two or three times with their TBM mentor for individualized teaching and coaching. During the initial coaching session, the TBM mentor assists the WIKA

team member in understanding his or her leadership capacity, personal strengths and skill needs. Together, they develop a plan with clear objectives and actions to be taken.

Because the development plan is based, in part, on data collected from the Hogan personality test and the 360-degree review, Shadix was aware that some people might be sensitive and even take some of the feedback as a personal critique.

"I know this can be difficult. We don't like to have our personal limitations defined," Shadix said. "We all want to be without limits."

He was gratified to find that his colleagues were eager for greater personal understanding. "Some

people aren't organized or aren't great communicators. But that's just personality, and personality is not a deficiency, it's raw material. We don't want to change a person's essence. We want to understand everyone's nature in order to help them develop into a better team member," Shadix said.

In choosing a development plan, the coaches would also take into consideration the person's role in the company—both present and future.

"We might go after business issues, leadership skills, or help in mentoring and delegating, and integrating with other functions of the company. We position our objectives with each individual," Davis said. "Then we develop the plan."

Measuring Personal Development

As in every LeanSigma initiative, the goal of a Lean Leadership and Sustainment program is to positively impact the business. This is not a wish list, but hard business improvements that we're after.

How do we measure the impact of personal development on a company's bottom line? The answer will vary somewhat from one company to the next, but it is useful to look at a range of ideas for hard data. Consider:

1. Customer satisfaction (third-party administered) and retention up ____%
2. Leadership engagement up ____ %
 - Measures: frequency of interface with staff; contact and support of peers; cooperative support of cross-functional company objectives
3. Leadership continuity and retention of key employees
4. Results sustainment up ____ %
 - Measures: perpetuation of programs and initiatives; rate of close out on kaizen homework items or other project follow ups; rate at which goals are achieved and held
5. Organizational capacity for growth ____ %
 - Ability to digest change; number of major initiatives successfully executed in a given period
6. Recurring abnormalities down ____ %
7. Individual contributions improved ____%
8. Results from employee surveys
 - Improving scores for five key metrics: fair pay; opportunities to learn, grow and advance; respect for immediate supervisor/manager; feeling recognized and appreciated; doing meaningful work
9. Documented arrangements for internal coaching and mentoring

One director's development plan, for instance, includes a schedule of meetings with his key direct reports, ensuring that he takes the time to pass on his knowledge and deepen their understanding of lean business principles. He will also create development plans for each of his team members and take a more active mentoring role, while receiving training to improve his own communication skills. TBM is also helping the director articulate and present his ideas for certain structural changes in his department.

The workshops and one-on-one coaching have already led to measurable results, Shadix reported. Leaders are articulating definite goals for their areas of responsibility, often for the first time. Those getting personal attention are taking greater risks both personally and for the company. Assessment and personal development tools learned in the workshops are also being seeded throughout the company, as leaders use the tools with their direct reports.

Career development within the company is becoming lean, in other words, allowing WIKA to more efficiently promote talent from within.

Engaging in one-on-one coaching with 17 key leaders also ensures there will be a common understanding of how effective leadership can work at WIKA and what it takes to get to the next level.

Of course, there are additional measures the company will use to gauge long-term success for the leadership development project. Shadix says he'll be measuring employee retention, company growth, ability to promote from within and certain customer satisfaction data points to assess the program.

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Because evaluating data over time is critical for all LeanSigma work, TBM has compiled other possible measures to use, as well. (See sidebar.) What's important is that the measures reflect WIKA's goals against actual performance in customer satisfaction, as well as growth and profitability.

“WIKA is a company committed to learning, to creating great students and making them great teachers,” said TBM's Herb Brown. “That's how lean organizations drive talent development deep into every aspect of the company and ultimately, create better business results.”

About the TBM Lean Leadership and Sustainment Practice

TBM Consulting Group is the world-wide leader in lean innovation and rapid performance improvements for manufacturing, healthcare, financial services and government organizations. The hallmark of our work is rapid implementation and generating sustainable results for our clients. We stress performance, team-based behavior and promote a bias for action. Working along with key personnel within an organization allows us to transfer knowledge and skill sets in order to generate and sustain results.

Within the Lean Leadership and Sustainment practice, we recognize that great leadership enables and drives best-in-class results in terms of growth and profitability. We help leaders foster a culture of change and continuous improvement.

Our approach is a blend of assessment-based team building and behavioral coaching focused in three specific categories: Vision & Alignment; Lean Leadership Skills & Tools, and Executive Development. (See sidebar, 3x4 Success Matrix). The objective is to create an enabling environment and magnify the impact an individual leader or a team can have on the organization. We conduct workshops to achieve an effective level of engagement and sustainability as well as customize our delivery for C-level executives and senior management. All activities are focused on achieving cross-functional, organizational alignment around new behavioral norms and expectations.



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