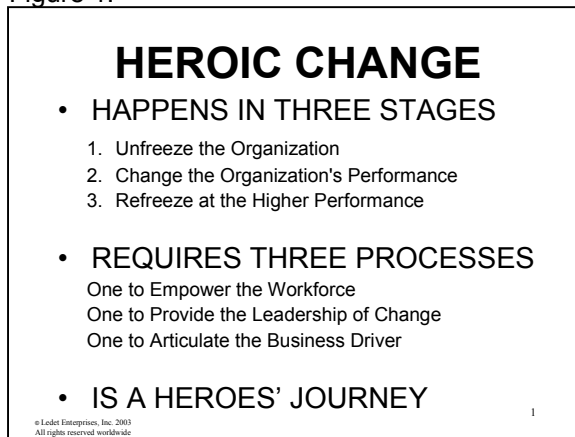# HEROIC CHANGE
Winston P. Ledet

Organizations today are in need of some drastic changes to deal with the fast pace of business. This is what we call Heroic change because it requires a lot of everyday heroes to make the change. This type of change happens in three stages, requires three processes and for the people involved it is a Heroes' journey according to the pattern in many myths throughout the ages.

The three stages are: first the organization has to be unfrozen so that change can be made, second the changes are made, and finally you have to refreeze the organization at the new performance level to avoid back sliding to the old ways. The rest of this presentation explains what happens in each of these three stages.

Figure 1.

HEROIC CHANGE
- HAPPENS IN THREE STAGES
  1. Unfreeze the Organization
  2. Change the Organization's Performance
  3. Refreeze at the Higher Performance
- REQUIRES THREE PROCESSES
  One to Empower the Workforce
  One to Provide the Leadership of Change
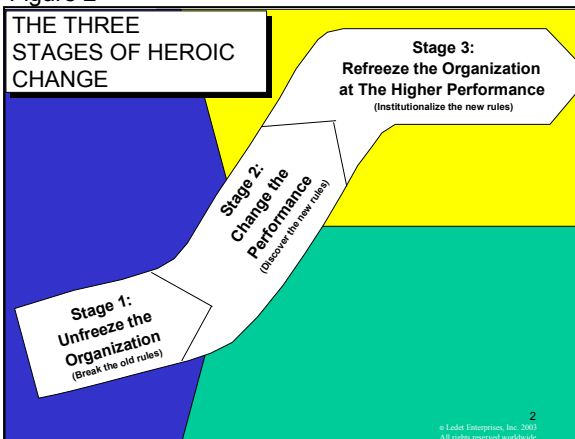 One to Articulate the Business Driver
- IS A HEROES' JOURNEY

Three processes are required to deal with power issues. The first is to empower the workforce to eliminate defects, the second is a leadership process to deal with authority issues, and the third is a process to articulate the business need which is the power demanding the change.

It is very helpful to understand the Heroes' Journey pattern to anticipate the feelings people will have along the way and to be prepared to deal with the issues that will arise as people go through the personal agony of changing their work habits.

Figure 2

THE THREE STAGES OF HEROIC CHANGE

Stage 3:
Refreeze the Organization at The Higher Performance
(Institutionalize the new rules)

Stage 2:
Change the Performance
(Discover the new rules)

Stage 1:
Unfreeze the Organization
(Break the old rules)

From our experience the way these changes happen is like an S shaped curve. In stage 1 the performance improvement starts as the organization becomes more open to change. The real work here is to discover a better way of working.
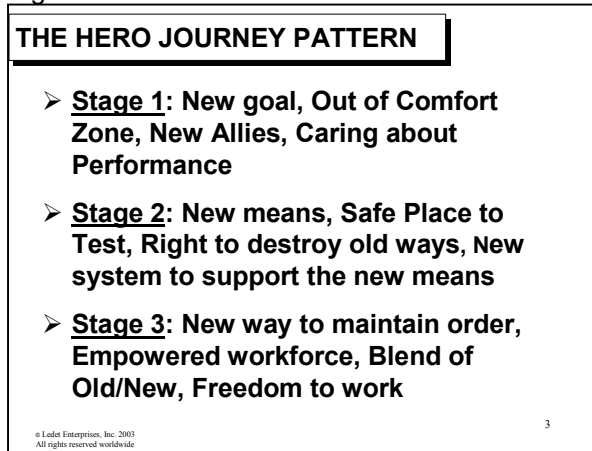
In stage 2 the big change comes as more people get involved and the new work practices become widespread. This is a period to perfect the new ways of working. In our approach the performance improvement comes from

eliminating the many defects in the equipment, practices, and policies of the organization.

In the third stage, the main work is to institutionalize the best practices by putting in systems to support the new way of working. Stage 3 is where the best practices learned from other organizations are installed. Unfortunately, this is where most organizations want to start their improvement program. While the best practices and the systems to support them are in fact the right things to do, you can't install those until people are ready and able to use them. Stage 1 and 2 are necessary preparation for these new best practices to succeed.

Figure 3.

> **THE HERO JOURNEY PATTERN**
>
> - **Stage 1**: **New goal, Out of Comfort Zone, New Allies, Caring about Performance**
>
> - **Stage 2**: **New means, Safe Place to Test, Right to destroy old ways, New system to support the new means**
>
> - **Stage 3**: **New way to maintain order, Empowered workforce, Blend of Old/New, Freedom to work**
>
>
> 3

Many initiatives fail because they do not anticipate the fear and anger generated by change efforts. Any new work practice will take longer to accomplish at first because of the learning required to implement something new, as compared to the old work practices that are very familiar.

In the first stage it is important for people to see a new goal as a motivation to make the change. They also have to get out of their comfort zone to make the change, which can create fear and anger. To overcome this fear and anger it is helpful to feel like others are in it with you. Organizations don't get out of this first stage, however, until they are able to realize that they do care about performance. In many organizations, people are apathetic because the organizations have survived a long time and people lose sight of the fact that their jobs are important to them. This has to be overcome in stage 1 of a change.

In stage 2 of the change, the major work begins to empower workers by giving them the tools to improve performance. These tools alone will not work, however, and people have to learn how to use them. This requires a place and a method to test these new practices that is safe for the workers. Small action teams are used to lower the consequences of a failure. Once the process gets going, it is also important to destroy some of the old ways of working so you can't go back. This requires some new systems to support the new way of doing work and making it efficient and convenient.

In stage 3, the work place needs to return to the efficient operation of the work process like the one that existed before stage 1. People in general return to the path of least resistance so it is essential that the new way of doing work is also the easiest way of doing it in the new system. If you keep the old systems, the work will return to the old ways. The empowerment that workers need at this

point is the right to do their work in the new ways. If they have the tools and systems to do the work right, the results will be so good that there will be very few issues about the right to do it. At this point, all of the activities that were essential in stage 1 and stage 2 should stop. Those activities were essential to change and that is now done.
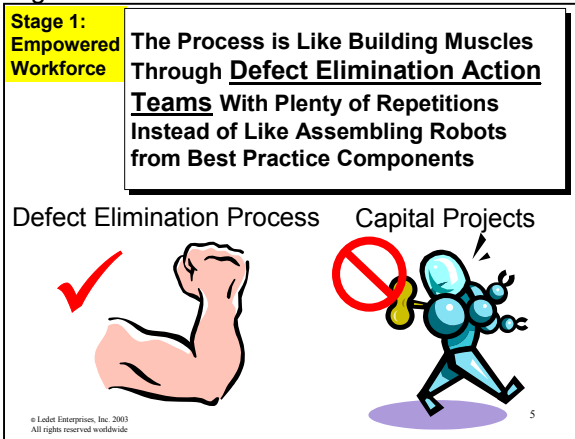
Figure 4.

The Goal is to Move Up the Operating Domains
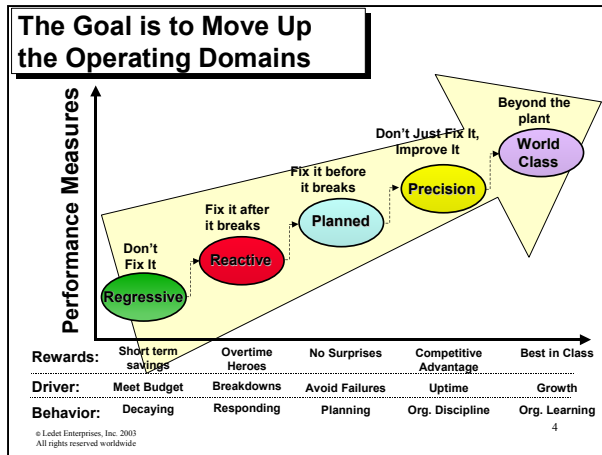
Manufacturing facilities typically operate in one of these five domains. The goal for any improvement effort should be to move up from the current domain of operation to a higher one. We find most organizations work in the lower two domains with a smattering of work further up the domains. A particular change effort can be targeted at moving some specific work practices to higher domains based on the business need.

While this chart shows a linear progression of domains, in practice it is better to skip some of the domains, like planned. From a practical standpoint, it is easier for most types of work to go directly to the precision domain where you eliminate the defects that create the need for a plan.

Figure 5.

Stage 1: Empowered Workforce

The Process is Like Building Muscles Through **Defect Elimination Action Teams** With Plenty of Repetitions Instead of Like Assembling Robots from Best Practice Components

Defect Elimination Process   Capital Projects

When you are building capacity in people, as you do by implementing a Defect Elimination Process, that capacity is available for immediate use. You don't have to wait for the end of a project to begin using it. But, this new capacity must be exercised immediately or it will be lost.

The Leadership activities for leading a Process must be quite different than those for leading a Project. That's why many well proven project leadership techniques don't work well for making the sort of change that we are talking about. It's like treating people as if they were machines.

Figure 6
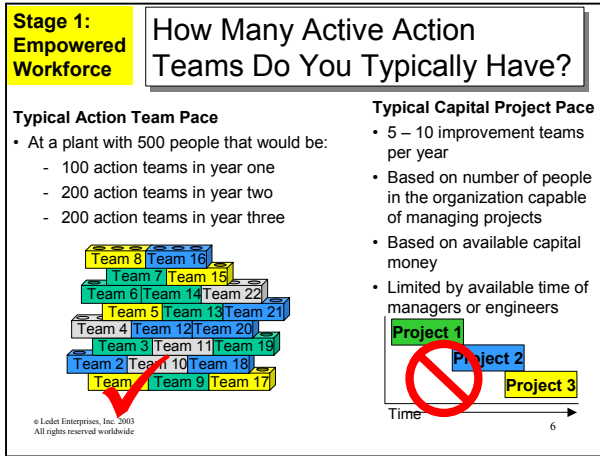
Since the objective of a Heroic change is to create a new culture of work, it is important to involve all of the workers in the process. If you try to take the approach of a capital project, you will limit the change to those few people who have the experience and authority needed to manage a capital project.

Typically an empowered workforce process will need everybody in the organization to participate in an action team in the first year. Since cross functional teams of about 5 people work best to do defect elimination, there must be 100 action teams in the first year for a site with 500 people. Remember, we are trying to create a safe place to experiment with new ways of working and therefore these action team improvement projects should be very small to avoid big negative consequences.

After the first year, people have gotten the idea of how to do this teamwork. We then expect them to be on 2 per year for each person to get the repetitions they need to engrain the process. That means a large number of teams will be doing new things.

Figure 7

Having many teams working is what creates the need for the second process, leadership. There is no way to manage this many teams by command and control techniques. The leadership process must create a vision to guide the process. This vision along with good boundary setting is the method to provide a safe place for people to experiment with the new techniques. As in any learning process, you should expect some failures and keep the focus on the learning from the team and not just the success.
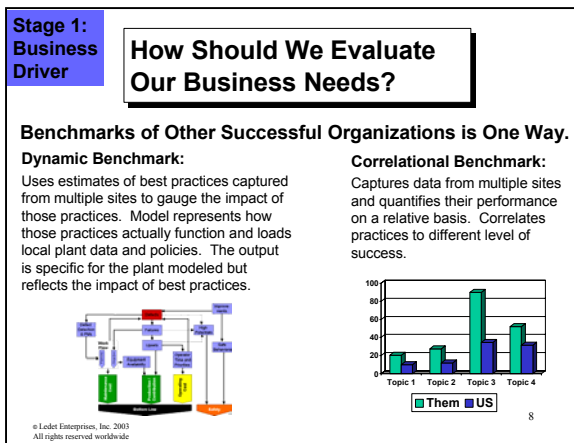
A way to increase the rate of successful action teams is to do a good job of selecting the people for the teams and rewarding the successful ones publicly.

The other way to increase the success rate is to actively work on removing organizational barriers to the new ways of working.

Finally, the role of supervisors will have to change as you change to new work practices. The normal way of supervising people is specific to the way work is done. If the work changes, it is essential that the role of the supervisor is changed to match the new way of working.
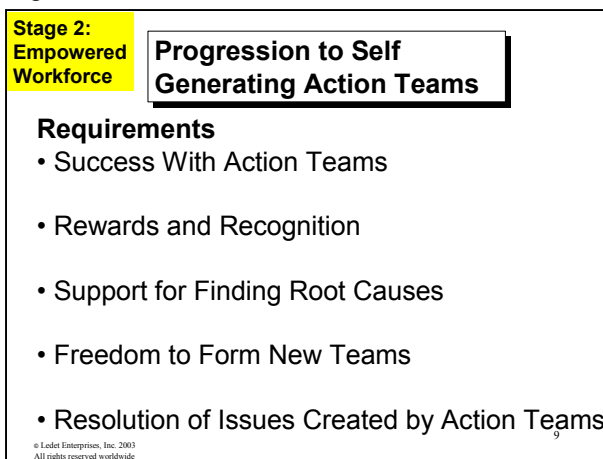
Figure 8

Stage 1: Business Driver

How Should We Evaluate Our Business Needs?

Benchmarks of Other Successful Organizations is One Way.

Dynamic Benchmark:
Uses estimates of best practices captured from multiple sites to gauge the impact of those practices. Model represents how those practices actually function and loads local plant data and policies. The output is specific for the plant modeled but reflects the impact of best practices.

Correlational Benchmark:
Captures data from multiple sites and quantifies their performance on a relative basis. Correlates practices to different level of success.

Of course, none of these activities will succeed if there is not a good reason to make the changes. People will not be motivated to change unless there is a good business reason to change. Some means of discovering that business need must be found and the business need articulated. Benchmarking of other organizations' practices is one way to set a goal since the competition determines the level of performance required to compete in a particular industry and location.

Dynamic benchmarking is a relatively new approach using a computer model to simulate your work process and production process to compare your results to others. In such a simulation, you can implement the best practices of other companies in your simulated plant to determine the value of implementing those practices in your real plant. Correlational benchmarks are good for comparing your results to the results obtained by other competitors. They are not as helpful in defining the practices you can use to be more competitive.

Figure 9

Stage 2: Empowered Workforce

Progression to Self Generating Action Teams

Requirements
• Success With Action Teams

• Rewards and Recognition

• Support for Finding Root Causes

• Freedom to Form New Teams

• Resolution of Issues Created by Action Teams

In the second stage, the key issue is how to keep the teams going long enough to fully develop the new ways of working. The initiative for creating teams needs to shift to the workers themselves with the support of the management.

One of the things that enable this shift is the success rate of teams. If the teams are getting good results it encourages others to form teams. The rewards and recognition given to successful teams is a way to show support for the initiative. The shift at this

point should be toward going deep enough to track down the root causes of defects so they can be eliminated permanently. It is not important in stage 1 to get to root causes since people are just learning the techniques but it is important in stage 2. To achieve the number of teams that are required to develop new work habits, people must have the freedom to form teams on their own without a lot of administrative work.

Finally it is necessary to address and resolve the issues created by action teams. These issues point out where the management system does not support the new ways of working. These systems have to be changed before the initiative can progress to stage 3.

Figure 10

Stage 2: Leadership

How Does Decision Making Need to Change to Support the Defect Elimination Process?

Requirements
- Efficient systems for authorizing and funding <u>proactive</u> work
- More people need to be involved in making decisions and implementing their own ideas instead of handing them off to others
- A shared vision across the organization

10

The big leadership question in Stage 2 is how do decisions get made. If the organization depends on a few managers to make all of the decisions, they will not be able to keep up with all of the action team issues.

It is important to create a way of authorizing funds for the proactive work of action teams. Many organizations set up special funds with clear boundary limits that anyone in the organization can use as long as they stay within the boundaries. In order to empower the workers, they have to be included in the decision making. This requires a process that clearly defines the limits and encourages people to make their own decisions within those limits. This is usually accomplished by articulating some simple decision rules that everyone can understand.

Finally the leadership process must create a shared vision of where the organization is trying to go. This shared vision is needed to inspire people to the higher goal.

Figure 11.

Stage 2: Business Driver

Are the Teams Succeeding?

Legend: Total Teams Launched, Successful Teams, Self Generating Teams, Million $ Saved

11
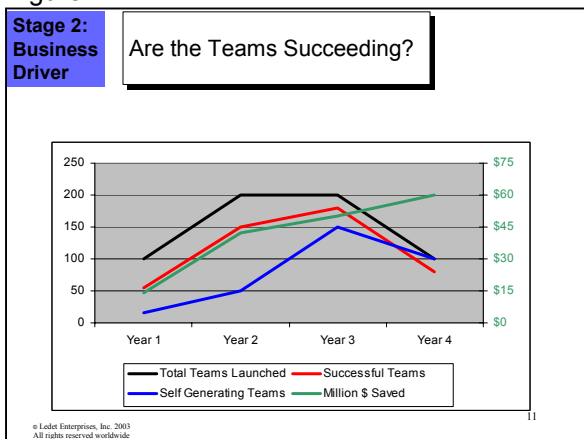
From a business driver point of view the thing to track in this middle stage of the change is how well the teams are doing. The number of teams should ramp up very quickly and continue to rise in the second year. Generally by the third year they can level off and reduce rather dramatically in the fourth year. In

most organizations, the number of defects and root causes that are eliminated in this time period will improve performance to the desired levels. In figure 11 note also that the blue line is the number of self generating teams that form. By the fourth year, basically all of the teams should be self generating.

Actually by the fourth year you should be in stage 3 and the visibility of the teams tends to disappear at this point because it becomes the normal way of doing things.

Figure 12

The organization has entered the third stage when the workers take ownership of their work product. The switch tends to be very dramatic but not very visible. Operators are better at doing their rounds to make sure things are running properly. They are much better equipped to spot potential defects and root causes and routinely do the things that prevent these from happening.

Their tools and procedures have the best practice principles built into their routine work procedures. The level of craftsmanship goes up to the level of people's skill instead of some lower level constrained by the system of work.

The competency of the communication improves as the people experience more cross functional work. People have a much better understanding of what the other functions need to get their jobs done in the new ways of working.

Figure 13

In stage 3 the leadership process needs to transform into a management system. Leadership is about creating change; management is about maintaining order. In stage 3 the organization needs to establish a new order based on the new ways of working.

By embedding best practices in work control systems you institutionalize them. An example is measuring defects eliminated instead of mean time between failures. It is also important to go back to focusing on the overall performance of the whole organization instead of just focusing on teams.

Finally, there must be a way of orienting new people into the organization so they can appreciate the value of the new ways of working. This usually is not very difficult because of the high performance but it is very important to orient the new people or the improvement will not be sustained long term.

Figure 14
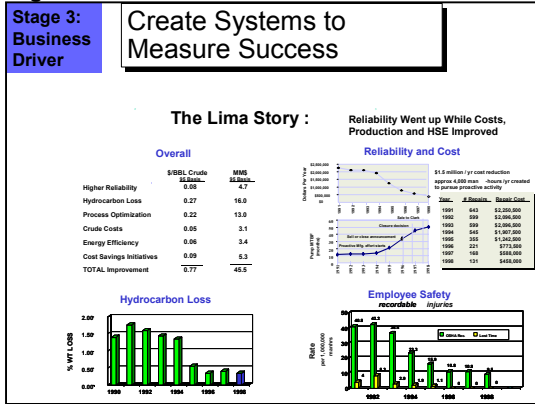
The business measurements must now be inclusive of all the parameters that are key indicators of success to insure that performance is not sliding back to the old ways.

When the organization has stabilized the performance at the higher level or the rate of improvement has slowed, the organization is now ready to consider a new change effort to go to an even higher domain. It is usually smart to be sure that backsliding will not happen before attempting a new cycle of change.

The next cycle will not be based on defect elimination because that change has been made. This is a good time to consider an expansion or other growth opportunity.