

-- Speaker 0 00:00:04 Make It Right

Speaker 1 00:00:05 The manufacturing podcast,

Speaker 2 00:00:09 Welcome to the Make It Right podcast. I'm Janet Eastman. And this week on the show, we're going to look at why alignment and engagement matter to the performance of your manufacturing company. My guest is Jamie Flinchbaugh. He is the founder of Jflinch. It's an advisory firm that helps lean leaders be successful. He's also the co founder of the lean learning center and the co-author of the Hitchhiker's Guide to Lean, which came out in 2006. He's got more than 30 years in business and he has a wealth of experience to share. So I'm really happy to have him on the show. Welcome Jamie. Thanks for having me. My pleasure. So your career spans some 30 years. What sets you out on this lean journey?

Speaker 1 00:00:51 That's a good question. I think I would perhaps want to argue that when I, when I started working on a manufacturing floor, when I was about 10 shoveling machine shops and cleaning bathrooms, I, I definitely sought ways to make my own work more productive and more effective, but that's probably more of a predisposition towards lean rather than an actual lean journey. So I think the real lean journey started when I was managing materials at Harley early on in my career. And, and, uh, Harley was one of the first to put in a large scale pull system from end to end, a highly integrated manufacturing facility with zinc plating and stamping and all sorts of things. And we had lots of shortages and I, I had to manage the system and then ultimately improve it since it wasn't working. And I learned a lot, uh, about culture, about the system around lean in general from that experience, which ultimately took me to, to Chrysler, where I helped build the Chrysler operating system, which I would argue with my first, really deep dive past the Harley experience.

Speaker 2 00:02:04 Okay. So how many years ago was that?

Speaker 1 00:02:06 Oh, that was, that was, that was near the beginning.

Speaker 2 00:02:09 Yeah. Okay. So I mean, somebody like Carly was sort of ahead of the curve on what they were trying to do, weren't they,

Speaker 1 00:02:16 They really were, um, you know, they, they actually, uh, we had a triangle, I forget exactly what the term for. It was three points that were the key, uh, the material as needed system or, or the pole system was one, uh, process control was another and employee engagement was the third and we probably didn't do great at that third. Um, but we really just recognize it as part of a system. So it wasn't, it wasn't as complex and far reaching as perhaps what we did at Chrysler in the years to come. But it, it, it did also expose me to, you know, not just the components, but also how they all fit together. So

Speaker 2 00:03:00 We have called this podcast why alignment and engagement matter to performance. And I think all of this starts with culture. Doesn't it. So why is culture so important and why to companies neglect it?

Speaker 1 00:03:13 Well, I think, um, you know, for starters, you know, any, any manufacturer, as long as they can get or borrow the money can buy assets, they can buy and sell manufacturing facilities, they can license or invent a technology. Um, you know, it, it's hard to be truly competitive or have a competitive advantage just on the physical aspects of manufacturing alone. And so really the distinguishing factor on a longterm basis, you know, beyond a short term gain is the people and, and how people make decisions, how they behave, how they react to the situations they face and, and culture is essentially defining what's unified about those people. Um, I would argue of that, that manufacturing it's even more important because it's so complex and there's so many people often spanning, you know, seven, seven days, 24 hours a day that, uh, culture is one of the few unifying things that's there.

Speaker 1 00:04:16 Um, so, you know, even highly automated facilities, if you follow around a frontline manager or frontline employee, you'll find they have to make all kinds of decisions. And what, what perspective framework mindset is informing those decisions really determines that. Now why, why companies fail to work on it? I think is just because it's hard, right? It's um, you know, they have a budget plan, a production plan, a capital plan, a hiring plan. We have a plan for everything. Uh, but th --

-- e idea of having a plan for your culture, most people don't know where to start and, and that, um, it's not a lack of recognition. It's a, it's a lack of really knowing how to, or feeling comfortable rolling up their sleeves and deliberately working on shaping the culture. Yeah.

Speaker 2 00:05:06 So if people are the key differentiator in any company, is there a formula for creating a positive culture in a manufacturing setting?

Speaker 1 00:05:18 Well, I don't know if there's a formula, but it, it requires, uh, the formula we do use is that our principles or beliefs drives our behaviors, which is the observable part. Uh, the behaviors determine our actions, the actions determine the results that we get now, our, our beliefs are shaped by our experiences. So for one, you have to articulate either the principles or the behaviors that you want. That's, that's a key part of that, that recipe, um, I believe fewer is better. If you can find the critical few that really are gonna make a difference for your organization, uh, that, that is certainly essential. And then creating the experiences of what we do as leaders is whether we're intending to or not. We are creating experiences for people and those experiences shaped those, those beliefs. So, so having a way to, uh, you know, as a leader or as a leadership team, to really create experiences day to day experiences, this is not a big roll out. This is how you react to problems. What you recognize people for this is what kind of questions you ask. This is what you role model as a, as an individual leader. Um, these are the things that create experiences for people that help shape those, those beliefs once you've decided or articulated what those beliefs or behaviors should be.

Speaker 2 00:06:44 So a leader actually can be, they can start on this journey without anybody really knowing it, just by changing their own behavior.

Speaker 1 00:06:53 Absolutely. Um, you know, but it's important to, for any leader recognize it's, it's what people see you do, uh, that matters the most. Um, I talk with all sorts of leaders that, uh, that, that, you know, they claim, they think lean in the back of their head and it's going on all the time, or they don't want to show off and, and sort of be too overt about their leadership. But, but fundamentally, I like to say, you're not a role model if nobody sees you do it. And so as a leader, you kind of have to recognize you are onstage, whether, you know, whether you want to be or not. And so being thoughtful about what people see you do, how you act, what you, what you ask and so on, every single one of those is a signal to everybody else about what matters. And that's part of the experience that shapes that culture.

Speaker 2 00:07:46 You must have been on your fair share of factory tours. Can you instantly spot a company with a poor culture when you walk around and are there telltale signs?

Speaker 1 00:07:57 Um, I certainly like to think I can, I do try to probe and not draw conclusions too quickly, but, but yeah, I've been on hundreds of, of, of walkthroughs of factories, um, over the years. And I think the first signs, you know, really show up in very visible ways, you know, sloppiness, trash, uh, disorganization. And these are, these are things that there's at least no underlying discipline, uh, and sort of care in the culture. And it's, it's somewhat difficult to, to have a lot of discipline around other things like quality, your problem solving if you can't even have it around, you know, a trash bin on the floor. So I think that's one of the first signs, but digging past that, I kind of start looking for just signs of variation. Do people work differently? Are they measuring the same things or are they reacting to problems in the same way? And the more variation I see, the more it's an indicator that there's not a strong culture, whether it's a good culture and culture, there's not a strong culture, really unifying the operation.

Speaker 3 00:09:08 So if there's that variation, then there probably isn't that alignment is there that, that youth you say is so important to, to performance.

Speaker 1 00:09:20 Absolutely. Right. So that alignment is kind of saying, you know, on all things, including our decisions, uh, how do I know the other, what the other shift is going to do? How do I know what the upstream or downstream process is going to do? What I say to leaders is how --

-- do you know it, 2:00 AM on the shipping docks when there's a problem, what decision someone's going to make, right? How do you put your head on the pillow and sleep comfortably while your operation is humming along? Unless you have some alignment and there's, there's a lot of elements of alignment there's alignment of, of, of goals, uh, and, and methods. But, but ultimately those, those behaviors start becoming one of the core parts of that alignment, as I said earlier, culture is kind of the pattern of the shared behaviors, right? How does everybody behave? And so if you don't have a strong culture, then you'll have no consistency in your behaviors, your actions and your decisions.

Speaker 3 00:10:16 And you also don't have that employee engagement without the strong culture then,

Speaker 1 00:10:20 Right? So that's, that's, it's very hard for employees to engage. When the system they're plugging into the management behaviors, they experience are all over the map, right? So if I, if, if I bring up a suggestion and one, one team manager says, you know, great idea, another one says, you know, get back to work. And another says, why don't you go run it by, by Sue? Well, now that inconsistency that I get from managers leads me to not know what the right answer is as an employee. And so the safest thing to do is nothing. I'd just keep my idea to myself cause they don't have to guess what reaction I'm going to get. I just, I just avoid the situation altogether. And so where, where you have lack of alignment, where you have lack of a strong culture, um, it's very hard to in build, build employee engagement because the expectations aren't clear and the response you get when they do act, uh, is not clear. And so then, like I said, the safest thing to do throughout your day is just keep your head down and keep to yourself.

Speaker 3 00:11:26 <inaudible> I worked for, um, an employer at one time and there, it was a bit of a Dr. Jekyll and Mr. Hyde situation. Sometimes he was so easy to get along with and it was great, but there are other days where it was just argumentative at all turns and nothing was right. And so you, you didn't know whether to go to them with your question because you were never sure what going to come out of the box. Right. So how do you set it up so that you can build that trust with your employees so that they know when they come to you with something that they're going to get that person, you know what I,

Speaker 1 00:12:08 Right. Yeah, no, that's, and that's a great story, right? Because if you have to ask, well, what kind of mood are they in before you decide what to do? Then it's not a culture. It's a, it's a sort of hide and hide and respond type of system. And so I like to say that trust is, is a name enables. These things enables your culture, enables your engagement. Um, I talk about it as a model I use called the four CS, or I call the four CS, which is that you demonstrate care. Uh, you communicate the why, the intent behind things, the context you have the competency to actually deliver on your promise promise. And you do all of those things consistently. So that consistency is a big part of it. So a good example is to bring up your point around, well, I have a problem.

Speaker 1 00:13:00 Do I, do I bring it up? So when Lee there's a concept called the <inaudible>, which is really, you know, when you experience a problem or an abnormality, you surface it, whatever predesigned system you do and then help is supposed to respond. I actually call it the help chain. How do you connect to the help you're supposed to get? And most organizations focus on how to identify a problem, how to escalate it. But I think the response is so much more important, right? So, so to demonstrate those four CS on people have to understand the why, the communication of the why of pulling the end Encore. And it's not because you're incompetent. It's because there's an abnormality that's hurting you. You are the person receiving the help. The problem is the enemy. And so if, when that's clear to everybody and the leader demonstrates that that's pretty important, the care, the demonstration of care is showing that down, this person sort of pulls the end on and asks for help that you were there to help them remove burden.

Speaker 1 00:14:06 You're not there to give them extra work. Uh, the competencies, the actual ability to remove that barrier, to help that employee without --

-- abnormal condition. And then of course it has to be done consistently, or you have to, I have to get the same response on first shift and second shift on Monday and Wednesday on from this leader and that leader. And only that consistency allows, uh, an employee to trust that when they surface an issue that they're going to get the help that they need. And if they can't trust that, like I said, they'll, they're there to be much better at hiding the problem from you than you are and figuring out that they did. So. And so without that trust, you can't have these basic fundamental in place because people are just not going to expose themselves to it.

Speaker 2 00:14:56 And trust is something that takes a really long time to build and it can be so very easily lost right? In your career. You've probably seen some challenging environments. How did they build and rebuild any trust that may or may not have been there, or that was lost? Can you share some stories?

Speaker 1 00:15:12 Yeah. So I think for starters, those four CS are a good sort of recipe that care communication, competency and consistency, but, but, you know, there's, there's always going to be violations. And so I think being transparent about those is most important. A long time ago, I was running an operation and I w I took it over, uh, from a group of leaders that really treated it like their own personal, um, their own personal service. You needed skilled trades working on their house. They, uh, there were all sorts of, uh, semi illegal things going on inside the factory. And, and, uh, the culture was pretty toxic. It had nothing to do with actually making product at that point. And so I really focused on, I didn't have this model then, but I really focused on, uh, on the demonstration of care. I, I spent a lot of time on the floor, engaging with people, understanding, um, I had a couple of thousand people, so it took a lot of time, but really reaching out to them personally, um, uh, at, at that level.

Speaker 1 00:16:19 And then, you know, also really focused on the competency, which is, you know, in this case was kind of helping people remove the barriers to their own jobs, making their jobs better, or removing the burden from the work and just being really good at following through on, on what I told people I would do. And, uh, it took a lot of hours, but we started to, uh, beforehand up moving to another assignment, really did start to turn the culture. And the performance came along with that. Um, performance of the factory was actually never met its numbers. And, uh, we finally started to meet, meet the numbers, meet the expectations, meet the goals more days than we didn't never got across the finish line to day after day success. But we were headed there.

Speaker 2 00:17:06 That situation that you described when you took it over, it set, it's likely that the employees all felt like they were being taken advantage of.

Speaker 1 00:17:16 Well, certainly, um, you know, this was a union environment, so they had at least some basic protections. And, uh, when you, when you do that long enough, though, when you sort of operate in a, in a, in a way that people can't trust your intentions, let alone your actions, um, you know, people learn to kind of say, well, you know, if you, if you gonna take advantage of me, then I'll take advantage of the system. And so, uh, there were transgressions all around on both sides of the equation. Um, but they were learned behaviors, right? So a, a old mentor of mine, uh, who was a union leader is just somebody who helped me understand that perspective would say unions, reflect management just with a lag. And so, um, you know, while you saw was the same behaviors coming back from the employees that management was demonstrating, and it just took longer to overcome because they had experienced them long enough.

Speaker 2 00:18:16 So can alignment and engagement and trust all be achieved in very large companies.

Speaker 1 00:18:24 Uh, certainly they can. I think there's a lot of examples of large companies, uh, that, that have, that have done that. But I think it's important to recognize that large companies are really just a combinations of micro cultures, that you, you have a company culture, but at every leader you have, you have a micro culture and every team, you have a micro culture at every site, you have a micro culture. And so you really have to enable a leadersh --

-- ip at every level to be good actors on behalf of the culture, you're trying to shape a it's. One of the reasons I like to say leaders must be teachers because to get that culture, you have to be a teacher, not a classroom teacher, but a, a day to day teacher, a coach and, and, and engaged in that. So you have to, uh, you know, have to build a culture for those leaders at each next level.

Speaker 1 00:19:19 And then you have to help enable those leaders again, all the way down to frontline leadership, where that's, that's where people experience employee engagement, right. I can have all the systems and great senior operations leadership I want, but if, uh, if an operator on second shift brings up an issue and the frontline supervisor shuts them down, well, that's the culture that they experience. And so, uh, and so that's the microculture gone wrong. So you really need to sort of ideally measure, but certainly observe, engage and, and, and fix cultures at, at each level in the organization and make sure that there's enough articulation so that PE leaders are learning to lead consistently.

Speaker 2 00:20:04 So there's empowerment all the way through is each, each section is, is leading their own culture. So there has to be trust going both ways from the, the leader at the top, to the next level and the next level and the next level, but going upwards and downwards doesn't there.

Speaker 1 00:20:21 Yeah, it really is both ways. And I'll go back to that. One of those four C's competence, as an example, um, to empower your employees, a leader has to sort of trust in both the process and the capabilities of, uh, and the competence of the people in the team. And so we're going to empower the team to go run their process. Well, is there a good process and is their competence within the team operate that, but flipping the other way, if a leader says, here's where we want to go, and here's how we want to operate. Um, it doesn't matter if it sounds good if I don't believe that the leader doesn't have the, the leadership competence to deliver that vision. And so how much do I trust that we'll actually follow through on this vision when the leader rolls out in a gray on communication, where they want to go, well, is there a competence of that leader?

Speaker 1 00:21:13 And do I trust that the leader can get us there? So that, that trust is absolutely a two way street. And, and, um, you know, it's, it's amazing how often we don't talk enough up and down the org chain. There's a deep study. We did in one large company where we did deep interviews all throughout the company, really understanding what the issues are. And we, we heard from the executives, these are the top 10 issues, but the employees don't get it heard from the employees. These are the top 10 issues, but the executives don't get it. And it was the same list of issues. Um, in the end, they all saw it. They just weren't communicating and understanding each other, uh, that they were really actually all on the same page.

Speaker 3 00:21:55 So how long can this process take and, or is it a never ending process? You're, you're always, always on this lean journey. You're always on this alignment and engagement and trust path.

Speaker 1 00:22:09 Yeah. So it is, it is an ongoing journey. We like to talk about a destination that's never achieved. Um, uh, but I think there's the, the journey of how long till you get something that you can rely on, how long till you can get something that you are proud of, and you can actually see to giving you consistent results that you want. And that really depends on sort of how far gone you are, right? If you have a good, decent operation, it might take a couple of years to build something that's really strong, and if it's truly broken, um, it, it might take, it might take longer, um, uh, unless there's a true inflection point that really shakes everything up. So, you know, we do measure these things in years, uh, when we start talking about culture, uh, but that doesn't mean you have to wait years to get benefits.

Speaker 1 00:23:00 Um, I think the more focused you are and driving the culture, the more connected it is to the work and the systems you can start seeing, especially at the sort of micro culture or team level, you can start seeing gains and behaviors, you know, right away, as long as you have a deliberate, a deliberate effort to shape those behaviors. And I go back to my --

-- Harley experience where, uh, you know, the, the failures I was witnessing were much more due to behaviors, uh, than they were to the system design. And in a month, I had, was able to create dramatically different results by shaping some of the behaviors we were far from world class. We were far from the culture we wanted, but we were getting results from behavior change almost right away.

Speaker 2 00:23:46 Okay. So what kind of return can manufacturing companies get if they truly do focus on alignment, engagement and building trust? Is it profitability? Is it the ability to hire good people? Like what's the, what's the overall return?

Speaker 1 00:24:02 Yeah, so I, I think it, in part, it depends on how far you take it. Um, but I would say it is the resilience to overcome the issues that come up over time, right? So your ability to deal with new issues as they come up, your ability to be consistent, you know, quarter after quarter, year, over year, that you are in control of your own destiny. So to me, it's not, you know, if you look at any one quarter, uh, you know, a company that just invested in the latest, greatest technology might get the same returns as a company that only has a good culture. Um, but you know, they can't buy that new technology each quarter. I it's the it's the next quarter and the next quarter, the next quarter. So it's the consistency of returns. Uh, and then the ability for speed and agility, uh, to, to go in new directions quickly, because you have that alignment and engagement, you get more hearts and minds, you know, hands and feet, trying to turn the ship where you need it to go. And, and we've actually seen that through this pandemic is, you know, some organizations really able to make decisions, get aligned and, and rapidly start to adjust what they do and deliver results through a, a very disruptive time and others that have been paralyzed and don't know how to operate and can't get aligned and they're struggling to perform, uh, in the face of, of a difficult condition.

Speaker 2 00:25:33 Have you seen any companies recently because of the pandemic, I mean, really make that big turnaround and like, I'm just thinking, you know, somebody down on the front line, they're looking at the situation and they're like, well, nobody's going to buy these products because they're not what they need right now. But if we did this minor adjustment, we could create this product. And should I tell my leader that this might be a profitable business for us to move to right now? Like I'm just sort of pie in the sky here, but I mean, I'm sure there's people on the front line that have some pretty good ideas and they just have to be able to take them forward and trust that somebody is going to hear them because they could be fantastic ideas.

Speaker 1 00:26:11 Yeah. And, and, and many of them aren't, you know, uh, I'll say fall in the category of a new business or product, but, but, you know, if you look at what people have dealt with, uh, they had to find ways to come back to work, uh, safely. Um, uh, they had to deal with the supply chain disruptions. They had to deal with either, you know, massive increases in demand, or I massive decreases in demand or big shifts in demand in terms of, you know, from one to another. And so all of those re you know, of break a hundred things and require a hundred solutions. And so we have seen organizations that have, uh, and, and even work from home while a lot of the resources are work from home. How do we collaborate and connect and make decisions? So have seen organizations that have very quickly, you know, really developed a new way of operating, uh, with work, from home, with safety, with some of, you know, even just having almost no forecasts that they can rely on and just kind of build new processes to work through what they need to work through.

Speaker 1 00:27:16 And it took, you know, you go look at what they did and there's no big solutions. It was just 150,000 different small solutions, but they happen so fast, which never could have been done by one person. So it took everybody on the team to change what they needed to change based on what was broken. And so we've seen some organizations, uh, you know, some, some facing, you know, with, with high increasing demand, which is a nice condition to face rather than decreases, but either way we've seen organizations kind of react very quickly and in a very, uh, I'll say a --

-- profitable way, you know, not just throwing money and resources at their problems.

Speaker 2 00:27:57 So we are in an interesting time right now for manufacturers. Well, for all of us, what are some key takeaways that you would leave with manufacturing leaders right now that they should be thinking about?

Speaker 1 00:28:09 Yeah. So, I mean, I think, uh, you know, some of the things that they are dealing with are new problems and they should essentially pretend those problems are permanent. You know, not that the pandemic will be, but if they solve what those problems are facing them, whether it's employee safety or it's having forecasts that are all over the map, they will be a better organization for it. Uh, I think second, it's doing all of that with speed and agility being flexible, uh, not, not locking yourself into a three year plan, but being able to be agile for whether it's demand or product mix or whatever it might be, and that's gonna make you better, no matter what happens. And then third it's really people first, right? So it's, it's empathy for what's going on at home, you know, with, with school. And every employee has something that are dealing with right now.

Speaker 1 00:29:00 And so the empathy, the personal connection, the demonstration of care, and then, you know, the consistency, I think right now in particular, it's whatever you can control, even if it's half of what you used to be able to control, control the heck out of it, right. Just really double down on what you can provide consistency for and your operation needs that your people needs that need that, um, right now. And that'll just set you up for what you have to get through right now, but also set you up to perform better coming on the other end,

Speaker 2 00:29:36 Jamie, some really great insights that I really appreciate you sharing your thoughts with us on make it,

Speaker 1 00:29:42 I appreciate you having me. I'm glad to share.

Speaker 3 00:29:44 So I, you have a YouTube channel that, um, talks about lean all the time. What's the, what's the channel that people can watch your videos on.

Speaker 1 00:29:53 Yup. You can search for Jay flinch or my name, Jamie flinch fall either way. You, you end up finding the channel and, uh, I should be able to find it. I hope to always provide, you know, insights and content sometimes, uh, uh, might be controversial, but, uh, run against conventional wisdom, uh, and do that just to try and help people, uh, help people learn and grow as, as, as teams and as individuals.

Speaker 3 00:30:20 Yeah. Some of them are like, I watched a bunch of them and they're very, very good. You also have something that's really fun called lean whiskey, but I'll let people investigate that one on their own. It's great too. So Jamie, thank you so much for being on the show.

Speaker 1 00:30:31 Thank you for having me. It's a pleasure.

Speaker 3 00:30:34 Jimmy Flinchbaugh is a lean thought leader and he's an entrepreneur at jflinch.com. And that is our show. This week, check out our Twitter and LinkedIn feeds that are on our podcast page and subscribe and share this podcast with your friends and colleagues through iTunes, Google play, Stitcher, Spotify, and YouTube, and the makeup right podcast is brought to you by Kevin Snook. He's a leadership advisor and author of the bestselling book, Make It Right. Five Steps to Align Your Manufacturing Business from the Frontline to the Bottom Line. I'm Janet Eastman. Thanks very much for listening to Make It Right.

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