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Building Trust in a Manufacturing Environment

By Robert Whipple

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Writer Qualifications

My name is Bob Whipple (AKA "The Trust Ambassador"). I am an author, speaker, consultant, teacher, and coach working in the area of growing leaders who understand the value of higher trust and know how to achieve it in a complex and increasingly virtual world. I am the CEO of Leadergrow, Inc., an organization dedicated to developing trust-based leaders for the future.

I was a senior leader in a fortune 500 manufacturing firm where I held various leadership roles for over three decades. I have experienced first-hand the benefits of high trust in manufacturing organizations and have developed unique approaches to enable it. I have written four books on the topic of Trust, and Leadership Excellence Magazine has rated me as an international thought leader on leadership development. I have been published in over 30 journals and have over 400 online articles on leadership and trust.

Defining Trust in a Manufacturing Environment

A manufacturing environment is a highly controlled and precise arena. The system is amazingly complex, yet people run it. The level of trust between the different constituencies that must perform perfectly together within an organization creates the culture that drives performance levels. Trust Across America - Trust Around the World has measured that the overall productivity of high trust groups is between two and five times higher than the productivity of low trust groups. I have observed that manufacturing groups with high trust outperform their low trust counterparts by factors of more than ten.

What's Different about Trust in a Manufacturing Environment?

Manufacturing is a unique environment where a specific process converts raw materials or sub assemblies into finished products for consumption. The challenge is to keep the supply chain stocked with exactly the right amount of perfect-quality finished product at every point in time. Anything short of absolute perfection constitutes an opportunity for improvement. The system to create this perfection is staffed by people, who are not known as purveyors of perfection. Trust between people becomes the critical ingredient to make things work.

In manufacturing, several types of process aids have been invented over the past several decades to assist managers in moving toward perfection. In each case, the aid can be a boon or an albatross, depending on how it is applied, the quality of leadership, and the culture in the work unit. One typical mistake is to attempt to apply these tools as "programs" rather than permanent changes in the way people work. Here are five examples of aids in the manufacturing environment and how they relate to trust.

MRP II

Manufacturing Resource Planning is a system designed to help manage the supply chain, including estimates of customer needs, supplier integration, manufacturing plans, and distribution logistics. The system includes precise plans and measures to allow the flow of products to match customer needs perfectly at all times. Building trust throughout the supply chain enables mutual synergistic relationships. These relationships create a more robust and flexible team, which is especially helpful in times of peak demand or in emergency situations.

ISO 9000 Certification

This series of certifications for quality systems within a manufacturing environment requires current, correct, and approved quality processes for every function. The rigorous ISO certification process assures that all employees not only know the current process, but also actually follow it in every action. Trust between production workers is enhanced when they can rely on all members of the team to do their jobs correctly. This certification process actually pays financial dividends, because the Quality Control costs can be reduced or eliminated. Also, certification is verification for the customer that the unit has robust quality processes. Many customers insist on working only with ISO certified manufacturers.

Six-Sigma

This quality philosophy grew out of the teachings of W. Edwards Deming in the mid 1900s. Motorola was one of the first organizations to adopt the Six-Sigma quality principles, and they were so successful that the methods (also called "Blackbelt" or Total Quality Management

program) became a wave or movement that continues today. The philosophy advocates making the process so robust that it never produces a defect. The Six-Sigma name comes from a level of quality that produces a defect less than three times in a million units. Using a Six-Sigma process means the workers fully trust the process to make products correctly. Less intervention, maintenance, and inspection are required to get the job done, and there is lower rework and scrap.

Lean Manufacturing

Lean manufacturing is an outgrowth of the Toyota Production System in the late 1980s, where all processes were investigated to wring out waste ("muda" in Japanese). The concept is simple; the first order of business is never to let down the customer. After that mandate, use new techniques (like flow maps) to understand the pockets of waste and systematically work to reduce or eliminate them. One concept used in lean thinking is moving away from a "push" philosophy (making product to stock a warehouse) to a "pull" philosophy (making product only when there is a customer need). There are numerous specific processes that help optimize the manufacturing flow, like Kan-ban, Kaizen, Poka-yoke, 5S, and other techniques that have very specific rules and lead to amazing improvements if properly applied.

Lean manufacturing means higher trust because the whole system becomes more streamlined and efficient. People work in small teams where the trust between individuals and the system create low cost but extremely efficient and robust processes. In-process inventory and use of space are significantly reduced, yet the customer delivery measures are improved.

Work Out

This concept grew out of work at IBM in the 1990s. The idea is that most processes are overdesigned for the function they perform. There is simply too much work being done in the process. The Work Out process lists every function and attempts to optimize each one. The result is a more streamlined process and a great saving in resources. Fewer trivial or tedious process steps means an increase in the quality of work life for the workforce. Work Out enhances trust because there is higher ownership of the refined process by people who are actually doing the work.

Every system is perfectly designed to create the result that is being obtained, whether that result is acceptable or not. In manufacturing, it is the **culture** in which thousands of independent variables come together that creates the level of success. In high trust groups, the culture supports a high level of perfection that produce awe-inspiring results, because teams trust management and work well with them and each other. In low trust groups, it is a wonder that anything usable gets out to customers on time because the teams are dysfunctional. The difference is that stark.

The tools listed above are helpful when they are supported by leaders who invest in the proper training and support before introducing them. Success of these tools requires full ownership of them by people close to the work. If the shop floor people view the tools as "management tricks" to get higher productivity, they become mechanical and not nearly as effective.

As in most arenas, it is the behaviors, policies, words, and deeds of leaders that determine the level of trust within a manufacturing unit. Leaders who understand how to create and maintain trust in a frenetic hodgepodge of disparate factors enjoy performance that operates at near-perfection levels over extended periods of time. Leaders who cannot create trust lead groups of frustrated people who try to achieve the goals, but habitually fall short and fail.

Several factors are required for leaders to create the right culture.

Seven Leadership Habits that Create Trust in a Manufacturing Environment

1. Establish good values and discipline

Leaders need to set the moral tone for the entire organization, and the tone needs to be more than nice sounding words. The idea is to establish a small set of values. I prefer five values, which constitutes a "handful." The important thing is to refer to the values constantly as actions are taken. A leader might say, "We are going to establish a service hotline because one of our values is customer satisfaction." Verbally linking behaviors to the stated values brings them to life for everyone and demonstrates they are more than fancy words posted on the wall.

Establishing an environment of discipline is not about punishing people. What team members need is an understanding of the rules of engagement and a sense of resolve for upholding their end of the bargain. The most frequent source of team stress is a feeling that one or more members are not pulling their weight. I believe that this one aspect alone causes most team problems. Teams quickly fracture when there is social loafing going on among some members.

The best way to avoid this friction is to have a team charter with expected behaviors spelled out in advance and a specific agreed-upon consequence for any member who does not pull his or her share of the load. If all members agree that any slacker will do extra duty for a week, then a potential slacker is not likely to goof off. If he or she does, then the penalty has already been agreed on, so a fair application is not subject to argument. My observation is that having a solid team charter with visible consequences for social loafing is the most significant ingredient that will prevent team discord.

Discipline also means excellent training. A hallmark of excellence in manufacturing is that all people are well trained on their job, but there is also significant cross training for bench strength.

2. Set the bar high with aggressive goals

Good goals can cause groups to rally. I have seen a group develop and produce a new product in three days. The process normally took about 9 months, but this product was needed for the closing ceremony at the Olympics, so there was no option. The team did an amazing job. Another time a team got a new peripheral disk drive on the market in 2.5 months rather than the normal process of 3 years. The trick was to capture the imagination of the team and eliminate bureaucratic roadblocks.

Teams can produce seemingly impossible goals, but it takes a special ingredient. The most important ingredient is not technology, market size, manufacturing capacity, quality processes, sales force, or HR techniques. The most important ingredient is trust. If you can get people to believe in themselves, their leaders, and what they can accomplish, there is virtually no limit to what they can achieve using all the capabilities they possess.

Winning is a habit. Production groups get a high from performing well against challenging goals. Losing is also a habit. Groups that habitually fail will see a pattern of that in their future. Smart leaders start with small wins and build up to larger successes.

3. Drive accountability without fear

Holding people accountable has become a management mantra for the 2000s. There are few leadership team discussions that do not contain the words "hold them accountable." The fallacy here is that the overwhelming majority of the time when managers use this phrase, it is in a negative sense. It literally means, "We have to catch people doing poorly and then bring them to justice." That flavor is the wrong approach to accountability because it lowers the trust between management and the workers. People begin to feel that they only hear from the boss when they have done something wrong.

If we consider that most people, on most days, are doing good work, then we can approach the topic of accountability in a more balanced way.

Five C's for holding people accountable:

- **Comprehensive** - Make sure you are giving credit for all the good work done as well as the times when improvement is needed.

- **Contribution** - As a leader, consider your part of the equation as to why the employee is underperforming. Rather than barking at an employee "How did this happen?" ask yourself "How did I LET this happen?" (Connors & Smith, 2009).
- **Care** - Approach the topic of accountability using the "Golden Rule." How would you like to receive coaching input if the situation was reversed?
- **Clarity** - You cannot expect people to perform up to standard if they are not clear on exactly what they are expected to do.
- **Collective Responsibility** - Have a team vision for performance where we all win or lose together. It works well for sports teams, and it works equally well in manufacturing.

The Five C's are important in any business environment, but they take on increased potency in a manufacturing culture because a manufacturing pace is more concrete than some other business processes, such as customer service. Treating people the right way by using the above accountability tips will pay off in employee engagement, productivity, and lower turnover.

4. Reinforce Candor

Building trust requires that everyone in the organization feels it is safe to bring up an issue with the way his or her superior is handling a situation. In most organizations, people are afraid to bring up a perceived inconsistency on the part of the boss. Reason: There has been ample evidence that questioning the boss leads to some kind of immediate or deferred penalty.

In manufacturing, it is easy for managers to treat employees like cogs in a machine. Soon employees get the impression that their ideas and opinions are not valued, and they settle into a compliance mode. Employees leave their empowerment outside the gate because they do not trust in management to listen to their ideas. Creating an environment that welcomes employee input pays big dividends.

A leader who can muster the internal fortitude to make people glad when they bring up an inconsistency will quickly build trust with employees. The atmosphere is completely different from the normal work environment. Leaders may be convinced of the wisdom of this approach intellectually, but only the elite leaders have the ability to demonstrate it on a daily basis.

5. Recognize right behavior

Reinforcement theory indicates that if you patiently stroke individuals when they are doing the right things and gently reshape wrong behavior, you can get people to do wonderful things. They trust you. Ken Blanchard pointed out that is how trainers get a 16-ton whale to jump through a hoop suspended over the water (Blanchard, 2002). The same kind of process works well with people. Blanchard points out that when the whale is frisky and does something that would be perceived as "bad," they never punish the whale. After all, how could they punish a

whale? Instead, they simply find ways to reshape the wrong behavior into something that they can praise.

There are numerous reinforcement programs in manufacturing organizations. I recommend that leaders simply acknowledge every good deed with a sincere "thank you" that is given face to face or in writing. Avoid a program where people are given trinkets (buttons, stickers, pencils, etc.) or points toward some gift (like a shirt or jacket). Instead, foster the spirit of sincere gratitude. Tangible rewards can be effective, but only if they are rare and specifically geared to the individuals being rewarded.

Good reinforcement in a manufacturing environment will raise the general level of trust as long as it is consistent, genuine, and fairly applied throughout the organization. It works because people see that upper management recognizes their efforts and successes.

6. Communicate twice as much as you think is necessary

It is next to impossible to over-communicate. Most leaders err on the side of under communicating. Reason: it takes time and effort to keep everyone up to speed on the frenetic production changes that are going on, sometimes hour-by-hour. Leaders assume that once people have a general vision of the conditions, they will be pliable enough to adapt to the daily changes. Many leaders believe a monthly "Town Hall Meeting" is adequate to communicate information to the manufacturing shop floor. This is not the case.

In the 2013 Edelman Trust Barometer, Richard Edelman emphasized that people need to hear information three to five times before they begin to absorb and believe it. (R. Edelman, 2013) Leaders need to at least double the communication level that seems appropriate and get creative at a variety of communication modes to avoid having people glaze over with the same information. Some techniques that work well in a manufacturing environment include: daily huddles, tip boards, video updates, group meetings, online "hot items" lists, and heijunka boxes (a visual technique from Lean Manufacturing to give real-time production information)(Rosenthal, 2008).

7. Celebrate together and mourn together

Trust is built on mutual rapport and everyone having a real stake in the outcome. When leaders foster an environment where all parties benefit or suffer based on current performance and the magnitude of the rewards are commensurate, people respond as a team with everyone pulling in the same direction. If workers feel that managers take the lion's share of benefits when things go well but the workers take the brunt when things are not working, it instinctively sets up an "us versus them" atmosphere that lowers trust.

Celebrations need to be meaningful; leaders must let people know what they are celebrating and why. Make sure the method of celebration is truly reinforcing to people. For example, if a shop floor group is working on a fitness program to reduce the average weight of the workers and improve blood pressure, having a pizza party with cake and ice cream for dessert might be well intended, but it would be far off the mark. A better approach might be to have some other form of celebration.

When things go poorly, it really helps for leaders to express not only their disappointment but also itemize things they might have done personally to improve the situation. Workers feel badly when things go wrong, but it is a trust building moment if a leader readily admits to being part of the problem.

These seven habits will go a long way toward creating a trusting atmosphere in a manufacturing environment. There are numerous other things that will enhance the culture as it becomes established. The most important ingredient is for the leader to bond well with people and not remain aloof. It means taking the time to walk the shop floor every day to chat with people on their turf. A monthly Town Hall Meeting is helpful, but inadequate for building real rapport with manufacturing employees.

There are some key principles of trust that apply well in any manufacturing environment:

Manufacturing Trust Principles

1. **Connectivity** - leaders must connect with people throughout the organization daily. Avoid an insular "meetings oriented" approach to daily activity. Leaders often feel that walking around the shop floor is not doing their job. The opposite is true.
2. **Consistency** - Keep things well understood and do not jerk people around with emotional pleas for higher productivity. Workers who trust management are the most productive because they are intrinsically motivated.
3. **Transparency** - Transparency becomes increasingly relevant in a world of ubiquitous social networking. It is no longer possible to keep information a secret for long. People can identify false statements or withholding of information easily, and it lowers credibility. Trust requires full and timely disclosure of information from leaders.
4. **Family Atmosphere** - Spectacular manufacturing groups describe the atmosphere as a "family." They would not dream of disappointing their superiors or teammates because they trust and respect them. They support and care for each other because of the nurturing environment set up by the behaviors of their leaders.

In a manufacturing environment, trust is the key difference between success and failure. Trust can be established and maintained through a careful application of the principles and habits described in this article.

QUICK TRUST ASSESSMENT

The following assessment of trust works well in a manufacturing environment, but also in other professional organizations. If you would like a more complete trust evaluation, please send an e-mail to Bob Whipple at bwhipple@leadergrow.com

Instructions:

For each item, identify the extent you practice the behavior at your place of work. Use a scale of 1-5. In this case, 1 means "never" and 5 means "always." It is helpful to do a 360 degree assessment.

1. Managers here are highly ethical
2. My supervisor acts in a way that is in my best interest
3. Managers here provide honest communication
4. My peers treat me with respect
5. I can speak my truth without any fear of reprisal
6. I enjoy the culture at work
7. People here are held accountable in the right way
8. My supervisor admits mistakes
9. My boss always lets me know how I am doing
10. I am reinforced when I do good work
11. My supervisor sees me face to face
12. People here use the Golden Rule
13. My supervisor keeps promises
14. We adhere to our values
15. My boss has integrity
16. Compensation here is fair

A total score of 70 or higher on this assessment is excellent for a manufacturing group. A score lower than 55 means there are significant trust issues.

For more information about building trust in a manufacturing environment, please contact Bob Whipple "The Trust Ambassador" at bwhipple@leadergrow.com

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