

Appreciative Lean Practices - A New Paradigm for Sustainable Performance Improvement

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Appreciative Inquiry and Lean – A Natural Fit

Appreciative Inquiry is a process that generates sustainable results, engaging the whole system, utilizing organizational strengths to create a positive environment. Entities that employ Appreciative Inquiry found the creation of a positive environment cultivates an increase of creativity and innovation essential when embarking on results oriented change initiatives. Applying Appreciative Inquiry to LEAN Management is a natural step, and, it is reliant on front-line employees continually improving business processes through creativity and innovation. Appreciative Inquiry fosters such an environment allowing for a mindset of continuous improvement to flourish. LEAN's value to an organization comes when employees embrace the LEAN principles as they see first hand, the benefits through strengthened efficiency, communication and giving input into their own operation. The relationship between Appreciative Inquiry and LEAN is further enhanced when linked with motivation, engagement and sustainable results concepts.

Daniel Pink outlines in his book “Drive” the three factors that lead to motivation: autonomy, mastery and purpose. These factors are presented below along with the methods embedded within Appreciative Inquiry and LEAN practices that leverage these motivational drivers to successful outcomes:

DRIVE motivators	Appreciative Inquiry	LEAN
Autonomy	Inclusive process that values individual's contributions and solutions.	Line level, customer-facing employees are empowered and encouraged to innovate process improvements.
Mastery	Works from success into innovating a desired future that challenges the status quo to achieved excellence.	Innovation and continuous practice in improvement achievement feed the need for mastery.
Purpose	Purpose has a symbiotic relationship with the positive core of the	LEAN's continuous improvement process and PCDA is directly

	organization, its reason for being, and the characteristics and values of its core in turn co-create its purpose and mission directed outcomes.	connected to its organizational purpose: to maintain sustainable customer relationships; tight and lasting relationship between supplier and customer
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In examining the origins of LEAN, a core tenet is the essential valuing and respecting of people as “The most important” asset in the company. Then, asking employees to think and respect themselves as “professionals”, provides organizations extraordinary "brainpower". Applying this attitude can make the difference in workflows and a business's key performance indicators.

Ram Charan’s Four Discipline’s of Execution to drive organizational strategy and results are strengthened by Appreciative Inquiry and LEAN practices.

<i>4 Disciplines of Execution</i>	<i>AI</i>	<i>LEAN</i>
<i>Focus on the wildly important</i>	<i>Positive core, discovery dream, design and delivery all grow from what works well and generate out from positive core.</i>	<i>Customer pull focus as the barometer for importance.</i>
<i>Act on lead measures</i>	<i>Future focused</i>	<i>Continuous improvements towards efficiencies and customer engagement</i>
<i>Keep compelling scorecards</i>	<i>Delivery plan</i>	<i>Records of Success</i>
<i>Everyone’s accountable</i>	<i>Inclusive –co-creation of future depends on all</i>	<i>Line level empowered and expected to act</i>

LEAN in combination with Appreciative Inquiry fuel those factors resulting in employees who embrace these tools of continuous improvement. Continuous improvement is as much a mind-set as an action and must be employee owned, supported and implemented. The role of management or leadership in this environment is, to co-create an environment with employees that nurtures continuous improvement. Such an environment has the following traits:

- An engaged workforce
- Clear processes - standard work
- An identified record of success to build on
- Leadership
- The opportunity for positive ripple effects

Exploring the Model: Appreciative Lean Practices

The purpose of this paper is to outline how Appreciative Inquiry can be used to implement LEAN system for continuous results. There will be a brief overview of the LEAN principles and behaviors along with the principles and behaviors of Appreciative Inquiry. The majority of the discussion will outline the processes on how to marry the two practices for continuous success and results. Outlined below are the relationships between the LEAN Principles and the Principles of Appreciative Inquiry followed by the Leadership correlations.

Lean Principles

Principles

Identify Value – Customer View
Create Value streams/standard processes
Create Flow
Establish customer ‘pull’
Continuous Improvement

Appreciative Inquiry

Constructionist Principle
Principle of Simultaneity
Positive Principle
Anticipatory Principle
Poetic Principle

The Constructionist Principle states that meaning is made in the conversation and through words. In LEAN, value is co-created and defined by the customer based on a dialogue between supplier and user. This co-creation creates a clear objective.

The Principle of Simultaneity states that change occurs the moment a question is asked. While in LEAN, defining the standard work process is achieved through asking a series of questions. The questions seek to identify standard work and the outliers, who found their way into standard work, based on history, experience and work around activities.

The Positive Principle states the more positive the inquiry the greater the potential for change and creativity. Creating the flow essential in a LEAN process is a creative process, for it frequently requires thinking outside the current set of activities.

The customer “pull” in the LEAN environment requires having a clear understanding of the ramifications to the supplier and the supply chain. The Anticipatory Principle ensures the ideal outcomes are defined, and the process is open to continuous re-creation.

Finally the LEAN concept of Continuous Improvement, looking for opportunities to strengthen the flow, is linked to the Poetic Principle, by suggesting we study successes and learn to replicate them.

Appreciative Lean Principles – Lean management within an AI framework

- *Value is co-constructed between the customer and the supplier* – discover the best in the customer's environment and the strengths/best of the supplier
- *Standard Processes build and nurture supplier strengths* – courageous discussion – define the ideal outcome/dream both in the short term and the long term; have the discussion about the long-term building on organizational strengths
- *Continuously build and develop strengths* – identify the design elements/countermeasures that will move the relationship to each others ideal state and utilize respective strengths
- *Encourage customer engagement and objectives* – destiny/establish feedback learning loops that allow both parties to learn and strengthen the relationship
- *Consistently re-create and co-create the process* – have continuous conversation and interaction about the ideal state long-term and how to refine the current state

Appreciative Lean Behaviors

- Visioning - the ability to clearly define the desired outcome in engaging and generative terms
- Being Relational - the ability to “connect” with people and bring out their best while identifying and utilizing their strengths
- Collaboration - the ability to bring different functions to the table and co-create the future that leads to organizational success
- Curiosity - a belief that more can be learned in any situation, being able to ask questions that engage and provide new information
- Appreciative Feedback - provide appreciative feedback in a manner that builds relationships, creativity and fosters dialogue; create learning loops
- Positive Stamina - positive energy to keep participants focused on the long-term goals and acknowledge successes
- Courageous Conversations - willing to engage in conversations in order to challenge the status quo, organizational norms and conventions, illuminate strengths and a willingness to include the "un-usual" suspects

From Model to Practice: Implementation Strategies

A similar correlation exists between appreciative leadership and lean leadership behaviors – outlined below.

Lean Leadership Behavior

Lead the Change by Example
Institute discipline in all processes and functions
Respect and value people
Train, support and reward people
Communicate

Appreciative Leadership Behaviors

Integrity
Inquiry

Inclusion
Illumination
Inspiration

Appreciative Lean Practices Implementation

When implementing appreciative lean practices it is critical to identify a suitable beta site to be a vehicle for launching the practices into an organization. The implementation of appreciative lean practices is a bottom up process. It requires the involvement of the individuals who will execute change and new behaviors while management supports the process with resources and a clear objective. The ideal beta-site or beta-project will have the following characteristics:

- Be a small, self-contained unit
- Have clearly defined outcome/objectives
- Identify the standard workflow for success
- Identify organizational strengths
- Opportunities to apply strengths and build on successes
- The whole system is present - key decision makers and staff
- There exists free choice for development and implementation
- The design elements/countermeasures are measurable
- There is a commitment to a long-term solution that builds on strengths
- The ability for rapid PDCA (Plan, Do, Check and Act) by employees

The 4-D cycle of appreciative inquiry is uniquely suited to implementing lean practices and develops processes for sustainable results

Appreciation Lean Practices – Implementation; the 4-D process

Strategic Topic – having a clear understanding of the strategic focus/topic; stated in the affirmative using present tense language; appreciative lean focuses on what is “desired” or “what does the organization want more of” in this situation.

Discover – research and collect stories from the organization when it is at its best – specifically when the situation is not occurring or when the process is working as desired; search for the positive deviants, as in every situation or organization the situation is working ideally. Positive deviant is defined as - individuals whose exceptional behaviors or practices enable them to get better results than their

neighbors with the exact same resources. Without realizing it, these "positive deviants" have discovered the path to success for the entire group -- that is, if their secrets can be analyzed, isolated, shared, and replicated by the rest of the group. This suggests the solution or opportunity lies within the organization, and then management and employees only need to create the environment to discover it. This creates sustainable work processes embraced and co-created by the individuals doing the work.

Dream – define the ideal state when the situation has been resolved in a permanent manner – focus on the long-term first and then the short term; short-term actions need to support the long-term goal, the standard process will lead to the ideal long-term outcome/situation

Design – Identify the design elements/countermeasures that will establish the ideal outcome in a consistent and durable manner; test the design elements before implementing to ensure they are appropriate – look/track successes

Destiny – establish learning loops that continuously provide appreciative feedback about the potential for process improvements and challenge previous assumptions; in these learning loops the employees implementing the workflow, look for opportunities to strengthen the process, utilize strengths effectively and identify innovations to enhance the standard work flow.

Utilizing and implementing the 4-D cycle brings together Appreciative Inquiry and LEAN processes, allowing them to build on their individual strengths.

Appreciative Inquiry is a high engagement process that delivers consistent results, building on organizational strengths. LEAN processes deliver continuity in the workflow by eliminating redundancies, and providing a high degree of efficiency that leads to more consistent results. In reviewing the aforementioned 4-D cycle it is the Discover and Dream stage that the 'best' is identified in the process and then the ideal outcome is created utilizing the 'best' of what is. Rather than focusing on eliminating waste, the Dream stage asks what "more" is desired and focuses the participants to engage in different and affirming dialogue infused with creativity. The dialogue generates a clear image of the ideal state, allowing the Design stage to use the LEAN process to develop the design elements/standard work. This in turn will make the ideal state a reality. The dialogue of potential and clear outcomes creates the required energy to design and implement the standard work processes. In the Destiny stage, the new standard workflow is tested through documenting successes, ensuring the processes deliver the ideal outcomes and the new standard workflow is implemented. During the process of documenting, feedback and learning loops are tested, refined and confirmed in order to support continuous improvement.

A key element of LEAN is the 8-step problem solving process and while it has the ability to be effective, it has an equal or greater potential to be ineffective. The primary reason for this is human emotions can take over in which participants

become defensive and language takes on a deficit or blaming tone, which will undermine the innovativeness of co-creating the new standard work processes. An alternative is the 7-Step Flow Strengthening Process outlined below:

- Define the desired outcome - what more is desired and what is the ideal situation
- Identify the positive deviant - where is success occurring and what organizational strengths are being utilized
- Perform a root cause of success analysis - what are the consistent factors of successes
- Identify countermeasures - building on success factors; identify measurements
- Implement and monitor countermeasures - create measurable records of success
- Incorporate countermeasures - create new workflows and share successful practices
- Update the feedback or learning loop - support continuous improvement

Appreciative Lean Practices in Action

An example of Appreciative Lean Practices is in an organization's budget process:

- Define the desired outcome - the organization wants to reduce their annual operating budget from \$6.2 billion to \$5.9 billion; rather than focusing on budget cuts and the organization's desire to operate with an annual budget of \$5.9 billion - the question for managers became 'how do we spend \$5.9 billion to operate this organization and deliver results expected by our clients
- Identify the Positive Deviant - the organization reviewed their past budgets to identify which division was most successful in meeting their annual budget, delivering more services within the same budget and the division's employee engagement was high.
- Perform a root cause of success analysis - In conversations with the positive deviant managers and employees, it was learned that changing language was important and involving employees while having managers step-back taking a review role rather than a development role were key variants
- Identify countermeasures - the budget team identified different questions to use in the budget process, new participants prepared the first draft of the budget and asked managers to focus on affirming assumptions as opposed to the numbers; the budget team also identified three success metrics for the countermeasures - meeting the draft deadline, new idea generated and validity of the assumptions in the first draft
- Implement and monitor countermeasures - the countermeasures were implemented in three divisions with the records of success being all three divisions met the deadlines, each division generated ideas that had not

been thought of by the budget team and while the assumptions were valid they lacked depth. The lack of depth was attributed to individuals involved in preparing the first draft who did not have the resources to provide the depth.

- Incorporate countermeasures - the budget team incorporates the countermeasures with the addition of providing analytical resources in the preparation of the first budget draft.
- Update the feedback/learning loop - the countermeasures provide an opportunity to broaden the feedback on the budget assumptions and ideas for creativity in developing the annual budget - to make sure this occurred the budget preparation teams were asked to review the quarterly performance numbers and make suggestions/observations.

Under this scenario an organization's budget process is inclusive of the whole organization, fosters creativity and is focused on potential and what the organization desires more of. An observation on feedback/learning loops – feedback/learning loops allow the organization to create a learning environment by making feedback and learning expectations of all employees. Making feedback/learning loops explicit and updating them with new countermeasures, management utilizes employee "brainpower" and affords an opportunity to be pro-active in implementing change. Feedback/learning loops are key for a culture of continuous improvement.

Summary and Implications

Appreciative Inquiry and LEAN are strengthened when integrated, as they are both vehicles of change. Their combination results in change initiatives, which deliver consistent results. The implementation of Appreciative Lean Practices will lead to broader employee engagement and facilitates creativity, which are positive ripple effects of the process.

Appreciative Lean Practices are effective in supporting work cultures characterized by continuous improvement, leveraging successes and strengths, while focusing on innovation toward shared, purposeful, and ideal outcomes.

In summary, Appreciative Lean Practices are a powerful solution aimed at creating and sustaining results, motivation and engagement to foster a positive ripple effect that every organization desires - a culture of continuous improvement built on a "want to" work environment.



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