Chapter 6
Lean Continuous Improvement Builds Excellence and Engagement

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ABSTRACT
The current management literature is replete with advocates for employee engagement. Not many would argue that engendering ownership and responsibility along with the reported organizational benefits are worth aspiring to achieve. However, the actual results of workplace surveys report disengagement appears to be more the norm in spite of management best efforts. As organizational success and growth come, things start falling apart, resulting in missed deliveries, waste, worker frustration, dissatisfied customers, and lower profit margins. Lean best practices, heralded by many marketplace leaders, demonstrate results-oriented and proven ways of gaining employee engagement from extraordinary process performance to everyone’s satisfaction (customers, owners, employees, community). This chapter is a cataloguing of the employee engagement characteristics matched to prevalent Lean processing principles. Lean is promoted in this work as providing a mature and proven system for advancing engagement even while improving processes.

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INTRODUCTION

Today’s competition demands excellence and responsiveness if a customer is going to stay loyal to a particular firm. Effective managers must find ways to meet both the essentials of being competitive while remaining profitable in the new world of relational customization – aka Market 2.0 (Palacios-Marques, Saldaña, & Vila, 2013). Gary Hamel’s Wall Street Journal commentary in Management’s Dirty Little Secret sums it up perfectly: in a world where customers wake up every morning asking, “what’s new, what’s different and what’s amazing?” (Hamel, 2013) success depends on a company’s ability to unleash the initiative, imagination and passion of employees at all levels (Cooke & Buckley, 2008).

Further, employees want to know they are part of the team and making a difference (Hamel, 2012). Interestingly, both good employees and good customers have a myriad of choices in deciding which firm to build a relationship with today (Cooke & Buckley, 2008). Managers must have proven ways of developing both their employee ownership, in concert with their operational effectiveness, as their entire enterprise works to serve their market. Lean Continuous Improvement equips individuals at every level of the organization to have meaningful impact. Success in engendering an engaged workforce with Lean Continuous Improvement commonly results in (Ransom, 2012):

- Waste reduction up to 80%
- Production cost reduction by 50%
- Processing cycle times decreased by 50%
- Labor reduction by 50% while maintaining or increasing throughput
- Inventory reduction by 80% while increasing customer service levels
- Capacity in current facilities increase by 50%
- Higher quality
- Higher profits
- Higher system flexibility in reacting to changes in requirements improved
- More strategic focus
- Improved cash flow through increasing shipping and billing frequencies

Here are three ways for unlocking each individual’s desire to be engaged that Lean Continuous Improvement facilitates (Hamel, 2012): Give them cool stuff to work on; Recognize their accomplishments; and Ask them for input. At its heart, Lean is respecting the worth and creativity of people as they work together developing their processes and themselves. These
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