

# From Servant *to* Transformational Leadership

*The philosophy of Servant Leadership has served the manufacturing industry well for a long time, but it doesn't suffice in today's rapidly changing market.*

*The time for Transformational Leadership is now upon us.*

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By Stan Crossett

HE LEAN JOURNEY STARTED WITH the Toyota production system, which was influenced by the creation of the Lean Enterprise. From there, Total Quality Management, the five-level quality discipline DMAIC, and Six Sigma were introduced. Throughout this evolution, manufacturers had to adapt their management styles. Initially, command and control leadership transformed to transactional leadership before leading to the Servant Leadership model.

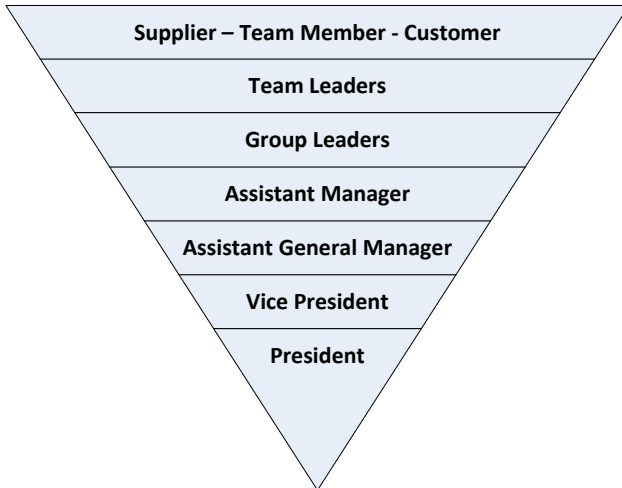
As part of the change in leadership style, many manufacturers determined that focusing on value streams ultimately provided greater value to customers. What Toyota and others learned was that the greater the distance between employee and value stream, the less value-add the employee contributed. As employees moved up the organization from team member to team leader to eventually president, less value was added. As a result, higher level management was considered a non-value add to the customer and to the product.

This philosophy became the basis for The Toyota Way, which further suggested that management added the greatest value by serving and supporting the people who added the greatest value to the customer ( as represented in



## ***Servant Leadership***

Leadership develops the capacity that allows team members to improve what needs to be done



the following graphic). This model is often used as a part of Lean and Lean Six Sigma training to represent Servant Leadership.

In combination with the changes being developed along the Lean journey, Robert K. Greenleaf documented what he believed to be the nature of legitimate power and greatness through Servant Leadership. According to Greenleaf, Servant Leaders focus primarily on the growth and well-being of people and the communities to which they belong. The

servant leader shares power, puts the needs of others first, and helps people develop and perform as highly as possible.

As companies develop and continue to grow their framework for their Lean journey, the overlap of the journey and Servant Leadership becomes obvious. The following high-level example of a Lean journey emphasizes the connections.

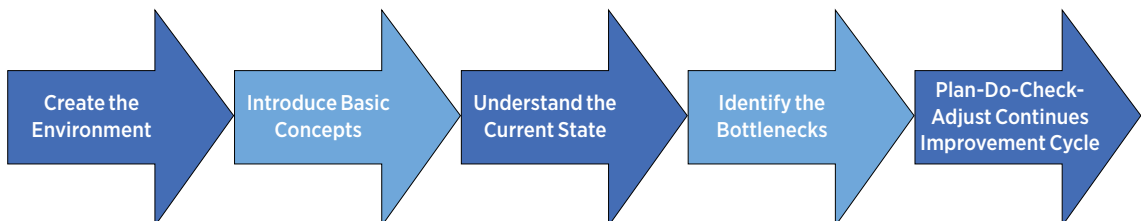
### ***The Mandates of a Lean Journey***

**Create the environment** – Introduce Lean, continuous improvement, and Lean Six Sigma to provide the platform for the Lean journey that aligns with Servant Leadership elements.

**Introduce basic concepts** – Engage the workforce through the conceptualization of the journey and introduce the elements needed to effectively start and achieve the long journey: Listening, understanding, and empathizing while creating a collaborative, team-oriented, and customer-focused environment driven by a sense of urgency are necessary to act on the burning platform the company is facing.

**Understand the current state** – Create a community that focuses on people-building rather than people-using by providing healing and support, both physically and mentally. Invite a deeper sense of connection to the company and its success by building relationships, engagement, and taking responsibility for actions.

## ***A Lean Journey***



**Identify the bottleneck** –Awareness and foresight invite looking at the value stream system throughput and focusing improvement efforts on system bottlenecks. Continue to assess processes as a system and focus improvement efforts on managing the bottlenecks.

**Plan-Do-Check-Adjust continuous improvement cycle** – Embrace stewardship and commitment to growth, lead by example, and employ the values of Servant Leadership to encourage the personal and professional development of everyone.

In the end, Servant Leadership served an important role on the Lean journey by aligning the need for better quality, waste reduction, and continuous improvement. Procter & Gamble and General Motors are great examples of companies which have infused servant leadership, Lean, and continuous improvement into their organizational and manufacturing cultures.

### ***New Models of Leadership Emerge***

**T**oday, the philosophy of Servant Leadership is being challenged as the manufacturing industry changes. Though continuous improvement and the Lean journey will still be vital to the manufacturing industry, new models of leadership will begin to emerge over the next two to five years.

Multiple forces are driving this change including implementation time and workforce expectations. Companies new to the Lean journey cannot afford to employ a leadership philosophy that takes a decade to mature. And, experienced manufacturing facilities will seek to adopt new philosophies that are more focused on organizational versus individual outcomes.

To remain competitive, companies need a structure that allows them to react and

respond to changing industry standards quickly. For example, Procter & Gamble has had to adapt its global manufacturing facilities to a higher level of sophistication at a very rapid pace. Plants no longer have 15 years to reach peak performance; the industry expectation has pushed that down to two to three years or sooner.

Millennials are also significantly influencing the industry. As they enter the workforce, millennials bring a higher level of education, creativity, and desire to innovate. However, though this generation has unique and unparalleled capabilities built on connectivity, instant data, and access to knowledge, they lack awareness of the challenging career opportunities modern manufacturing can offer.

As GM has done so successfully at its St. Catharines facility, to groom the next generation of leaders we must create a vision of opportunity for the millennials that inspires, motivates, and challenges their intellect. GM needed this generation to enter the manufacturing world and so it offered a vision of the company's future, not as a car manufacturer, but as the world leader in transportation products and related services. What GM did was connect millennials to something grand, charismatic, inspiring, motivating, and challenging to their intellect.

At Minnetronix, we are committed to cultivating the next generation of medical technology “workers”. Through a rigorous hands-on college internship program, we pair students with seasoned veterans to provide meaningful exposure to real-world experiences in the medical device industry that are intellectually stimulating and expand the individual's use of their abilities to be innovative and creative. We are also committed to hiring new college graduates each year to en-



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sure we are blending new perspectives and ideas with seasoned experience and knowledge to continue to drive growth in the vision the company has set forth.

## ***In Search of Greater Value***

**T**he changes in leadership style have not only influenced operations and culture on the manufacturing floor, but are transcending the entire business perspective. Beyond driving operational efficiency through continuous improvement, companies are looking to expand opportunities to add monetizable value to manufacturing. For example, Procter & Gamble's addition of a marketing room on the manufacturing floor lends an added perspective to finding and creating valued-added customer opportunities by evaluating shipping processes, understanding the competition, and representing customer needs. Leaders cannot just serve the individuals above them who touch the value stream, but they also need to question assumptions, challenge past constraints, re-frame problems, and approach opportunities and challenges in new ways.

In a similar way, IBM is realizing that with Manufacturing 4.0, the Internet of things, and analytics, their manufacturing must and can have access to the company's entire ecosystem. The company is considering how sale patterns significantly impact the efficiency of the manufacturing floor and how this data can provide solutions to challenges in production.

With challenges and variables growing in size and complexity, leadership needs to stimulate organizational use of data from the entire ecosystem to assess and solve problems. Highly optimized designs, Lean process, and continuous improvement have reduced waste,

eliminated defects, and optimized the process of manufacturing. However, a side effect of this effort is problems that are more complex, involve multiple parameters, and have large amounts of data. The standard Lean toolkit may not effectively identify solutions in such cases. And, the shift moves us from "don't eat the elephant" to "eat the elephant", as large amounts of data will drive the analytics to solve the challenges.

Servant Leadership will always be a valuable foundational piece of Lean and continuous improvement. And, it is essential to maintain the footprint that this leadership model has had on manufacturing in order to engage and develop the current work force and the new millennials. In fact, GM's comprehensive hiring model looks for the innate qualities and characteristics of Servant Leadership among new hires for manufacturing. This model serves as an important catalyst to connect people to each other, a value of significant importance to the emerging workforce.

## ***The Case for Transformational Leadership***

**B**ut today organizational leadership needs to more effectively and efficiently respond to increasing pressures and opportunities the globalization of our industry has provided. From applying agile techniques, Lean startup methods, and data analytics, we need to quickly adapt and pivot to remain competitive.

The environment is ripe for Transformational Leadership, a higher level form of leadership which drives outcomes through a process in which leaders and their followers raise one another to higher levels of morality and motivation. Built on a foundation of Servant Leadership, Transformational Leadership inspires and motivates by creating a vision of the

*"Built on a foundation of Servant Leadership, Transformational Leadership inspires by creating a vision of the future that is built upon trust-based relationships."*

future, inviting and challenging people to buy in to help manage and deliver the vision. The foundation of Transformational Leadership is trust-based relationships.

#### Transformational leadership is:

- **Idealized influence:** a charismatic leader with extraordinary capabilities, persistence, and determination. It is someone others want to emulate, a role model to be admired, respected, and trusted.
- **Inspirational motivation:** based on inspiring individuals by challenging people's intellect and persuading them to take on challenges and opportunities, and providing meaning and understanding of the vision, with clear expectations and demonstrated commitment.
- **Intellectual stimulation:** through expanding individuals' use of their abilities to be innovative and creative by questioning assumptions, challenging past constraints, re-framing problems, and approaching opportunity and challenges in new ways.
- **Individually considerate:** through the support, mentoring, and coaching of a much more educated workforce, and to develop individuals to higher levels of potential and to understand the needs and the desires of those individuals.

Elements of transformational leadership are evident in the manufacturing industry today. At Flex, the company is intentionally shifting its image from solely that of a con-

tract manufacturer to a grander vision of a company focused on providing global supply chain solutions and driving innovation.

At IBM, the Internet of things, analytics, and cognitive analytics are driving innovation and enabling creativity by questioning assumptions, challenging past constraints, re-framing problems, and approaching opportunity and challenges in new ways by "eating the elephant".

The pace of change no longer allows for the speed of a Servant Leadership journey. We are entering a new chapter that requires leaders to focus on creating a vision driven by outcomes. The vision needs to be broader and include concepts like Lean startups and ambidextrous leaders. We need to think of ourselves in new terms as GM and Flex have done. These are not changes supported by Servant leaders. These are opportunities envisioned and driven by transformation leaders.

At Minnetronix, we are expanding our business portfolio to include internally developed technologies. We are no longer just a medical device contract design and manufacturing company. We are now a company that is finding solutions to unmet clinical needs for companies and patients. We do far more than just create new technologies to meet the needs of a rapidly evolving healthcare environment. We drive new and unique models for device development and commercialization. And to achieve this we feel we need the ability to identify and inspire our Transformational leaders. **M**

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