

Implementing Lean Change That Lasts: Building a Lean Culture

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**Employment
Security
Department**
WASHINGTON STATE

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Today's Objectives

A case study of ESD's Lean journey until now:

- A framework to build Lean culture within state government that:
 - engages employees and
 - is built to become self-sustaining
- Examples of how we're implementing Lean in ESD
- Lessons we are learning

The Sad Truth

***“We are too busy mopping the floor to
turn off the faucet.”***

~Author unknown

What makes Lean successful?

Attributes of a Lean program that are likely to lead to a successful outcome? Unsuccessful outcome?

		
Tasks		
Behaviors		

What is Lean?

A **philosophy, behaviors** and a set of **tools** focused on **delivering value** to **customers** through the **elimination of waste** in the business process

Throwing rocks vs. breaking dams

Common approach



Our approach

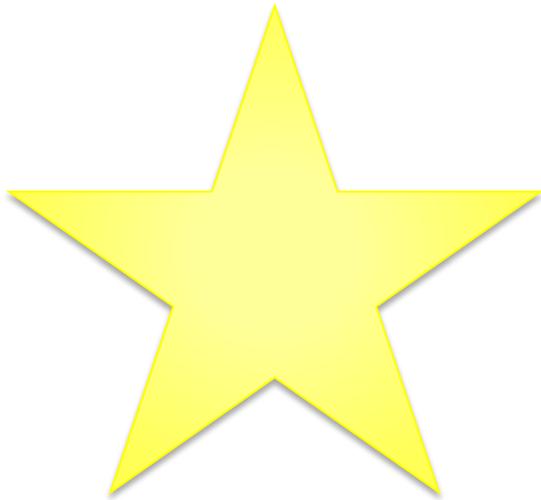


The ESD Lean framework



Strategy Deployment

Find & focus on your North Star



- Vision
- Critical few, measurable priorities
- Root cause gap assessment
- Targeted improvement portfolio
- Catchball

Strategy Deployment: Find & focus on your North Star



Example: The ESD Lean strategy deployment “Bridge” A3



Employment Security Department
WASHINGTON STATE

Values

- Serving customers
- Empowering people
- Strengthening partnerships

Vision

The right job for each person, every time.

Mission

We partner to connect employers and job seekers – supporting transitions to new jobs and empowering careers.

Employment Security A3 (Strategic plan), 2013-16

Sponsor: Commissioner Dale Pedraza Owner: Executive Leadership Team

Goals	Employers	Employment system	Developing job seekers	ESD employees
Employers have the skilled, stable workforce they need to thrive.	Individuals have the information, competencies and workplace experience they need to be job-ready as they enter the workforce.	ESD employees are valued, empowered and engaged at work and can develop their skills and careers.		
Outcomes • Jobs filled through WorkSource. • Retention rate of jobs filled through WorkSource. Leading Indicators • # of employees served by WorkSource. • # of job seekers served by WorkSource.	Outcomes • Average duration of unemployment. • Wage upon re-employment. Leading Indicators • # of UI claimants enrolled with WorkSource. • Average duration for those claiming UI benefits. • # of long-term unemployed.	Outcomes - previous column plus: • Wage progression. Leading Indicators • # enrolled in longer-term UI or WorkSource self-building programs or work experience for students. • Wages of re-employed UI claimants.	Outcomes • Retention of permanent staff. Leading Indicators • Percent of open jobs filled. • Level of satisfaction.	
Strengths • Stable, efficient UI tax system. • Labor-market information. • UI and WorkSource systems enable collection of substantial data. • Good WorkSource assessments of job-seeker employability. Challenges • Lack of awareness, respect and/or use of WorkSource system and services. • Ineffective job-matching system. • Lack of training/funduspec to meet specific employer needs.	Strengths • Diverse, experienced, skilled staff. • Relationships w/ employer groups and advocates. • Strong local partnerships. • Can effectively engage UI & WorkSource recipients. • Partners understand WorkSource system. • WorkSource gets people jobs. • UI program delivers timely benefits. Challenges • Inadequate integration of UI and WorkSource processes and technology. • Aging IT systems; few self-help features. • Lack of effective use of social media. • Lack of integration and consistency of WorkSource services and operations. • Insufficient staffing.	Strengths • Strong public support for internships and work-readiness. • Leveraging of limited resources. • Creativity and innovation. • Successful prototypes and youth programs around state. Challenges • Job openings data don't meet planning needs. • Successful prototypes serve too few. • Many graduates haven't planned for future jobs; not work-ready. • Lack of income support during longer-term retraining. • Weak linkages between ESD/ESDSP & training providers/WorkSource. • Linking service members meaningfully with civilian workforce services.	Strengths • Diverse group of talented people and work-readiness. • Challenging and meaningful work. • Positive effects on our customers. Challenges • Limited new-employee orientation. • Lack of technical and leadership training. • Limited opportunities for career development. • Lack of meaningful performance recognition and feedback. • Lack of flexibility in working conditions. • Staffing-level fluctuations.	
Gaps & root causes • Employers insufficiently recruited & supported; many unaware of or don't know how to work with WorkSource. • Job seekers with employer-desired skills/experience not actively recruited. • Job matching not efficient or effective. Not driven by customer priorities. • Gov can't mine for jobs and job seekers; no Web-crowd ability; not connected to employer systems. • Very limited employer-specific training to attract or retain targeted businesses.	• More job seekers than jobs in many areas. • Co-employment and integration challenges; digitized processes; use of info systems. • Job seekers lack right skills; don't see where skills needed or lack job-search skills/motivation. • No job matching at UI intake due to lack of requirements and technology integration. • Late/incorrect reporting cause UI overpayments; few inadequately discourages overpayments. • Aging computer systems difficult to maintain & modify; can't be integrated with newer systems.	• Limited work experience and internships available. • Future jobs not sufficiently defined and communicated to community colleges to plan appropriate training. • Limited system-wide coordination, best-practice sharing, expansion of successful prototypes, internships and other developmental programs. • Limited pathways for technical education and hands-on learning.	• Insufficient investment in recruitment, employee orientation, training or development. • Under-incident expectations for supervision on managing performance. • Staffing models don't minimize effects of fluctuating workload demands.	

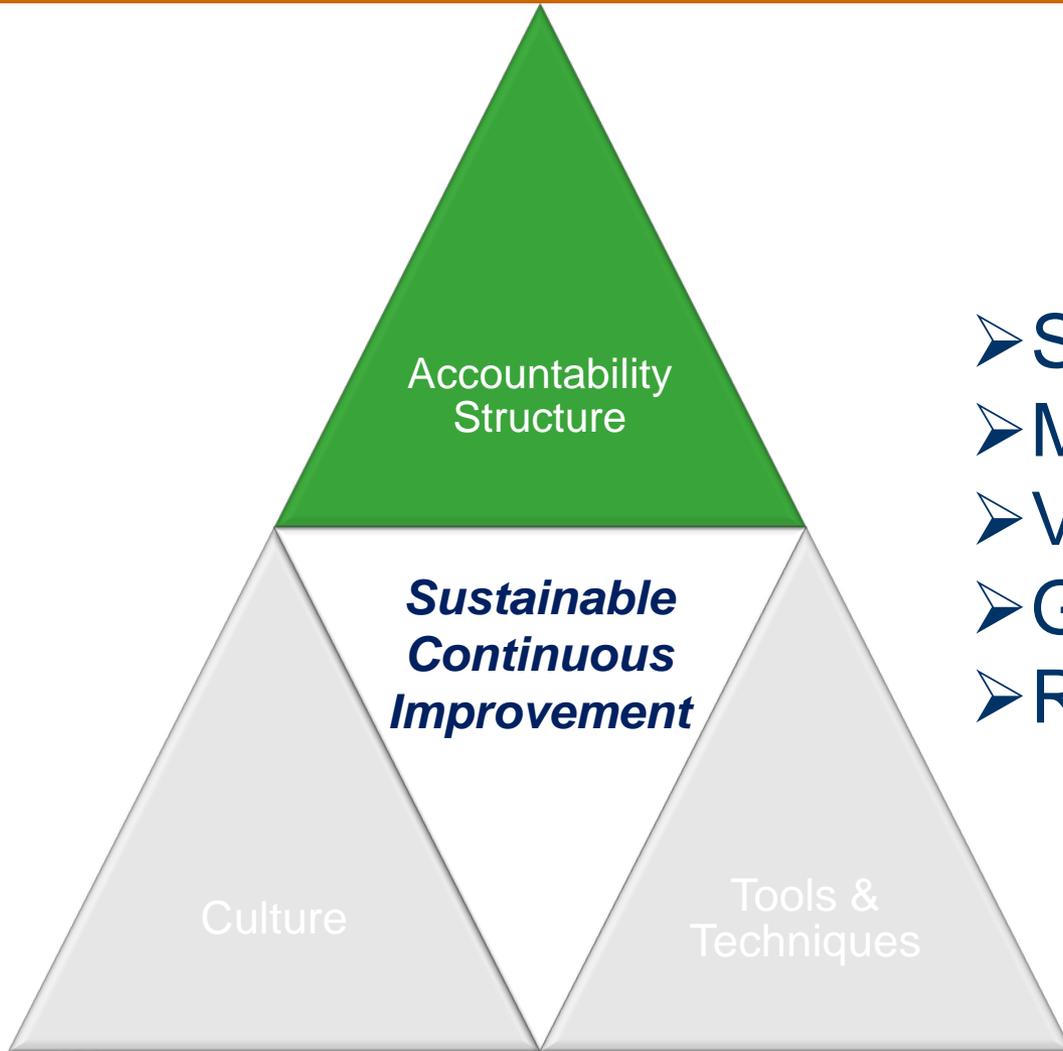


Improvement activities (four-quarter rolling timeline)

Links lead to more details	Develop	Implement	Sustain (see key below)	1 st Qtr 2014	2 nd Qtr 2014	3 rd Qtr 2014	4 th Qtr 2014
Employers	<ul style="list-style-type: none"> • Collect and assess employer feedback about WorkSource. • Promote WorkSource services desired by employers. • Expand broader job-seeker inventory. • Develop a worker-supply/employer-demand model. • Coordinate with training programs to support economic-development efforts to recruit and expand targeted employers. • Support WorkSource administrator innovations to get results. 						
Employment system	<ul style="list-style-type: none"> • Fully integrate WorkSource enrollment process. • Improve quality and timeliness of UI benefit services. • Improve quality, capability & integration of UI and WorkSource systems. • Improve resources and time to determine job readiness. • Finish revising job-search workshops. • Complete NGIS on schedule. • Obtain approval and begin replacing GUIDE. • Create plan to replace go2worksource.com and SKIES. • Improve staff access to go2worksource.com data. 						
Developing job seekers	<ul style="list-style-type: none"> • Connect more veterans, older workers, UI exhaustees, people with disabilities and other long-term unemployed to workplace experience, internships and workplace skills. • Expand collaboration to connect more students with internships and career information. • Improve employment-demand projections for community-college planning. 						
ESD employees	<ul style="list-style-type: none"> • Create and sustain an organizational culture of respect, trust and accountability. • Invest in efforts to ensure the effective hiring and training of a diverse and talented workforce. • Improve the human resources and management skills of all ESD leaders and supervisors. • Create and use staffing models that provide more stability and/or predictability for employees. 						
<ul style="list-style-type: none"> ■ Develop = Project has been identified, and pre-work is in progress. Pre-work includes project charting, coordinating event logistics and interviewing staff about the current process. ■ Implement = Project has been launched. Improvements are being piloted, expected outcomes are being measured, staff and customer feedback is being gathered. ■ Sustain = Project is complete. Improvements have been tested, modified as necessary, and rolled out to all affected staff. 							
Risks				Mitigation			
<ul style="list-style-type: none"> • Lack of buy-in and support from employers, partners, staff and stakeholders. • Competing priorities for available resources. • Insufficient funding/staff to execute strategy. • Inability to fund and launch technology at the rate required to support the strategy. • Non-compliance with federal and state requirements at the state and/or local levels. • Global economic conditions or fundamental legislative changes disrupt strategy and plans. 				<ul style="list-style-type: none"> • Build A3 using "batch-roll" process. • Create effective ongoing communication and staff-engagement process. • Define and communicate to employees the value of planned improvements. • Create EIT subcommittee (improvement-activity sponsors) and governance structure to prioritize action plans and ensure we have sufficient staff and financial resources to implement the plans. • Establish clear understanding of current revenue streams, grow revenues (aligned with A3) and apply lean principles to engage staff and partners to eliminate non-value-added activities. • Build relationships with Chief Information Officer, Dept. of Enterprise Services, Office of Financial Management, law legislators; identify potential funding; improve and integrate technology systems. • Build effective internal-audit and monitoring process; incorporate performance-quality metrics in all lean implementations. • Review and revise A3, as needed, to reflect external changes that affect ESD. 			

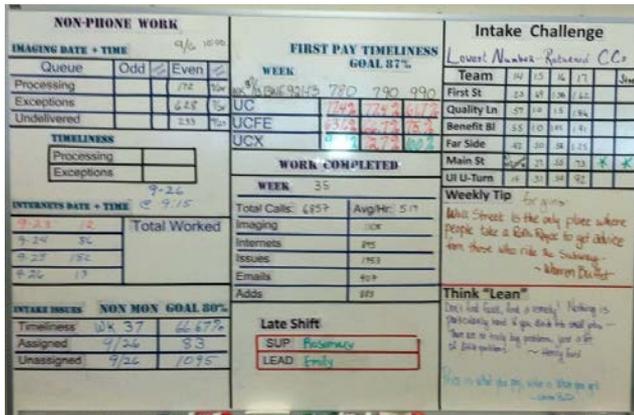
December 20, 2013

ACT framework: *Accountability Structure*

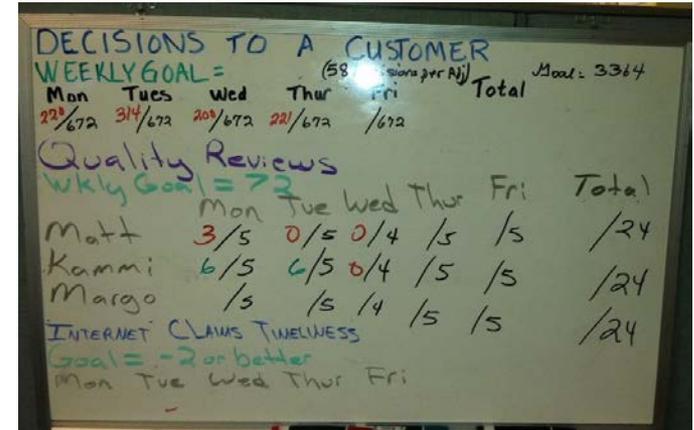


- Standard work
- Measurement
- Visual management
- Governance
- Role clarity

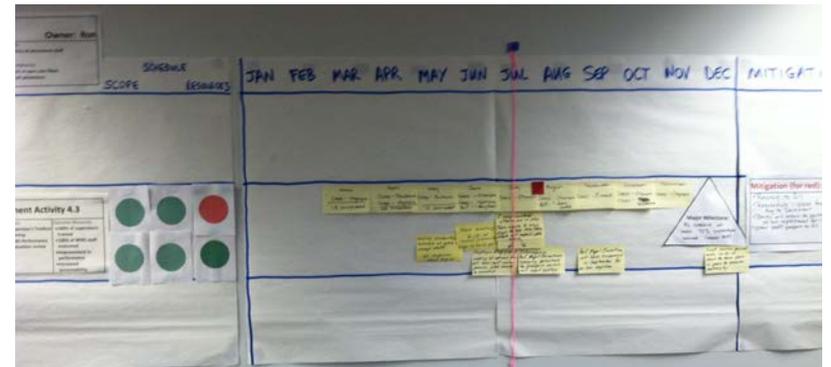
ACT examples: Accountability Structure



Claims center Intake team visual management board



Claims center Adjudication team visual management board



ACT examples: Accountability Structure



Example: Adjudication standard work “playbook”

Three-step Adjudication Process:

WORKING AN EDGE

Table of Contents

1. Prep

2. Learn

3. Write

4. Review

5. Quality

Learn Agreements

1. I will use the three-step adjudication process (Prep, Learn and Write) and corresponding quality checks (Page 2-3)

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Quick & Easy IDD Chart

Personal Voicemail Message

Workload Management

Quality Check #1

- All documents have been located
- Correct issues have been identified
- Issues identified are prepared
- Information necessary to prepare

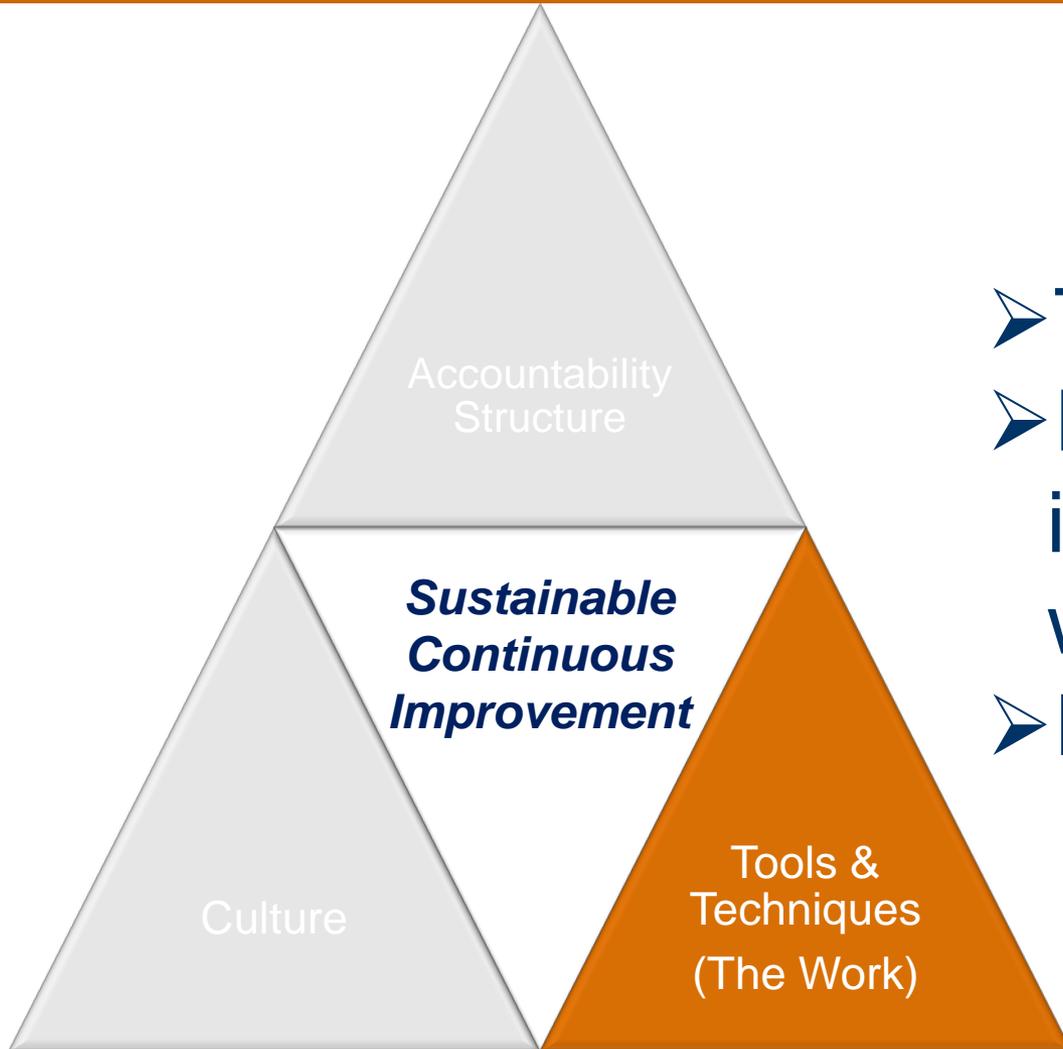
Quality Check #2

- All documents have been located
- All interested parties given a chance to be heard
- Adjudicator satisfied EIT is complete
- All relevant information has been identified

Quality Check #3

- Decision is clear, concise, and accurate
- Decision is based on applicable law and policy
- Decision is based on the facts and circumstances of the case
- Decision is based on the law and policy

ACT examples: *Tools & Techniques*

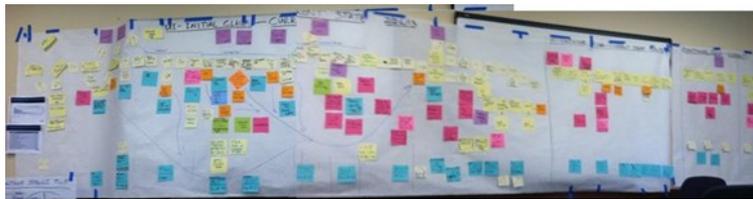


- Templates
- Rapid process improvement workshops
- Projects

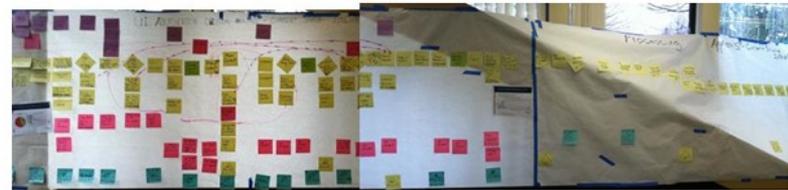
ACT examples: Tools & Techniques



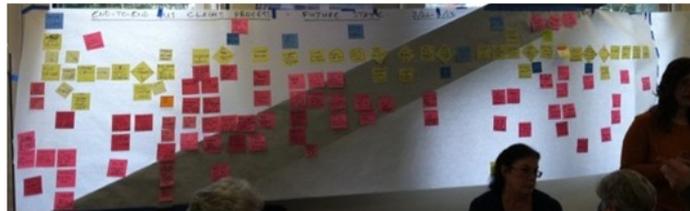
Example: Unemployment insurance claim value stream map



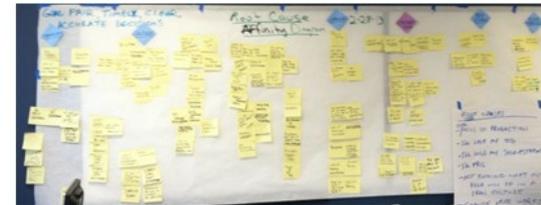
Intake Current State



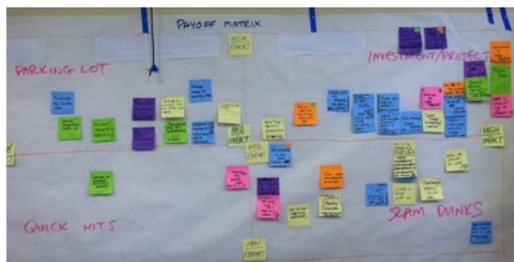
Adjudication Current State



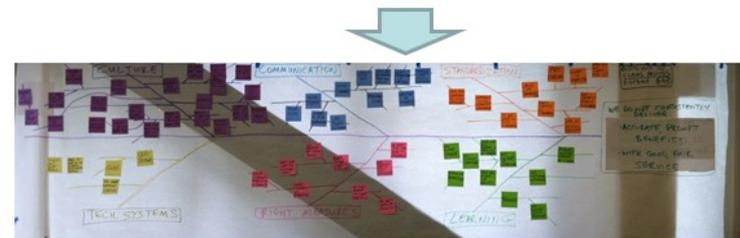
Integrated Future State Intake + Adj



Root Cause - Affinity Diagram



Project Prioritization - Payoff Matrix

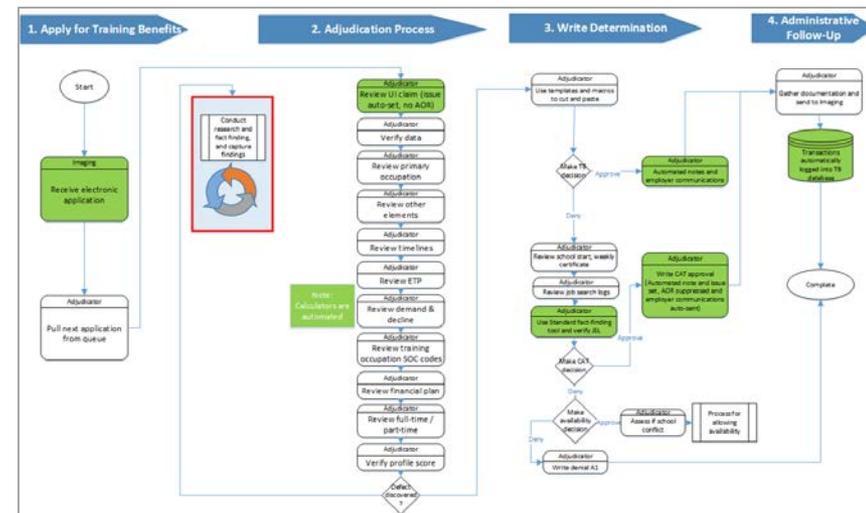
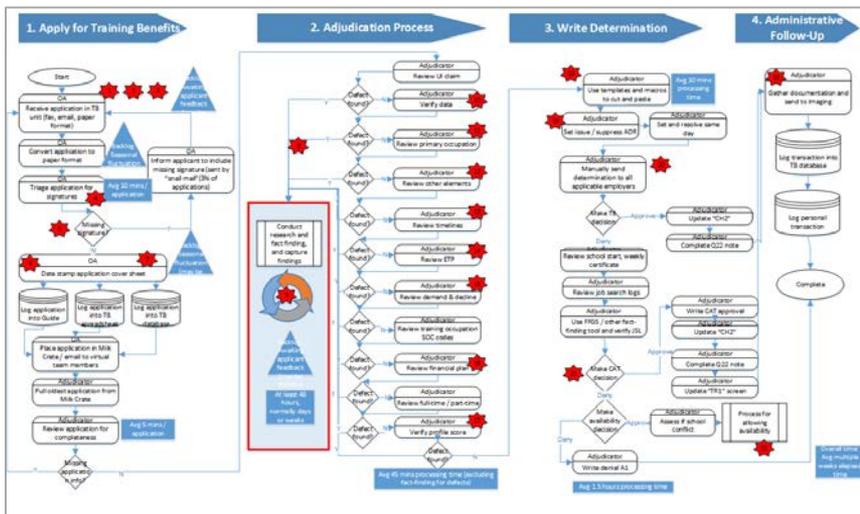


Root Cause - "Fishbone" Diagram

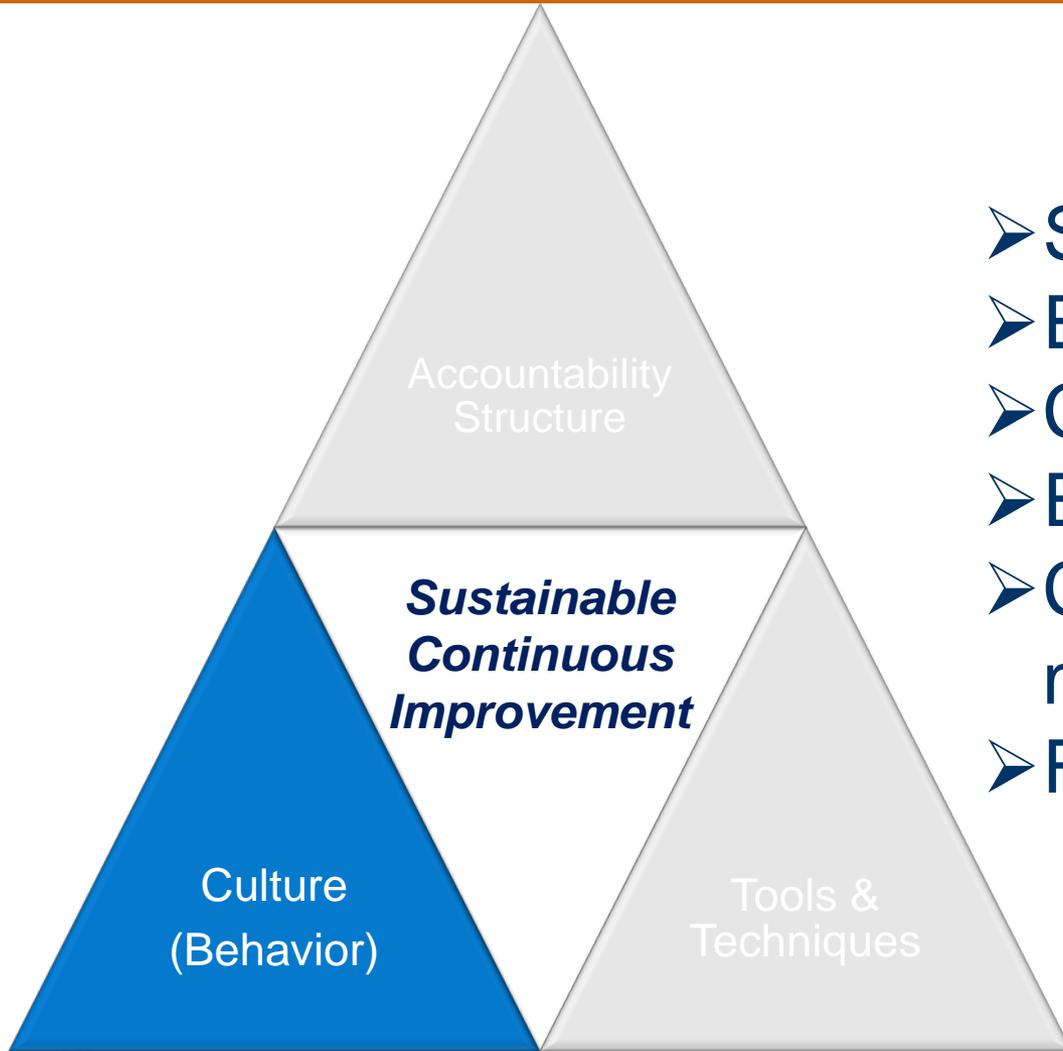
ACT examples: Tools & Techniques



Example: Training Benefits process improvement workshop



ACT examples: *Culture*



- Sponsorship
- Empowerment
- Communication
- Engagement
- Consequence management
- Fail forward

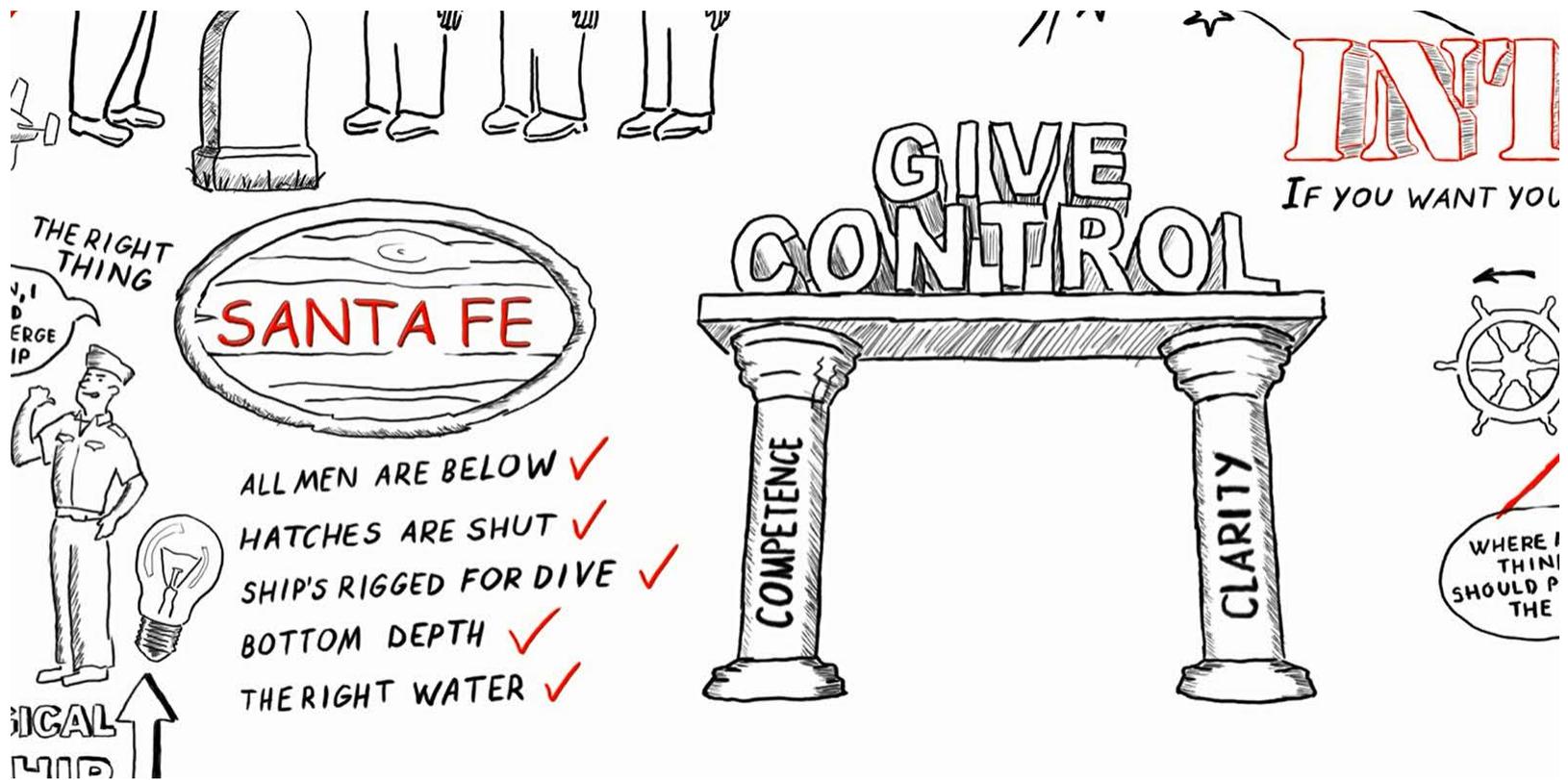
There are no pictures for culture

- Sponsors create sustaining sponsors; agents help
 - No “black holes”
 - Don’t work harder than your sponsor – or prepare to fail
- Leaders model desired behavior
 - Leaders admit mistakes; if it’s not OK for the leader to fail, then it can’t be OK for anyone else
 - Leaders coach; they don’t boss – that’s empowerment
- Learn by doing – at the Gemba
- Behavior change is what engages employees
- “Respect for People” is not intuitive
- Managers and supervisors in the middle need help
- 17 ➤ Not everyone wants to be on the bus

ACT example: Culture



Example: Lean leadership discussion – “Greatness”



Lessons learned

- A3 doesn't connect smoothly to existing tasks – need to align new interstate with state roads
- There are several ways to deploy sensei
- Pioneer with a model line
- All work is Lean work – it's the behavior!

Thank you!

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