

Canadian Government Executive

THE MAGAZINE FOR PUBLIC SECTOR DECISION MAKERS

VOL. 23 ISSUE 2 FEBRUARY 2017

FINDING TRUE NORTH WITH LEAN MANAGEMENT

by Jacob Stoller

**MAKING GOVERNMENT WEBSITES ACCESSIBLE
FOR PEOPLE WITH DISABILITIES**

By Kevin Rydberg

THE SERVICE RESEARCH CONFERENCE

By Roberto Andrade, Chris Chopik, and Macy Siu

MEETING THE MEDIA

By Harvey Schachter

THE GOVERNMENT BLOCKCHAIN, ILLUSTRATED

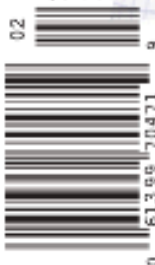
By Peter Stoyko

**AN INTERVIEW WITH
JEAN-PIERRE VOYER**

President and CEO, Social Research
and Demonstration Corporation



\$5.00



Display until March 30

Publication Mail Registration Number: 40052410

www.canadiangovernmentexecutive.ca

FINDING TRUE NORTH

Moving towards a purpose-driven culture



JACOB STOLLER

As Canada's government agencies strive to improve delivery and efficiency under evolving circumstances, many are seeking to initiate customer-focused cultures that encourage innovation and collaboration. Such change, however, can't be brought about by decree – here leaders must engage the hearts and minds of employees at every level and rally them around a common purpose.

Although significant, this challenge is being pursued successfully in a growing number of organizations that are adopting the Lean management system, many of which are doing so with limited resources. Because Lean depends on wide employee participation in continuous improvement activities, purpose-driven culture is a requirement. Successful Lean organizations, therefore, are excellent role models for any organization contemplating major cultural change.

One of the keys to Lean culture is a concept called True North, which establishes the shared purpose for all employees, regardless of rank. True North typically consists of three or four long-term aspirational goals that support the organization's mission, and can be tied to specific measurements.

"True North is where we all start. Without it, we're a rudderless ship," says Dr. John Toussaint, CEO of Catalysis, a not-for-profit specializing in Lean healthcare.

An excellent example of True North can be found in Kitchener-Waterloo, Ontario at St. Mary's Hospital. In 2010, Don Shilton signed on as the hospital's new CEO with a mission to launch a comprehensive Lean transformation.

Shilton knew that culture would be critical, so the first step was to adopt a vision statement that would galvanize employees. The statement reads as follows: "St. Mary's will be the safest and most effective hospital in Canada characterized by innovation, compassion, and respect."

"That was a key element, because that was something that the staff could buy

into," says Shilton. "Many people go into healthcare because they want to help others. And so it's that inner motivation that the vision helps capture."

The next question was how to measure progress towards that vision. Shilton and his team decided on Hospital Standardized Mortality Ratio (HSMR) from the Canadian Institute for Health Information (CIHI), an independent third-party organization.

With their mission and their method of measurement in place, the team then established the four elements that constitute their True North:

- Quality and Safety: "Zero harm."
- Patient and Family Centred Care: "Zero wait."
- Our People: "100% engagement."
- Financial Stewardship: "Zero waste."

Next, management launched a series of improvement targets using the True North as a roadmap. "We felt that if we were strong in each of those True North buckets, that would help us move towards the vision, and would help us be successful with that vision," says Shilton.

Reducing patient falls, which was initially the hospital's largest cause of patient harm incidents, was one of the early success stories. For the first year, management set a target of a 25% reduction. "We actually reduced it by 32%, and by 25% in each of the following two years," says Shilton. These results came not from interventions crafted in a boardroom, but from literally

hundreds of incremental improvements that were designed, tested, and stabilized by employees on the hospital floor.

For example, staff reviewed the data on patient falls and learned that these often occurred when patients got up to go to the bathroom at night. Then, using Lean tools, employees initiated a series of improvements – night lights were installed, room layouts were standardized to prevent clutter and obstacles, maps were installed for cleaners so they'd put objects back in their proper places. All these improvements were then audited by staff during random visits to ensure they were being maintained.

After the 50% reduction, falls ceased to be the largest source of patient harm. "Now hospital acquired infections is our biggest problem area," says Shilton, "so this year, we're focusing on that. At this point, 9 months into our year, we've got a 47% reduction so far."

Today, St. Mary's is the safest hospital in Canada, but the journey continues. In keeping with the "100% engagement" True North metric, a goal of one improvement per employee was set last year. "We have 1,300 employees and collectively they implemented 1,356 improvements," says Shilton. "This year we doubled that goal and they're ahead of target."

A strong purpose-driven culture has been key here, Shilton notes. "We've really been able to capture the hearts and minds of staff, and they've risen to the challenge," he says.



How True North Changes Culture

While True North objectives vary by organization, the basic idea is essentially the same. Here are five ways in which True North helps create a purpose-driven culture.

1. True North connects every employee with the purpose of coming to work.

Washington State, with 30,000 employees exposed to Lean methods, is one of the leaders in Lean government. The State's True North metrics include areas such as a prosperous economy, sustainability, accountability, education, and health, all which are tied to specific measurements.

"True North is important for focus," says Hollie Jensen, Enterprise Lean Leader for the State of Washington. "When the work of those closest to the customers is connected to the broader mission of the state, it helps them prioritize what they should be working on, and their engagement increases. It simply helps provide purpose to our work."

True North might remind a worker, for example, that a grant application is really about the underprivileged children who will benefit. "Often, we see government objectives in some sort of bureaucratic language," says Craig Szelestowski, Founder of Ottawa-based Lean Agility. "True North is really about making that emotional connection with staff."

2. True North is about improving the work, not just the results.

Herman Miller, maker of the familiar Aeron office chair, was one of the first American companies to learn Lean methods directly from Toyota, and has become a classic Lean success story. Early in their journey, they discovered that their focus on tools and results was causing workers to be overwhelmed.

"The 'aha' moment for leadership was that they needed to ask, 'what are you doing to make the work better for people?'" says Matt Long VP of Continuous Improvement.

"Morale improved dramatically, but what we didn't expect is that all of our other metrics did too. That was a big cultural change moment."

Improving the work is now entrenched in their True North, which is depicted on a mural in their visitor center that illustrates their 20 year journey. "What we learned from Toyota is that there are two aspects for True North," says Long. "There's the aspect around employees – things like safe work environment, struggles in the workplace, job security, and then there's the customer aspect – reliability, quality, shorter lead times, and that sort of thing."

3. True North provides questions, not answers.

True North metrics are intentionally left open to interpretation. "The leadership says 'what' but they don't say 'how,'" says Shilton. "Those who are closest to the front line are the ones who will figure out how to do it. It wouldn't make sense for me to tell nurses on a certain floor, 'well you need to start doing things this way,' because I have no idea if that's going to work."

"I think it's important to keep the metrics at a high level with True North," says Toussaint, "not necessarily deploy a specific metric to the front line, but ask the question, 'how might you impact that metric in your daily work?' That open-ended questioning gets people to think about mistakes, accidents, and how we eliminate those sorts of things."

4. True North helps support strategic alignment.

In large organizations, it can be challenging to get people reading off the same page. As part of the Quebec Government's strategic healthcare and social services initiative, participating agencies are adding facilities to support stronger dialogue around goals and objectives. These include dedicated strategy rooms, tactical rooms, and departmental display boards that track daily prog-

ress against the desired metrics.

"We have organizations that employ nearly 20,000 people and have over 100 sites," says Sylvain Landry, Professor of Logistics and Operations Management at HEC Montréal. "So we need something to guide people so that everyone can relate to where the organization is going, and have a sense of what they're doing and how they are contributing to that goal. To me, this emphasizes the importance of True North."

5. True North is always present in the workplace.

Unlike strategic objectives that reside in the executive suite, True North is constantly referred to when projects are planned, decisions are made, or customers are served. "True North helps us manage all of our daily actions in order to achieve the performance expected by government," says Jean-Francois Robert, Senior Consultant, Continuous Improvement and Performance, University Health and Social Services Centre, National Capital Region. "So we use True North in all our routines and problem solving. If we start a project, we ask, 'how will this action connect to the True North and its dimensions?' This helps us ensure that we are doing the right things."

The bottom line

Culture change is never easy, but the experience in successful Lean organizations proves that employees will embrace the opportunity of working together towards a common purpose.

"I realized we were truly transforming our culture a couple of years ago," says Shilton, "when one of our nurses said to me, 'What I really like about Lean is that you want me to tell you when things aren't working. In the old days whenever I did that I felt like a whiner or complainer but now not only do you want me to tell you when things aren't working, you also want me to tell you how I think we can make it better.'" 🔄

