

Recipe for success

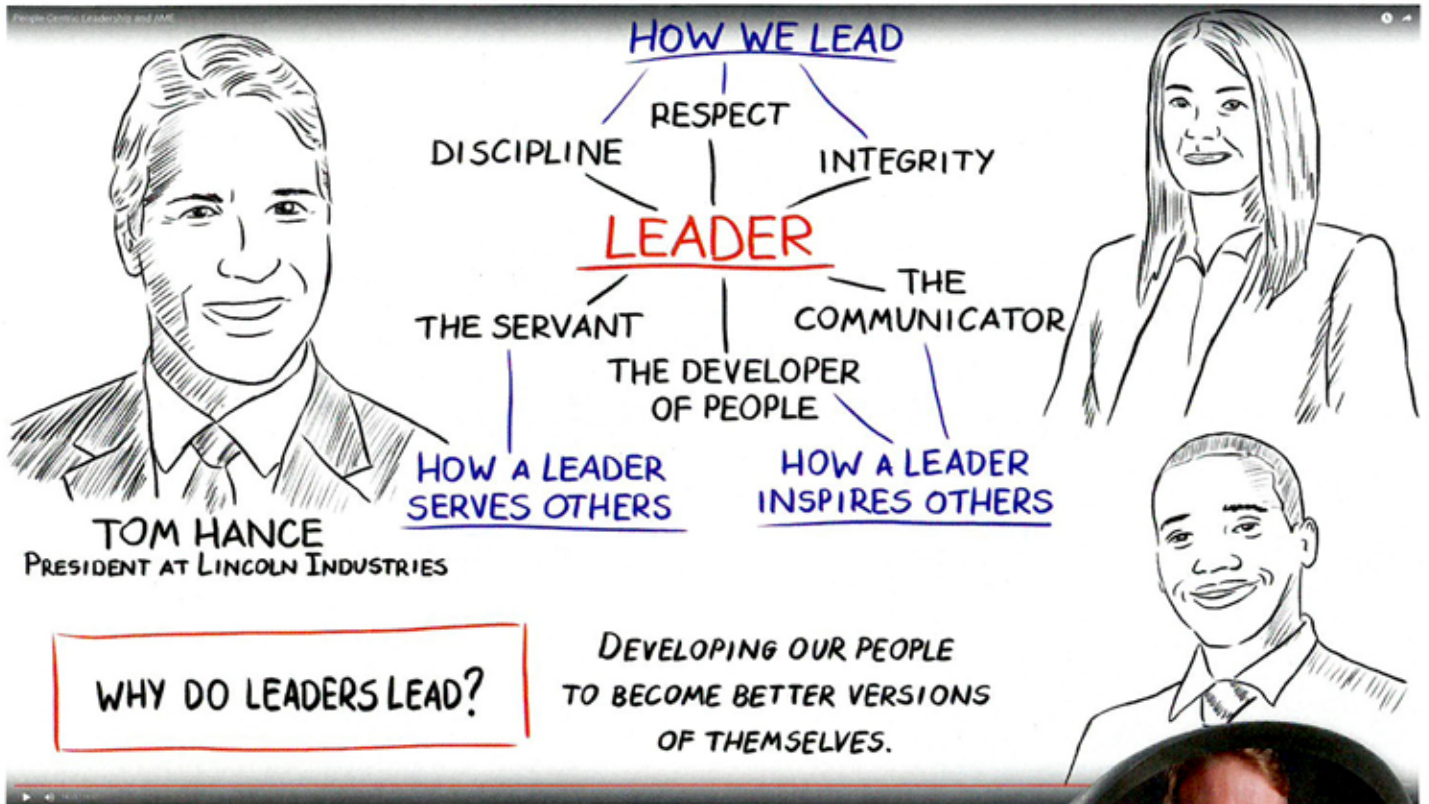
BY SUSAN FOTOVICH MCCABE

Building a good leader is like following a good recipe. There are a variety of components. In business, it begins with one common ingredient — a people-centric approach.

For five manufacturing industry executives, this approach has been a valuable tool in building successful reputations as leaders and ultimately delivering solid results for their companies. At AME's 2015 Annual Conference in Cincinnati, the five were tapped to lead a panel discussion on the topic, where each weighed in on leader behaviors, cultural environment and outcomes.

People-centric
leadership cooks up
extraordinary results

BEST PRACTICES



"A leader knows the common goal, understands why it's important and places the team over the individual," said Tom Hance, president, Lincoln Industries. "Lincoln's purpose is establishing extraordinary results. Our employees come to deliver those results."

In recognizing the contributions of Lincoln Industries' 720 employees at its Lincoln, Nebraska, facility, Hance said it's important to develop a sense of purpose and trust in your employees, embrace diversity and always follow the Golden Rule: Be respectful. Its 720 employees represent 19 different nationalities.

"It's important for leaders to connect. I know our employees' names and their kids' names. Our people inspire our leaders. It's not Tom Hance inspiring our 720 employees. Those employees inspire Tom Hance," he said. "One employee once told me that he felt like the company respected him and treated him like an individual; therefore, he felt

comfortable coming forward with his idea for an improvement," Hance said.

Lincoln Industries is convinced its people-centric approach has had a positive impact on its bottom line. The company has teamed up with the Great Places to Work Institute since 2004, tracking its performance in the areas of trust, voluntary turnover and health and wellness. Lincoln Industries has some impressive results. For example, the average voluntary turnover rate in U.S. manufacturing is 11 percent. At Lincoln Industries, the rate is 7 percent.

In another example, Hance said more than 50 percent of Lincoln Industries' applicant base for new hires are tobacco users. Yet, with its commitment to fostering an environment of health and wellness, Lincoln Industries' population of tobacco users is currently 13.7 percent.



"This survey and the process of how we engage it, is some of the most valuable information we can use for our business," Hance said. "The more investment you make in creating the right culture, strong people-centric practices, the better it is for your business."

Retired Bakersfield, California-based Aera Energy LLC President and CEO Gaurdie Banister believes humility is essential for people-centric leadership.

"Humility is rooted in the word human. It's about you as a human being. Humility starts with a personal grounding, which includes confidence and a capacity to think and listen," Banister said. "The enemy of humility is insecurity. Humility shows up when you are willing

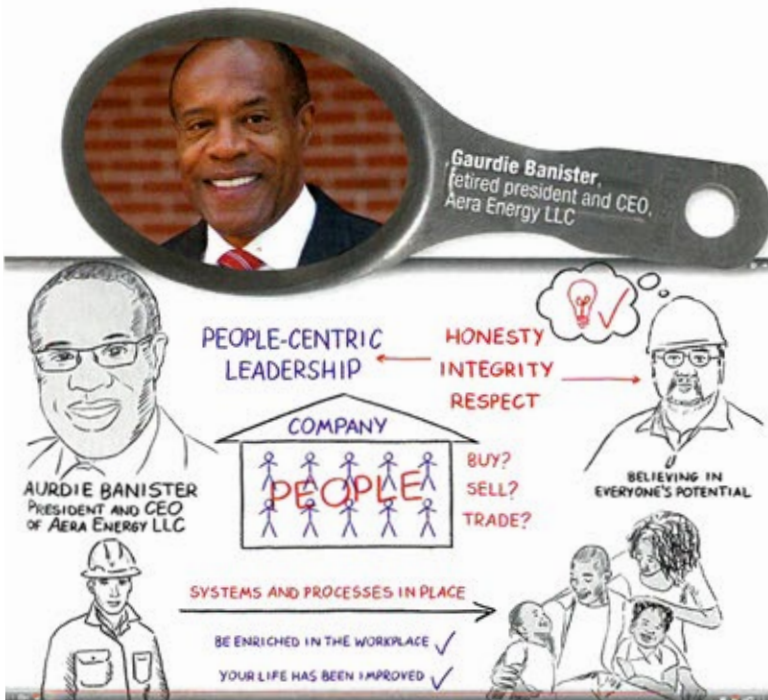
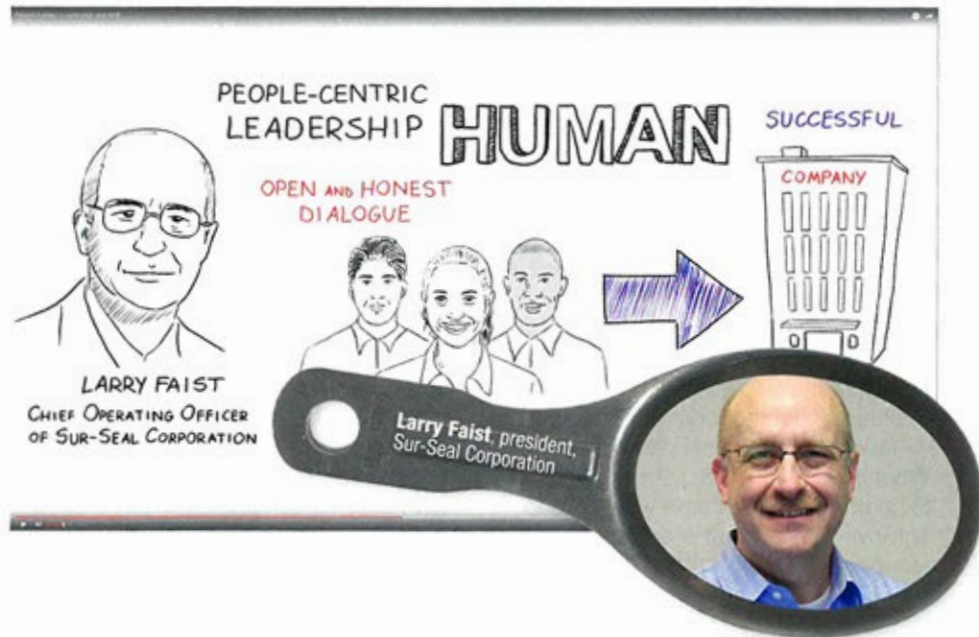
to listen and care and give others credit. It's not arrogance. It's a willingness to admit your mistakes."

Banister challenges leaders to embrace humility, even posing the question, "As a leader, how often do you get the opportunity to admit your mistakes?" Even more important is combining humility with an environment of transparency so that people can see what you do and you can all improve, he said.

"Your system of organization can get better. As human beings and leaders, we're secure when we have humility," Banister said.

Larry Faist, president of Sur-Seal Corporation, takes a practical approach to people-centric leadership. Over the last year, the 50-year-old Cincinnati company has set its sights on the value of a daily gemba walk.

"We care about people. Everyone in the company has a role that is important, but some are more visible than others, leaving others to go unnoticed. Gemba helps show that everyone is important," Faist said.



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Faist recommends understanding the work environment. That begins with walking the company floor and then through the office, making 15 stops every day, five minutes each.

"We show we care about people. We hear about what's happening with their families, and it's okay to talk about those things at work," he said.

Faist said the company's job is to help its people develop. "We connect our employees' contributions to vision. My favorite phrase from an employee is, 'What if we tried...'" Sur-Seal concludes its gemba walk each time with a group high-five to show that everyone is accepted.

Part of understanding is being a good listener, according to Ontario-based Cogent Power Inc. CEO Ron Harper. According to Harper, it's far too easy for companies to go in pursuit of the lowest market cost, and he believes that's a mistake.

"Reflective listening is important. We need to get into the hearts and minds of our employees. Our responsibility as leaders is to create the right culture and tone," Harper said. "Even though we're challenged by costs, we need to be a caring member of the employee community. Listen to people with empathy. Feel what they feel. That fuels a connection with our people, and in turn, trust and empowerment."

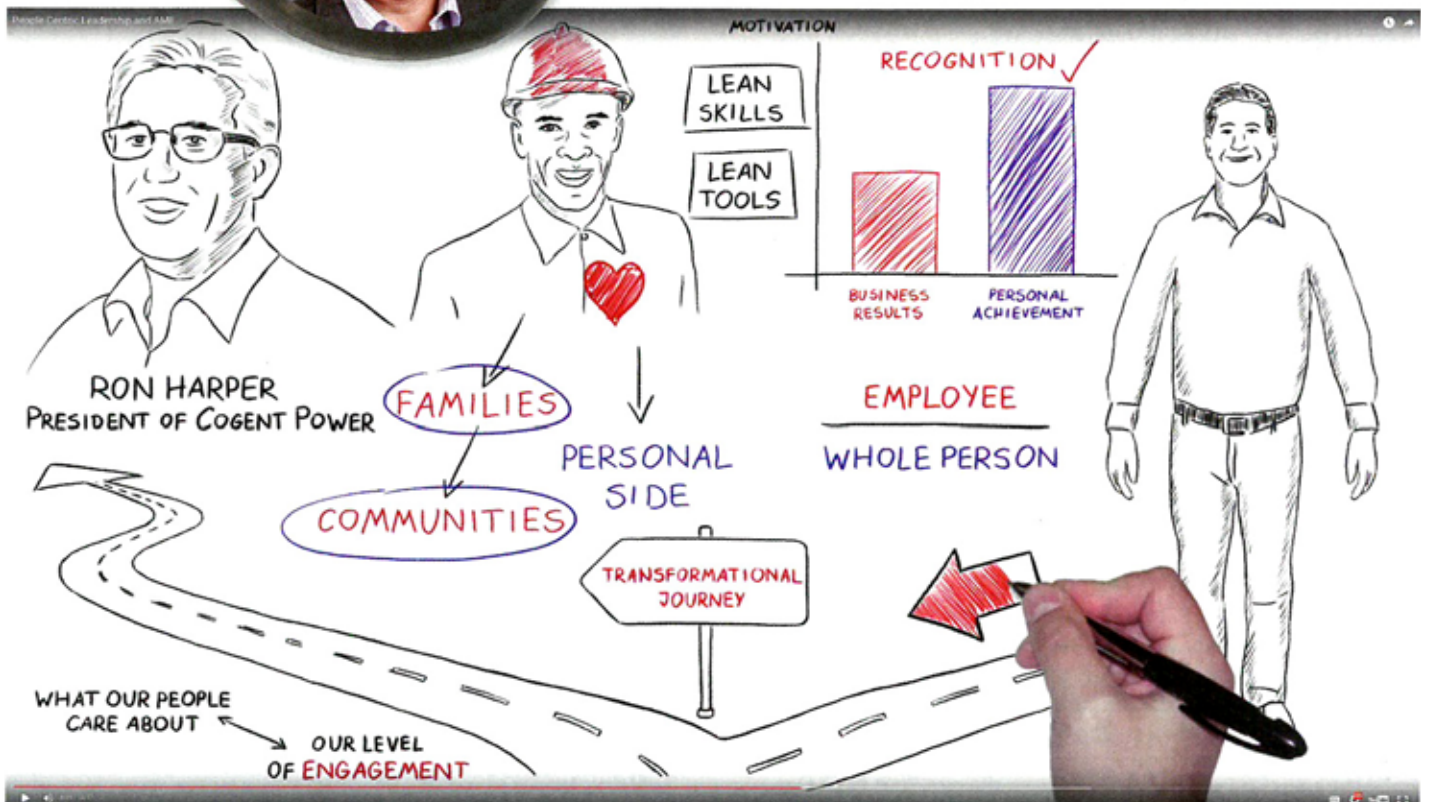
It also helps eliminate employee fears, he said. Fear has the capacity to disable the most capable person.

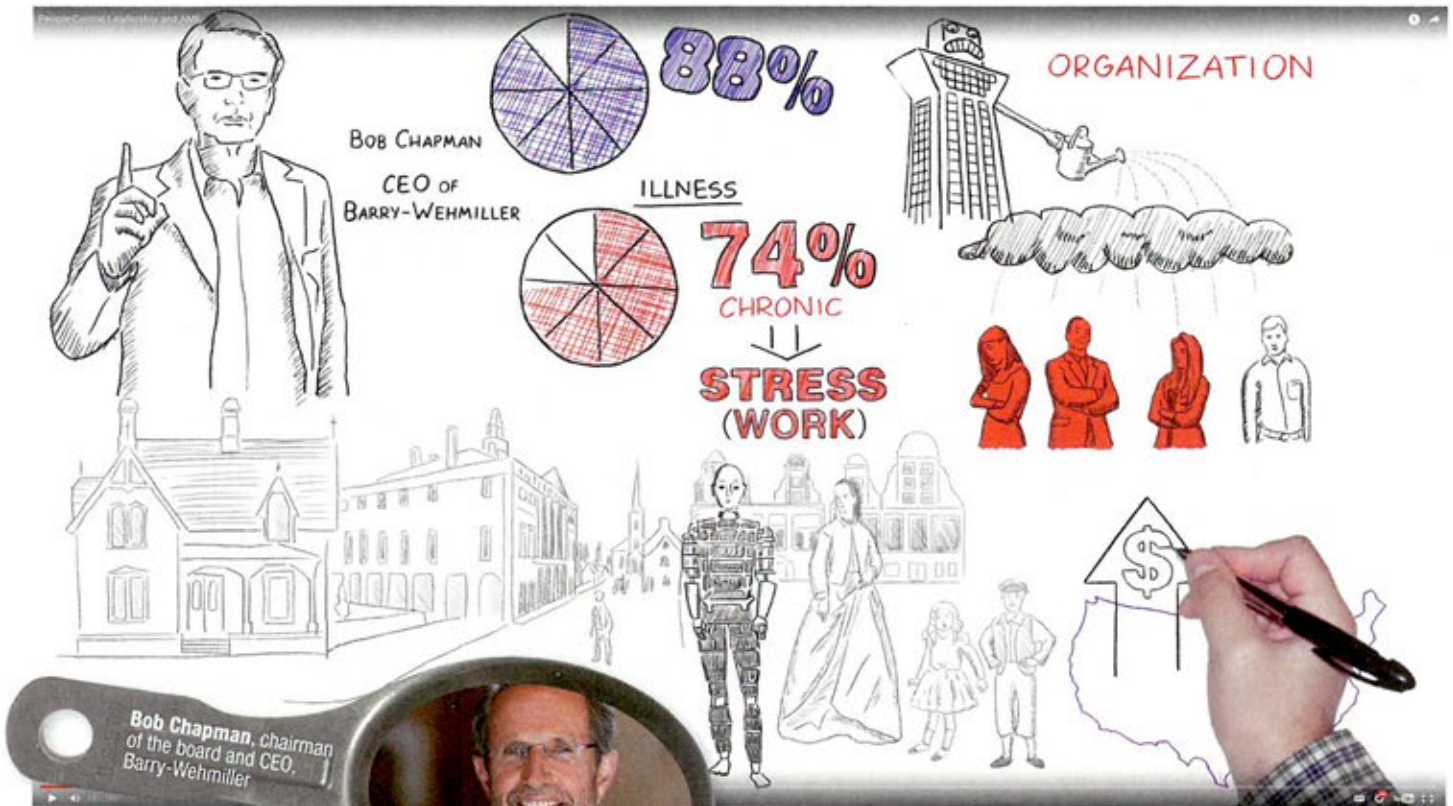
"Big cultural changes in our company the last few years have moved toward people-centric," Harper said.

Bob Chapman, chairman of the board and CEO of St. Louis-based Barry-Wehmler and author of "Everybody Matters: The Extraordinary Power of Caring for Your People Like Family," believes caring and trust go hand-in-hand with people-centric leadership.

"Our guiding principles of leadership state that we measure success by the way we touch the lives of people," Chapman said. "Leadership creates a dynamic environment based on trust. Everybody wants to do better. Trust them. Without trust, you have nothing."

Chapman avoids the words "management, supervisor and boss," as he believes those words are used to describe positions of authority, he said. Instead, he favors words like "coaches" or "mentors." In creating Barry-Wehmler's people-centric company principles, Chapman opened the discussion up to all employees.





"We started with 'We believe in you.' One employee who was sent to another location to work on something once asked me, 'Why is it when you can't see me, you trust me? But when I walk into this building, everything about it says 'We don't trust you.' We have time clocks, we can't leave when our kids are sick, etc.," Chapman said.

Immediately, Barry-Wehmiller removed that time clock. Other changes included things such as lifting restrictions on coffee breaks and encouraging employees to check on their kids and take them to the doctor when needed.

"When we made that change, our plant leadership said it would be chaos,"

Chapman said. "But that didn't happen. We also took away the cage around the inventory storeroom. Listening says, 'We care about you, and together, we can do good things.'"

Barry-Wehmiller embraced lean for its capability to enhance the organization's people-centric initiatives, not for the traditional use of lean to eliminate waste.

Chapman says people always want to know the return on investment for the organization's investment in its people-centric practices. Since 1987, Barry-Wehmiller has experienced more than 16 percent compound growth in both

its revenue and share price, with that growth accelerating after the onset of its people-centric leadership focus.

"The real metric is the number of lives touched by our culture and leadership model," Chapman said. "The way we lead impacts the way people live."

PEOPLE-CENTRIC LEADERSHIP AND AME

AME feels that people-centric leadership involves the collaboration of employees at every level of an organization to create an environment in which people develop their talents and leave work each day with a genuine sense of fulfillment for their contributions. For more information about AME's commitment to the people-centric leadership movement, visit <http://bit.ly/1Llyqgn>.

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RON HARPER,
COGENT POWER INC. CEO