



e-LEAN update

The Cost of Fear

One of W. Edwards Deming’s famous 14 points is “Drive out fear, so that everyone can work effectively for the company.”

In his book, *Out of the Crisis*, Deming states, “The economic loss from fear is appalling. When people are afraid for their jobs, afraid of management, afraid of being punished for making mistakes, productivity suffers—and it suffers considerably. Fear in the workplace, no matter how subtle, does not improve quality or productivity. In fact, fear drives people to counterproductive behavior.”

Fear causes some senior leaders to avoid risk at all costs.

The caution, “don’t let your picture show up on the front page of the newspaper” is so compelling they create elaborate review and inspection processes to try to eliminate errors. Or resist making decisions for fear of making the wrong one. As a result, work flow slows to a crawl, productivity drops, employee and customer frustration increases, and yet, errors and second guessing continue.

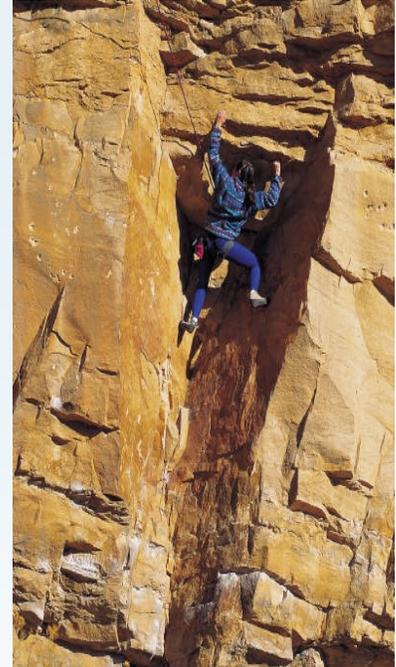
Fear can cause front line workers to hide ongoing process or system dysfunction.

One example: A common situation in banks is the daily cash shortages and overages with bank tellers. And though dollar amounts are typically quite small and tend to balance out over time, one bank executive decided he would eliminate them in his bank.

His approach: he simply would not tolerate it. He issued a policy that any teller with more than two differences a month would be placed on probation. Any teller on probation for three months would be terminated. Most of the differences disappeared.

The executive was elated and told his board of directors that all that was necessary was for management to put their foot down and not accept errors. But why tolerate two differences a month? No one could think of a good reason, so the rule was changed. Just one difference placed a teller on probation. All the differences disappeared.

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*“Drive out fear, so that everyone can work effectively...”
-W. Edwards Deming*

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Are you Lean?

More than 3,000 people have participated in Lean activities — how about you? Visit the [Lean website](http://www.lean.state.mn.us), www.lean.state.mn.us, for opportunities to get involved in Lean efforts at your agency!

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But how could that happen so quickly and so completely? In fact, the tellers developed a system to deal with their fear of termination, and the problem management denied still existed.

The tellers began operating their own pools of money. When over-ages occurred, instead of being reported, funds were saved. When a teller came up short, he would withdraw funds saved on the days he was over. Those who needed funds borrowed from those with excess funds. A sophisticated system of borrowing and lending evolved, all of which was inefficient and contrary to bank policy. But if you were going to be fired anyway, why worry about that?

Our evolutionary response to fear causes us to do many things, but survival is primal. So when fear controls our workplace, efficiency, quality and customer service come in a distant second.

Customer Service Kaizen Event Vital Record Unit, MN Dept. of Health



The Vital Record Unit at the Minnesota Department of Health (MDH) held a Kaizen event May 31 to June 3 to examine their customer service process. The unit processes thousands of applications for birth and death certificates each year.

To reduce the response time and eliminate lost applications, the Kaizen team recommended better use of office space, equipment and software, as well as redesigning the application itself.

The Kaizen team developed a new process that will reduce tasks by 40 percent, waits by 79 percent and handoffs by 50 percent for a 96 percent reduction in total process time.

Lean Training and Kaizen Event Dates

See [LEAN Online](http://www.lean.state.mn.us), www.lean.state.mn.us, for current training and events:

June 6-9, Dept. of Transportation Kaizen Event

June 14, Lean 101 Training, **Registration full**

June 15-16, Kaizen Facilitator Training, **Registration full**

Check back next month for more training events:

Lean 101: a one-day introduction to lean process improvement methodology, including the 7 wastes, 5S, standard work, and Kaizen.

Kaizen Facilitator Training: a two-day training that uses instruction, discussion and simulations to provide skills and tools, such as swim lane mapping, to facilitate Kaizen events and lead organizational transformation.