



## An Executive View: Dr. Heinz G. Buschang Formerly of Kodak, Shares How Behavior Impacted His Success in Leadership and in Teaching

By Gail Snyder

**I**n the early 1980s when Heinz G. Buschang first heard about behavioral management, he wasn't impressed. Aubrey Daniels, founder of Aubrey Daniels International (ADI), and several associates had presented the science of behavior as applied to leadership strategies to a management group at Kodak Colorado. As a department manager (at that time) who attended the session, Buschang remembers, "I was one of the skeptics." Even after completing a two-week training session, Buschang wasn't sold on the process

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that focuses on identifying, measuring, providing feedback, and reinforcing the human behaviors that determine the success of any endeavor—business or otherwise. “The Colorado division gave us a choice about whether we wanted to do this in our groups. I initially said no. And so I was a hold-out,” he says.

### THE “AHA” MOMENT

An undergraduate degree in chemistry and physics, an MBA emphasizing management and finance, and a leadership position as a Marine in Vietnam, buttressed Buschang’s view that this behavioral approach was all about the soft stuff. His opinion was that most reported successes attributed to using this approach lacked important functional impact. “My thinking was that you can do a lot of wonderful things but if you are not working on improving a bottleneck operation, the gains are sort of an illusion, because nothing really changes at the bottom line. Once I really understood that, I said ‘Aha, now I know how to focus this,’” he explains, adding, “Now I also know that you don’t have to be strategic early on, because people need to learn, get comfortable, and experience some successes early on. But for this technology to really impact the bottom line, you have to focus it on things that truly make a difference.” Shortly thereafter, as a committee member working on a behavior-based compensation model, Buschang’s enthusiasm escalated, “I realized I could really create some benefits for Kodak. That’s when I jumped into this full bore.”

### LIVE AND LEARN

“I decided that with my technical background I needed quite a bit more people skills, so I became a student of Aubrey’s material and went off and got my Ph.D. in a human-related field [Human Resource Development]. I was



absolutely influenced by behavioral management in getting that particular doctorate,” Buschang states. “The science was all about deliberately, systematically being able to help motivate people. Back in the 1980s and 1990s everybody said that you can’t motivate anybody. Everybody believed that! I think people do a lot of things to help demotivate people, but at least you can create the opportunity for people to be motivated. I wanted to learn as much as I could about that; also I became very successful within Kodak with behavioral applications.”

In fact, Buschang became so successful in using behavioral methods to improve operations that ADI’s consultants asked him to be a model for the executives of other organizations, who often visited and conferred with Buschang. In effect, he had successfully welded the nuts and bolts of technology with the behavioral approach to problem solving. With ever-increasing responsibility Buschang’s leadership became instrumental in creating organization design and implementing major change initiatives. His accomplishments, too many to list here, include the following:

- Implemented Lean Manufacturing and reduced in-process inventories by over \$100 million per year
- Increased process reliability to achieve 99 percent on-time delivery to internal customers
- Reduced chemical and product waste by \$120 million
- Reduced major quality incidents (defined by returned product) to zero
- Negotiated and coordinated product loading strategies among the major manufacturing plants worldwide
- Implemented statistical process control strategy that became the model for other Kodak manufacturing areas
- Championed technical improvements resulting in a 40 percent capacity increase in the first year and increased productivity of several hundred million dollars

The former hold-out now used the behavioral technology as a foundation for a diversity of projects as he also provided informal leadership to Kodak's worldwide Film-Base manufacturing team to develop best practices, share technical knowledge, and provide opportunities for personnel development. He recalls that popular processes such as statistical process control and Lean Manufacturing were often only

marginally successful in most businesses at the time, because such processes failed to factor in the human element. "Those technologies are relatively easy," he says. "Getting people to use the technology is the hard part, because in some cases the day-to-day applications

made work more difficult. For example, with statistical process control, people have to honestly collect data and shut a process down if it is moving out of control. There has to be a vehicle for reinforcing people and sustaining that behavior, instead of punishing the behavior."

## SHARING THE SCIENCE

As his retirement with Kodak approached, Buschang knew that he wasn't ready to rest. "Stopping is boring," he comments. So he started his own behavioral consulting firm, HGB Associates, in which he provided one-on-one executive coaching for linking leadership practices to the attainment of business results. Once again, this new turn in his career led to a series of successes:



- Leading the design and implementation of a refinery-wide culture change of a large oil refinery
- Working with a global engineering and construction company's European, African, and Asian divisions to improve the business and leadership skills of the regional president and top 30 executives

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## DR. BUSCHANG ON BUSINESS ETHICS

“I think the focus on executive ethics has obviously increased. Everybody’s talking about ethics. But one of the things I ask my faculty is this: If Bernie Madoff had aced an ethics exam, would he have acted any differently? And the answer is probably not, because ethics is not something that you can create by only intellectual understanding. One of the things that I’m really proud of with Regis University is that because we’re a Jesuit school, we were into ethics, real fundamental, not religious, but basic ethics before the subject of ethics became popular.

“All of our programs and courses have a very strong ethics component. That component is designed to have a transformational impact so that people really live the ethics. We look to our faculty to model values in the classroom in how we interact with our students and with each other. We expect that to be a fundamental skill and philosophy that our students have when they leave.”

- Designing a comprehensive Performance Management system for an international company that is currently implemented worldwide
- Achieving a substantial, long-term reduction in the rate of motor vehicle accidents (50 percent within six months) of a U.S. petroleum company in Nigeria

According to Buschang, the behavioral approach is consistently applicable despite function or venue. “It doesn’t seem to matter which industry you work in because the technology and the processes are different but the behavioral human leadership issues are all the same. The universal thinking centers around clarity of direction, helping people become successful by removing roadblocks and barriers, giving good feedback, and then linking the formal/informal rewards to performance. That is a universal issue. It doesn’t matter which industry or whether it’s related to Six Sigma, or Lean, or financial performance, or safety; they’re all pretty much the same,” he says.

## THE LEADERSHIP BLIND SPOT

Leadership’s lack of self-examination is another business element that Buschang sees as remaining “pretty much the same” across the board. “I don’t think we ever, ever had an engagement

with somebody without there being a need for better leadership,” he comments. “They always state their problems around symptoms. We can’t quite implement our strategy or we think there seems to be a morale problem or our performance could be better in certain areas, or we have a safety issue. And those things never turn out to be the main problems; they always turn out to be a gap in leadership.

“The operational issues are usually resolved. Either they’re not properly financed or supported such as the technology doesn’t work or people just aren’t doing what we think they ought to be doing. But in many cases, we haven’t told them that or we have systems that



work against them or we assume that just because we tell people that they're going to do it.

"Certainly leaders need to understand the business that they're in and they certainly need to understand the competitive environment. Otherwise they can't create clarity of direction. Those things are fundamental, but once they have a clear understanding of where they want the business to go, the best advice I can give is to really understand how to lead people to get there.

"It's a blind spot that organizations have. We all think we hire the best people; we hire good leaders, and all of that. Yet there's that blind spot about what really is good leadership and differentiating between just good leadership that gets results and recognizing how the results are attained, so that performance is long-term, sustainable. This is one of the most common issues in organizations, even at the university level."

## TEACHING FROM EXPERIENCE

Speaking of the university level . . . several years ago, Dr. Buschang accepted the challenge of teaching for Regis University's School of Management, based in Denver, Colorado. As primarily an online professor, he had the flexibility to continue his consulting work and

he built behavioral principles into his material whenever appropriate. Currently, he is the Dean of RU's School of Management, the largest school on a campus of approximately 5,000 students. He is also the Acting Academic Dean of the College for Professional Studies which currently has well over 10,000 students.

Dr. Aubrey Daniels has for years wondered aloud why business schools don't require an understanding of behavioral management in their curriculums and Buschang is now in the position to push that concept forward. "When I was teaching, I was mostly teaching in the school's leadership program," he explains. "That is actually the reason that Aubrey and I re-established a relationship. When I first became Dean about a year ago, I called Aubrey on the spur of the moment because I wanted something that would differentiate the business school and our MBA and our leadership program.

"When I explained what I was trying to do, he said he would be happy to collaborate with me. Now we are building a major program around the behavioral material. As far as I know, we will be the only business school that will offer a Masters of Science in Organizational Leadership program that's built around the human sciences."

The irony of once being the hold-out for implementing behavioral change is not lost on Buschang. With an impressive career in industry, entrepreneurship, and now in higher learning—he recently received the Excellence in Teaching Award—Buschang doesn't hesitate to accredit his evolution from skeptic to scholar. "Without the profound influence that Aubrey, his material, and the people associated with Aubrey have had on what I did at Kodak, my consulting practice, my career, and my life, I could never have accomplished anything close to what I did," he says. "We have come full circle."

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## [About the Author]

### **GAIL SNYDER**

Gail Snyder is a staff writer for Aubrey Daniels International. For the past 27 years, she has worked with clients to share their stories of the impact the science of behavior has had on their people and their business. In addition, Gail was the editor of Performance Management Magazine from 1987 to 2004.

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## [About ADI]

Regardless of your industry or expertise, one thing remains constant: People power your business. Since 1978 Aubrey Daniels International (ADI) has been dedicated to accelerating the business and safety performance of companies worldwide by using positive, practical approaches grounded in the science of behavior and engineered to ensure long-term sustainability. ADI provides clients with the tools and methodologies to help move people toward positive, results-driven accomplishments. Our clients accelerate strategy execution while fostering employee engagement and positive accountability at all levels of their organization.

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