

THE LEAN MAG



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ALIGN TO THRIVE



letter from the editor

Hey!

As you can see by the cover, summer is still vibin'... at least at our "headquarters"! :)

It is curious how often our contributors seem to be aligned even though they don't know about each other's writing...

In this new edition, the core of any lean system - people - is the focus in each article. From relationships to strategy, choices and behaviours, all give an excellent perspective of the do's and don'ts in lean implementation and management.

Enjoy it.

Thank you for being a reader.



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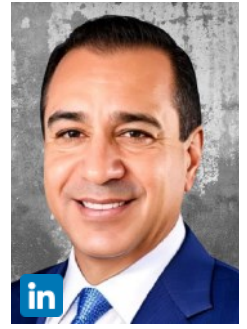
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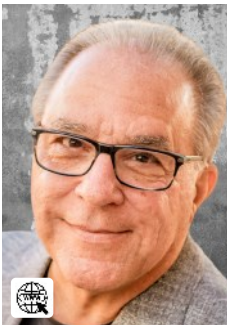
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A top-down view of several walnut halves scattered across a dark blue, textured surface. The walnuts are light brown with a wrinkled, brain-like texture. The lighting is soft, creating subtle shadows.

TRANSFORMING WITH EMOTIONAL INTELLIGENCE

by Sonia Singh

What if the secret to driving successful organizational transformation wasn't just strategy or technology, but the emotional intelligence of your leaders?

Emotional intelligence isn't just a desirable trait but a fundamental necessity for effective leadership, especially for those dedicated to building a culture of continuous improvement and excellence. This kind of culture relies heavily on collaboration and innovation, requiring leaders who are emotionally intelligent and capable of inspiring their teams to embrace and sustain these values.

Did you know that leaders with high EQ can improve team performance by 30%?

Emotionally intelligent leaders aren't just managers; they're mentors who cultivate potential within their teams. Emotional intelligence helps leaders set the tone for a culture of continuous improvement, collaboration, and waste elimination.

Organizations often face significant barriers to successful implementation of new processes and ideas, such as resistance to change, lack of support, or disengaged customers and employees. Addressing these challenges requires a strong focus on developing emotional intelligence within leadership.

Case Studies: EQ in Action

When Toyota, historically known for its high quality automobiles, faced a significant crisis due to massive recalls in 2010, Akio Toyoda, the company's president, exemplified high emotional intelligence. The crisis not only threatened Toyota's reputation but also shook customer confidence in the brand's commitment to safety and quality—core values that had been meticulously cultivated over decades.

Recognizing the severity of the situation, Toyoda didn't shy away from the company's mistakes. In a rare display of humility and accountability, he personally addressed the public, offering a heartfelt apology and taking full responsibility for the lapses in quality control. This wasn't just a superficial gesture; Toyoda's apology was deeply rooted in the principles of Kaizen, the Japanese philosophy of continuous improvement that Toyota had long championed. By acknowledging the flaws in their system, Toyoda demonstrated a commitment to not only fixing the immediate issues but also preventing future occurrences through rigorous self-examination and systemic changes.

Toyoda's genuine concern for customers went beyond words. He prioritized their safety by initiating comprehensive inspections and repairs, even at the cost of short-term financial performance. To him, regaining trust was more important than protecting profit margins—a move that resonated with both customers and employees.

By demonstrating self-awareness in acknowledging the company's mistakes, showing empathy through genuine concern for customers, and utilizing social awareness to understand the broader impact on public trust, Toyoda effectively managed internal and external conflicts. His commitment to transparency not only addressed immediate concerns but also reinforced Toyota's dedication to continuous improvement and operational excellence, ensuring a stronger, more resilient organization.

Satya Nadella, CEO of Microsoft, is another leader who stands out for his high emotional intelligence. When he assumed leadership in 2014, Microsoft was entrenched in a rigid, hierarchical culture dominated by a "know-it-all" mindset that stifled innovation and collaboration. Recognizing this, Nadella's self-awareness and empathy drove him to initiate a cultural transformation from a "know-it-all" to a "learn-it-all" mindset, fostering an environment of openness and continuous learning.

This shift wasn't merely about encouraging curiosity; it was a strategic effort to dismantle silos and build stronger relationships across the organization. Nadella understood that for Microsoft to thrive in the future, employees needed to be not only technically proficient but also emotionally intelligent—capable of empathy, continuous learning, and open communication.

He led by example, openly sharing his own learning experiences, mistakes, and the importance of growth, which made him

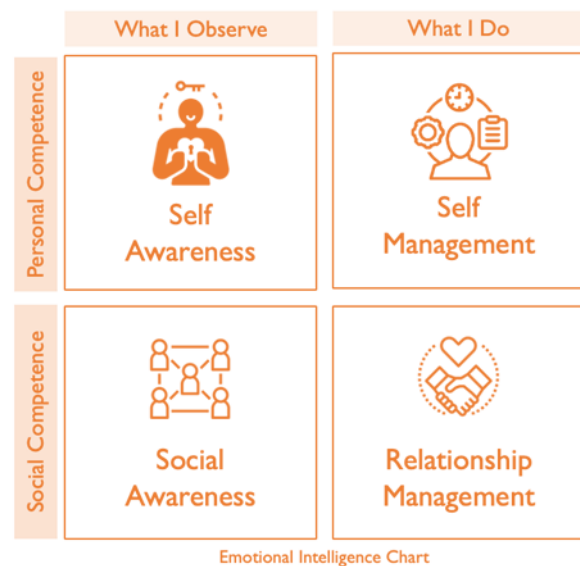
“Emotionally intelligent leaders aren't just managers; they're mentors who cultivate potential within their teams.

relatable and approachable. This transparency inspired employees to embrace their own learning paths without fear of failure.

Under Nadella's emotionally intelligent leadership, Microsoft not only regained its status as one of the most valuable companies in the world but also redefined what it means to lead with emotional intelligence.

Leveraging Emotional Intelligence During Change

To fully leverage the power of EQ, it's important to understand how the components: self-awareness, self-regulation, social awareness, and relationship management can positively affect change.



Self-Awareness: The ability to recognize and understand one's own emotions, strengths, weaknesses, values, and motivations, and how they affect others. By understanding their own emotions and triggers, leaders can better

navigate their reactions and stay composed during resistance, making them more effective in addressing concerns and building trust.

Self-Management. The capacity to manage one's emotions, impulses, and behaviors effectively in different situations, including adapting to changing circumstances. Leaders who manage their emotions well can remain calm and resilient, helping them to consistently advocate for organizational changes and maintain momentum despite initial lack of support.

Social Awareness. The skill to accurately perceive and understand the emotions, needs, and concerns of others, including the ability to pick up on emotional cues and appreciate different perspectives. Recognizing and empathizing with employees' fears and concerns allows leaders to tailor their communication and support, reducing resistance to change.

Relationship Management. The ability to develop and maintain positive relationships, communicate clearly, inspire and influence others, work well in a team, and manage conflict. This can help leaders to build strong alliances, secure buy-in from key stakeholders, and create supportive networks that enhance training and development initiatives.

Building Emotional Intelligence: Actionable Steps

Here are some actionable steps to help leaders and their teams build and apply emotional intelligence effectively:

Pause for Self-Reflection. Take moments throughout your day to quiet external noise and listen to yourself. This practice helps in creating self-awareness and understanding your internal experiences. Even one minute of silence in between meetings can be helpful.

Listen without Responding. Focus on truly understanding the speaker's message without planning your response while they are talking. This practice can significantly improve your empathy and social awareness.

Role Play. Put yourself in others' shoes. Practice building empathy by trying to understand their perspectives and emotions, even if you disagree.

Seek Support and Feedback. Consider working with an executive coach. They can provide personalized guidance and strategies to help you develop your EQ.

Write it Down. Keep a journal to reflect on your daily interactions and emotional responses. This practice can help you identify patterns in your behavior and develop greater self-awareness.

The table below outlines the four EQ domains, potential workplace challenges that could arise during organizational change, and practical strategies to address them:

EQ Domain	Workplace Challenge	EQ Strategies
Self Awareness	I get defensive when people challenge my decisions	<ul style="list-style-type: none"> • Self reflect on your triggers • Seek feedback from trusted colleagues • Practice mindful observation
Self Management	How do I express myself so it's well-received and not seen as defensive?	<ul style="list-style-type: none"> • Pause and take a breath • Stay composed • Choose your words carefully
Social Awareness	A team member's productivity is suffering	<ul style="list-style-type: none"> • Observe shifts in their behavior • Ask open-ended, clarifying questions • Put yourself in their shoes
Relationship Management	A team member is resisting change due to fear of the unknown	<ul style="list-style-type: none"> • Listen to concerns without judgement • Acknowledge their experience • Seek their input in the new process

EQ Strategies Chart

Bringing it All Together

Emotional intelligence is a critical component of a thriving workplace culture that promotes collaboration, continuous improvement, and operational excellence. By encouraging the development of EQ within the organization, leaders can create a more resilient, innovative, and inclusive workforce that's ready to tackle challenges and embrace opportunities. ■



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IS LEAN A STRATEGY?

EXCERPT FROM *THE LEAN TURNAROUND ANSWER BOOK*

by Art Byrne

The answer is ... **yes**. In fact, the lean approach is the greatest strategic weapon in running any type of business that you will ever see. The strategy for any business starts with the conditions it is facing in its marketplace and explores the best approach to overcome these issues to succeed. When Taiichi Ohno was helping to create the Toyota Production System as we know it today, Toyota faced the challenge of how to produce a high variety of models with short runs at low cost without access to big capital spending.

Your company will have other issues. Perhaps you have quality or customer service issues; you might be lagging the competition in new

product introductions. Whatever the situation, you need a strategy that enables you to deliver more value to your customers than your competitors can over long periods of time.

How lean fits with this is simple. All you are trying to do is to teach your people how to see and remove the waste from all our processes, to deliver more value to our customers. The focus of a lean company is always on the customer.

The daily work of the lean company is all about removing the waste that exists in every one of its processes. As waste is removed, the time and cost required to do any type of value-adding work is reduced. At the same time, the

quality of what is produced is vastly improved and creates a noticeable strategic advantage vs. the competition. As a result, the lean company also competes on time.

For example, as waste is removed, lead times that used to be six to eight weeks, and still are for the competitors, can be reduced to one to two days. This allows the lean company to conform to the wants of the customer as opposed to having to come up with ways, often through some form of price concession, to get the customer to put up with the six- to eight-week lead times. Whenever the competitor stumbles and is out of stock, the lean company can respond instantly and grab the business and do it without having to discount. In addition, as more waste is removed, the lean company will be able to introduce more new products faster than the competition. Over time, the lean company can put itself in the position where its competitors are forced to follow its product introductions but can never quite keep up. This product leadership will be noted by the customers, and the lean company will gain market share.

So, when I say lean is the strategy, it doesn't mean that you must give up all the things that you now see as strategic. You can still open new markets, introduce new products, improve your quality and customer service to be easier to do business with, or pursue selected acquisitions. None of that changes. It is just that by focusing on lean, i.e., removing the waste on a daily basis, as the core strategic approach, all the things you consider strategic now will become a whole lot easier to do. In addition, new opportunities that you

can't even conceive of now, like having a one- to two-day lead time vs. your current six to eight weeks will open up for you.

Unfortunately, most companies still see lean as primarily a cost reduction program and not something strategic. As a result, they will suboptimize their lean efforts. It is easy to see where this thinking comes from, as removing the waste from all your processes and focusing on delivering value to your customers has the big side benefit of delivering significant cost reduction. Even so, it is just that, a side benefit – you need to think of lean as strategic.

Let me give you an example. Two companies—A and B—buy the same equipment from an outside vendor. The only difference is that company B has used its lean approach to cut the setup time on the machine to one minute, while its competitor, company A, takes one hour to change over the machines.

Now say that each company can only allow one hour per day of downtime for setup. Who has the lower cost: A or B? And who has the better customer service (keep in mind that A can only make two different products per day while B can make 61)? Now, if B has the lowest cost and best customer service, is this a strategic advantage or just some manufacturing thing? After all we are only talking about setup here, yet we created significant strategic advantage.

Think about it. I think you can start to see lean in a much more strategic light. ■



RESPECT FOR HUMANITY

PART VI - RESPECT IN A POST-TRUTH WORLD

by Esther McVicar

Can there be respect in a post-truth world?

In article five I spoke about respect during change and using the whole person approach to better effect change programs. Today I would like to expand more on the whole person approach by examining the post-truth/post-trust dynamic impacting the community sphere and organisational governance.

We have all heard the term post-truth or witnessed public debate on alternative facts in the media. We have seen the impact during the Covid-19 Pandemic, where people did not know who to trust for accurate information, perhaps information that could even save their life. The post truth phenomenon has

contributed to changes in government, increased resistance to frontline government services, the victimisation of experts, and the end of civil debate in some quarters (Lewandowsky, et al., 2023).

This technocratic denialism, the rejection of expert knowledge and scientific consensus has had a flow on impact to governance in every organisation around the globe. How we know what we know has been radically challenged (Jones, 2023). At the heart of this societal change is the decision to re-evaluate who we trust on the big issues (Roque, 2023). That decision is framed in hegemonic power, and who wields it.

Foucault, 1977 argued that when one considers truth, they must also consider how it is interwoven with power, particularly the status of "*those who are charged with saying what counts as true*" (Foucault, [1976] 2001).

How We Trust

Trust or belief in what we are being told is critical in organisations to achieve outcomes, but also to achieve healthy and strategically sustainable organisations. So, what is trust exactly?

Trust is a personal risk-taking exercise where we evaluate not only what is being communicated, but our estimation of the entity communicating, the context in which it is communicated, and the personal impact to ourselves (Bachmann, 2018).

When we think about trust as it applies to business and organisations the operating context of the business matters, i.e., one might be more concerned with trusting their surgeon than where we buy a TV. Thus, there is a greater onus on certain economic sectors to be trustworthy. This example highlights a key component of trust, it is a *personal* risk-based decision.

Trust occurs on a continuum, those decisions we deem potentially personally detrimental are also those we consider high trust and as a result, those trust-decisions are complex for us. Similarly, those that are least personally detrimental we consider as having a lower trust value and are therefore simpler decisions to make.

To make those complex decisions easier, we

can establish a common ground on which to make the decision. This shared understanding allows us to make reasonable assumptions about the future behaviour of the entity we are choosing to trust.

In the example above, it not necessarily the individual surgeon we trust, but the known experience of that surgeon; their education, the prestige of the hospital they work with, and the supporting medical system that assures us of their trustworthiness, these factors form the common ground making it easier to trust. The person we buy a TV from has none of that background, but nor is it necessary, since there is lower personal detriment in buying a TV.

Here is where it gets tricky, while societies generally have been found to have the same trust norms (up to 90% agreement), there is cultural variability particularly when it comes to institutionalised trust (Braithwaite, 2021; Raaphorst & Van de Walle, 2018). Trust in this case is also dependent upon our world views, the processes of the institution, and our experiences of them.

We trust institutions because they are a known entity, we understand how they work, and their representatives are known to act in the public interest. These institutions then can lend that robust integrity to us when we make decisions involving them (Bachmann, 2018). Similarly, people speaking on behalf of that institution are also imbued with its legitimacy, but what happens when two representatives of the same institution disagree with one another? Who do we believe?

We experienced that in the pandemic where medical advice was replaced for a swathe of the population, with a counterview presented not by experts but by people they trust. Ranging from neighbours to politicians, but strangely also unknown people on social media. Here the trust relationship again was not with an individual, but with social media platforms, which imbued these counter opinions with their perceived legitimacy.

Post Truth or Post Trust?

Lorusso, 2020 argues that post-truth can only occur because of the infosphere prevalent in the 21st century. This infosphere is conceived of as an intertwining of the digital and material world. Post-truth is understood as a specific regime of truth dependent upon the digital aspect of this infosphere but not originating in it, rather the digital aspect of the infosphere sustains this new regime of truth (Lorusso, 2020).

If we consider the aspects of trust discussed earlier, it becomes apparent that this infosphere is creating a new common ground on which to build trust relations. It is also worthwhile considering how the digital aspects or platforms of the infosphere gained legitimacy. When we think about who uses these platforms, we can see the reverse is also true about legitimacy, the prominent members of society who use these platforms have imbued them with their own legitimacy (for good or ill as the case may be).

Truth has been largely understood to be composed of three aspects: correspondence; verification; and sincerity (Lorusso, 2020). Correspondence refers to a visible truth datum, i.e. I was late because of a car crash on my route

“When we think about trust as it applies to business and organisations the operating context of the business matters (...)

home. This is a phenomenon that can be witnessed, there were other parties involved, it is a verifiable truth, there will likely be a news report about it.

However here it gets tricky, the news report will interpret what occurred and the truth datum then becomes a mediated truth object saddled with extraneous opinion. The third aspect of truth, sincerity, should prevent fallacious statements being made but as we have seen this is no longer the case. On the internet you can say anything, hence truth needs a new paradigm in this 21st century infosphere.

Crowdsourcing Trust.

Together these factors have made it increasingly difficult to form trust relationships in the modern era. We are all encouraged to do our own research, we no longer trust our academic communities, or those considered to be "in power" to tell us the truth.

While a healthy level of scepticism is required for a healthy democracy, i.e., we should question those who hold power. What we see today is bordering on unhealthy, and for some sectors of society is well entrenched into something toxic that is damaging to society. How does this happen?

In using the only paradigm for truth, we know; we have become obsessed with verification. Everything is accessible now, in a fraction of a second with can have dozens of sources of "truth" presented to us. We can verify until our hearts content.

However, the verification aspect of truth has

become a little unhinged. Verification without sincerity in these sources of truth derails them as truth datums. Yet this seems solvable by gathering more and more data, to the point that the amount of data is overwhelming.

People in this position then find that the platforms they engage with to gather data, are algorithmically feeding them information that is biased to appeal to them (Jones, 2023). In this manner they now inhabit an information bubble that will only ever reinforce their views, making it virtually impossible for society to judge the truthfulness, or indeed trust in this information.

In the face of this complexity in many respects the globalised cosmopolitan world view has turned inward, in a return to the local village, only trusting what and who we know.

These people then come to work and are asked to trust the information from their organisations, to trust the leaders of their organisations in a trust-decisions that they find potentially personally detrimental. As leaders, did we do the work to create common ground? Do we have psychological safety in our organisations? Have we provided an environment of high reliability?

In the whole of person approach, we need to understand how this post-truth environment impacts the organisation, and its outcomes. Just as people are losing trust in institutions, they also losing trust in the organisations to which they are attached. The lack of employee trust in an organisation is immediately translated into approaches to customers and stakeholders, in fact it will

steer those interactions, and shape the experiences of those actors (Davidovitz & Cohen, 2021).

How can this be addressed?

The whole of person approach respects the three spheres of influence in our lives: work; family; and community. It recognises that wellbeing hinges on these parts of ourselves being in harmony, understanding that challenges in one sphere impacts the others (Vogelgesang Lester, et al., 2017). Traditionally this has been seen as a negative, we might have felt that we had to separate our family and community spheres from our work sphere in order to be effective in the workplace.

However, today we recognise the interplay between the spheres changes how we think, how we feel, and even our conception of self. Thus, working to keep to these spheres in harmony can lead to a compounded effect on personal and interpersonal development in the whole of our life. Leading to net gain at work, home, and in the community.

As leaders we must be cognisant of the influences of these spheres on the members of our organisations. The absence of trust in a post truth world makes it difficult to govern organisations, without coercion or over-reliance on command-and-control approaches that further conflicts with societal values degrading trust further (Braithwaite, 2021).

Roque, 2023 argues that to address the

epistemic change occurring in our communities, institutions and organisations need to increase transparency to reduce paranoia and increase democracy to reduce authoritarianism apparent in decision making. Suggesting the creation of spaces and mechanisms to expand dialogues between citizens, to encourage participation in decision making (Roque, 2023).

Lewandowsky and colleagues, 2017 suggest introducing a program of 'technocognition' using behavioural economics to nudge the populace against the spread of misinformation, coupled with improved journalistic standards, and better information architectures that are transparent and involve democratic processes (Lewandowsky, et al., 2017). Together this action would foster the circulation of valuable information supporting trust norms in society.

At a business level we can take a lead from the societal level approaches and rebuild our own information architectures to foster greater trust and understanding in our organisations. Similarly, we can create spaces and mechanisms that encourage fruitful discussion and harness these insights from the members of our organisations to make better more inclusive and transparent decisions.

Braithwaite, 2021 argues that "*when we trust we place our wellbeing, meaning our security and our hopes for a better future in the hands of another*" (Braithwaite, 2021).

She uses the concept of trust norms which are the communities shared belief of what members of that society must do to be trusted. These can be split into exchange trust norms, i.e., acting with predictability; and communal trust norms which reflect concern for the well being of other (Braithwaite, 2021). Her research illustrated that the combination of both exchange and trust norms predicated trust in institutions (Braithwaite, 2021).

Krot and Lewicka, 2012 found that trust norms vary with context, they found that trust between co-workers was linked to honesty, help, and support; but for leadership trust was linked to keeping promises, concern for employee welfare, and keeping them informed. While leadership trust in employees was mediated by good motives, task efficiency, honesty and reliability (Krot & Lewicka, 2012).

These studies indicate that strategies focussed on establishing a combination of exchange and communal trust norms within an organisation implemented contextually can improve trust within an organisation. This might look like establishing communication and behavioural charters in team and evaluating performance against these charters through peer review.

Similarly, new internal information architectures can provide verification of behaviours, for example explaining how decisions are made, using dialogic processes to listen to organisational members and designing spaces where employees and leadership can meet and discuss issues on common ground, build trust and are a

significant component of trust norms. ■

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Júnior Empresa Lean de Aveiro (JELA), a non-profit organization, is composed by students of Engineering and Industrial Management of the University of Aveiro (Portugal) and whose main purpose is to put the Lean Philosophy into practice. It holds events and workshops about Lean in the academic community, with several successful editions and many renowned speakers. It also has an important role in the business environment, implementing projects related to continuous improvement on the industrial sector.

JÚNIOR EMPRESA LEAN DE AVEIRO

O PENSAMENTO NA PRÁTICA

SUMMER ACADEMY



On July 17th, Junior Empresa Lean de Aveiro (JELA) had the pleasure of participating once again in this year's edition of the "Academia de Verão" at Universidade de Aveiro.

This project is aimed at young people aged 15-18, offering them an opportunity to explore the university and its various courses, such as Industrial Engineering and Management (IEM).

JELA organized a workshop focused on the fundamental concepts of Lean, including 5S's and Lean Management, to introduce these important topics from IEM to the students. To ensure the workshop was engaging, JELA incorporated games and activities that helped illustrate the concepts.

The feedback was very positive, and JELA is proud that its members were able to share their knowledge with these young participants.

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BE CAREFUL BEFORE STANDARDIZING YOUR PROBLEM SOLVING



by Jamie Flinchbaugh

You might be surprised to hear a lean advocate warning against standardization. To be clear, I'm warning against both over-standardization and overly-rigid application of standardization. Standardization within problem solving is tremendously beneficial. First, it helps us train people on methods. Second, it reduces the friction of collaboration across individuals and teams. Third, it helps us avoid blindspots and skipping past key steps. So standardization is beneficial.

However, when we become overly-rigid in that application, or overly-constrained by its application, we are missing key benefits to

successful and creative problem solving.

The first is that when we are on auto-pilot, our brain is comfortable and only partially engaged. Many of us (although few may admit it) missed a turn on our drive home because our auto-pilot brain was forgetting that we weren't heading home. Since problem solving often requires creativity, either for new insights or new solutions, we need to keep our brain unsettled.

I have watched many, many teams working on a problem solving effort and they get to a step around the current state and just start filling it out...with the stuff that they already know. They

didn't pause and insert curiosity. They didn't get curious about their blind spots. They didn't ask themselves what the best way to learn would be. They got themselves into the mode of filling out a form that they had done many times before and just kept going.

A great method to break this auto-pilot and re-engage creativity is to insert random interruptions. The randomness is essentially because if you build it in, the interruption is part of the standard. You become attuned to it, and it doesn't force you off-balance where you have to think differently. Breaking from the standard and taking a new look at it, looking ahead at a later step and working back from there, trying a new methodology inserted in the middle (try TRIZ for example), can all help unsettle the team and the mind, which is a good thing. When we don't know what to expect next, our brain is more fully engaged and that is often exactly what is required to break through difficult problems.

The other dynamic that we must fight is "first idea lock-in." There are often many techniques to fight this, such as the "parking lot" where we write ideas down that are ahead in the process. However, the brain doesn't necessarily let go of that first idea just because we wrote it down and said we'd come back to it. Our brains are more stubborn than that. There is research that demonstrates that first idea lock-in is a high frequency challenge, and my own empirical observations support that conclusion.

When first idea lock-in takes hold, the standard problem solving process can easily be traced forward to achieve that idea, often subconsciously. Selection criteria become biased towards a preferred solution, breaking down the problem biases a certain direction, and even framing the problem can make that solution a best-fit.

This is another great opportunity to break from the standard, mixing it up either in method or in sequence can help break us from that lock-in.

The final reason not to get overly committed to a single standard is that not all problems are best solved by the same method. An open-ended ill-defined strategic problem is not best solved by getting to the root cause via the 5 Whys. This is why Art Smalley's book *Four Types of Problems*, which I recently discussed in [this podcast episode](#), is a useful framework. Not all problems are the same. Deciding to restart your computer, discovering a chronic systemic problem, and deciding what technology stack to build upon are all very different types of problems.

While your standard problem solving methodology is often fantastic for certain types of problems, for the several reasons stated at the beginning of this article, it is not likely the best for all types of problems. ■



THE CONTROVERSIES OF LEAN UNMASKED

by Mohamed Saleh

Lean management, often heralded as a transformative approach to business efficiency, harbors a spectrum of controversies that challenge its universal applicability and effectiveness. From workforce reductions misconstrued as efficiency gains to the superficial application of tools devoid of deeper cultural integration, the essence of Lean often gets lost in translation between its principles and practice. This article delves into these contentious areas, unmasking the superficial applications of Lean - often referred to as "window dressing" and emphasizing the crucial role of context in its successful implementation. By exploring the insights of

thought leaders across historical and modern landscapes, we uncover a consistent theme: the sustainable success of Lean is intricately tied to how deeply it is woven into the organizational fabric, far beyond mere cost-cutting or procedural adjustments.

Lean and Workforce Reduction: A Misguided Application

Is your organization using Lean to enhance value for customers and employees, or is it simply a tool to reduce headcount and costs?

One of the most contentious issues in Lean

management is its association with workforce reduction.

Many organizations, particularly those with a short-term focus, see Lean as a cost-cutting tool and misinterpret Lean's emphasis on efficiency and waste reduction as a justification for layoffs. This approach, however, fundamentally contradicts the Lean principle of "respect for people."

The discourse on workforce reduction has been enriched by contributions from both historical figures like Karl Marx, who in "Das Kapital" highlighted the exploitative nature of workforce reductions in capitalist systems, and John Stuart Mill, who in "Principles of Political Economy" emphasized the need for educational and cooperative solutions to mitigate the impacts of technological displacement. Modern thinkers such as Kim Cameron, in "Positive Leadership: Strategies for Extraordinary Performance," and Jeffrey Pfeffer, in "The Human Equation: Building Profits by Putting People First," focus on positive leadership and people-centered management practices, arguing that viewing employees as assets to develop rather than costs to cut leads to better organizational outcomes. Wayne F. Cascio's "Responsible Restructuring: Creative and Profitable Alternatives to Layoffs" promotes restructuring methods that avoid layoffs, and Bob Emiliani, in "Real Lean: Understanding the Lean Management System," criticizes the misuse of Lean principles for workforce reduction, emphasizing process improvement to enhance productivity. He writes, "Lean is

not about cutting people. It's about removing waste so that people can do more value-added work and improve the business's ability to grow and prosper." Agreeing strongly with Emiliani, Lean should create opportunities for growth, not be a pretext for reducing jobs. Shigeo Shingo, one of the architects of the Toyota Production System, echoed this view. In his seminal work, *"A Study of the Toyota Production System from an Industrial Engineering Viewpoint,"* Shingo emphasized that Lean should never be about reducing headcount. He stated, "The most dangerous kind of waste is the waste we do not recognize." Shingo believed that laying off workers under the guise of Lean is a clear sign of misapplication, as it overlooks the potential to utilize workers more effectively in creating value.

Together, these perspectives underscore a consistent theme: sustainable organizational success is deeply intertwined with how companies treat their employees, particularly during periods of change, as reflected in their seminal publications. To align Lean initiatives with workforce enhancement effectively, organizations must integrate comprehensive strategies that prioritize ongoing employee development and engagement. This includes educating employees on Lean's goals to optimize processes rather than cut jobs, actively involving them in initiatives like Kaizen, and investing in their skills through development and cross-training. Leadership must also clearly communicate a commitment to enhancing both the value of

“The misapplication of Lean as merely a cost-cutting tool is a significant misunderstanding that undermines its foundational goals of enhancing value and sustainable growth.

work and workers, offering job security assurances to foster a cooperative environment. Additionally, redefining success metrics to focus on employee satisfaction, innovation, and value creation over mere cost savings can shift the focus from cost-cutting to boosting efficiency and quality. These strategies help avoid the pitfalls of workforce reduction, fostering a more engaged, productive workforce and cultivating a sustainable, resilient organizational culture.

Cost-Cutting vs. Value Creation: A Fundamental Misunderstanding

Is your organization using Lean as a means to cut costs, or is it focused on creating value for customers and employees?

The misapplication of Lean as merely a cost-cutting tool is a significant misunderstanding that undermines its foundational goals of enhancing value and sustainable growth. Bob Emiliani, in “The Triumph of Classical Management Over Lean Management: How Tradition Prevails and What to Do About It,” critiques this narrow interpretation, asserting, “When Lean is used primarily as a cost-cutting tool, it misses the point entirely. Lean is about creating value—value for the customer, value for employees, and value for the business.” This perspective is echoed by Masaaki Sato in “The Toyota Leaders: An Executive Guide,” where he states, “True Lean leaders focus on creating long-term value, not just short-term cost savings. They understand that sustainable success comes from continuously improving processes to enhance quality and value for the customer, not from slashing costs.”

Adding to this discourse, Mark Deluzio, known for his work on Lean applications in various industries, emphasizes that Lean should not be seen as a way to reduce headcount or expenses alone. In his writings and speeches, he often points out, "Lean is fundamentally about adding value and driving out waste—whether that waste comes from unnecessary costs or inefficiencies." Deluzio advocates for a holistic approach where cost savings are a natural outcome of deeper process improvements. Takahiro Fujimoto, in his research on the evolution of manufacturing systems, offers insights on how Lean can lead to superior production competence that inherently enhances value rather than simply cutting costs. He notes, "The effectiveness of Lean comes from its ability to align operational efficiency with strategic objectives, fostering capabilities that competitors cannot easily replicate." Norman Bodek, often regarded as one of the individuals who introduced Lean to the Western world, also highlights the essential focus of Lean on empowerment and innovation rather than mere cost reduction. In his books, Bodek emphasizes, "Lean's true essence is about respecting people and engaging them in improving all aspects of the processes they work with. It's not about cutting jobs; it's about making jobs more fulfilling and the business more competitive." Together, these thoughts from Emiliani, Sato, Deluzio, Fujimoto, and Bodek underline a fundamental principle of Lean: it is not merely a tool for reducing costs but a comprehensive strategy for creating value

across all facets of an organization. This broader understanding encourages organizations to use Lean for culture advancement, shift preconceptions, enhance quality, efficiency, and employee satisfaction, leading to sustainable long-term benefits over short-sighted financial gains.

The Toolbox Fallacy: Misapplication of Lean Tools

Are you focusing on Lean tools as a quick fix, or are you committed to understanding and applying the deeper principles that make those tools effective?

Another major controversy is the superficial application of Lean tools without understanding the underlying philosophy - has been extensively addressed by several leading thinkers who emphasize integrating these tools into a broader organizational culture. Many organizations adopt Lean tools such as 5S, Kaizen, and Value Stream Mapping, expecting these tools alone to bring about significant improvements. However, when tools are applied without a deep understanding of Lean thinking, they often lead to short-term gains at best, and failure at worst.

In *"Moving Forward Faster: The Mental Evolution from Fake Lean to REAL Lean,"* Emiliani warns against the "toolbox" approach, stating, "Tools are just one piece of the puzzle. Without understanding the philosophy and culture that underpin Lean, the tools will be misapplied." Masaaki Imai, the pioneer of

Kaizen, reinforces this in his book *"Kaizen: The Key to Japan's Competitive Success."* Imai writes, "Kaizen means improvement. Moreover, it means continuing improvement in personal life, home life, social life, and working life. When applied to the workplace, Kaizen means continuing improvement involving everyone—managers and workers alike." Imai's perspective underscores that without embedding the continuous improvement mindset into the culture, the application of tools becomes meaningless and ineffective, leading to what he calls "Kaizen without Kaizen," where the spirit of improvement is lost. Jeffrey Liker, in "The Toyota Way," stresses that Lean tools

should not be viewed as standalone solutions but as components of a larger system that includes people, processes, and continuous problem-solving. Mike Rother, through his book "Toyota Kata," highlights the importance of fostering routines that encourage continuous improvement over merely implementing tools. Matthew E. May in "The Elegant Solution: Toyota's Formula for Mastering Innovation," points out that Lean tools should be leveraged to drive innovation and empower employees, not just to streamline operations. John Shook, in "Managing to Learn," discusses the A3 process as a methodological approach to problem-solving rather than just a form for tracking improvements. Lastly, Daniel T. Jones and James P. Womack in "Lean Thinking," advocate for a holistic approach where tools continuously enhance value and remove waste across the entire value stream. Collectively, these authors advocate for a profound integration of Lean tools into the fabric of organizational culture, focusing on strategic goals, continuous improvement, and innovation to truly harness the benefits of Lean.

"One of the biggest challenges in Lean Management is maintaining the momentum (...)"

Context Matters: The Cookie cutter demise

Are you adapting Lean principles to fit the unique context of your industry, or are you trying to force-fit manufacturing-based tools into a different environment?

Lean was born in the manufacturing environment of Toyota, but its principles have since been applied across a wide

range of industries, including healthcare, finance, and education. This expansion has sparked controversy over whether Lean principles can be effectively transferred to non-manufacturing contexts. Critics argue that Lean, with its roots in production lines and physical inventory, does not easily translate to service environments where processes are more abstract, and customer interactions are more complex. Emiliani acknowledges these challenges but believes in the universality of Lean principles. In *"Practical Lean Leadership: A Strategic Leadership Guide for Executives,"* he asserts, "Lean principles are universal, but their application must be adapted to the context."

Both Nigel Thurlow, in "The Flow System Playbook" and Mark Deluzio in "Flatline" argue for a nuanced application of Lean that respects the differences and leverages the similarities between manufacturing and service sectors. They agree that the core of Lean—creating more value for customers with fewer resources—transcends the boundaries of industry types but underscores the need to understanding the context in which it is applied. Furthermore, they warn of using frameworks as a cookie cutter approach and acknowledge that the implementation tactics must be adapted, with Thurlow focusing on the agile integration of Lean and Deluzio on strategic business applications across various sectors, including services. Their combined perspectives reinforce that while Lean's

tools and methods may require customization to fit different operational contexts, the philosophy's core objectives remain universally applicable. Yashuhiro Monden, a renowned expert on the Toyota Production System, also addressed this in his book *"Toyota Production System: An Integrated Approach to Just-In-Time."* Monden writes, "The Toyota Production System's principles can be applied to any environment where waste exists. The challenge lies in understanding the unique characteristics of the service or industry and adapting the principles accordingly." Monden's work underscores the importance of contextual adaptation, rather than a one-size-fits-all application of Lean principles.

Lean vs. Innovation: A False Dichotomy?

Is your Lean implementation fostering a culture of innovation, or is it inadvertently creating an environment where creativity is stifled?

A persistent debate within the Lean community is whether Lean stifles innovation. Critics argue that Lean's focus on standardization and waste reduction can create an environment where creativity is suppressed. They fear that the pursuit of efficiency and elimination of variation may leave little room for the experimentation and risk-taking that innovation requires.

Emiliani sees this as a false dichotomy. In his book *"Lean is Not Mean: Why Lean*

Transformation is Not About Cost Cutting," he writes, "Lean creates an environment where innovation can thrive by freeing up resources and encouraging employees to experiment and learn." Takahiro Fujimoto, an expert on the evolution of manufacturing systems, further supports this by arguing that Lean's focus on continuous improvement inherently supports innovation. In "*The Evolution of a Manufacturing System at Toyota*," Fujimoto states, "The Toyota Production System creates a structure where innovation is not an isolated event, but a daily activity integrated into every level of the organization." Fujimoto's analysis reveals that when Lean is applied with its full philosophical depth, it provides fertile ground for innovation rather than inhibiting it.

Standard Work vs. Employee Autonomy: A Balance to Be Struck

Is your organization using standard work as a baseline for improvement, or is it being applied in a way that limits employee autonomy and innovation?

The concept of standard work is a critical yet often debated aspect of Lean management. Standard work sets a clear baseline for the best-known way to perform a task, ensuring consistency and quality across processes. However, critics argue that this can potentially stifle employee autonomy and creativity, transforming the workplace into a rigid and dehumanizing environment. Yet, several Lean thinkers provide insights that challenge this

perspective, highlighting the dynamic nature of standard work.

Emiliani sees standard work differently. In "*Kaizen Forever: Teachings of Chihiro Nakao*," he writes, "Standard work is not about rigidity; it's about creating a baseline for improvement." David Mann, author of "*Creating a Lean Culture: Tools to Sustain Lean Conversions*," delves deeper into this balance. He notes, "Standard work does not eliminate the need for flexibility. It provides a framework within which employees can exercise their creativity and judgment. The key is not to impose standard work as a straitjacket but to use it as a living document that evolves with input from those doing the work." Mann's perspective reinforces that standard work should be a dynamic tool that supports, rather than hinders, employee autonomy. Adding depth to this discussion, Dr. W. Edwards Deming, a pioneer in quality management, emphasized the human aspects of process optimization. He argued that while standardization is crucial for quality and efficiency, it must be balanced with opportunities for workers to contribute to process improvements. In his philosophy, he famously said, "A bad system will beat a good person every time." This highlights the need for systems that not only enforce standards but also embrace continual feedback and enhancement from those who work within them. Taiichi Ohno, one of the architects of the Toyota Production System, also had a nuanced view of standard work. He saw it as essential for eliminating waste and ensuring efficient operations but also stressed the

importance of kaizen, or continuous improvement, involving every employee. Ohno believed that "Without standards, there can be no kaizen." His approach suggests that standard work serves as the starting point for employees to engage in creative problem-solving, thereby enhancing both the system and their work experience.

Together, these perspectives from Emiliani, Mann, Deming, and Ohno underscore that while standard work is fundamental to Lean, it should be implemented in a way that encourages flexibility, employee involvement, and continuous improvement. This approach ensures that standard work becomes a tool for empowerment and engagement, rather than a constraint on employee creativity and autonomy.

Cultural Fit of Lean: The Challenge of Transformation

Is your organizational culture aligned with the principles of Lean, or are you trying to implement Lean within a traditional, hierarchical framework that is fundamentally at odds with its core values?

Implementing Lean in organizations with deeply entrenched hierarchical structures is a formidable challenge, requiring a substantial cultural shift towards more participative and empowering leadership styles, often at odds with traditional command-and-control management practices. Bob Emiliani in "Better Thinking, Better Results: Case Study and Analysis of an Enterprise-Wide Lean

Transformation" stresses the necessity of this transformation, stating that "Lean requires a fundamental shift in organizational culture" to avoid merely superficial results and truly embrace the core principles of Lean. This viewpoint is reinforced by Jeff Liker in "*The Toyota Way*," who notes that successful Lean implementation goes beyond changing processes; it's about fundamentally altering how people think and behave daily. Adding to the discourse on cultural alignment and organizational change, authors like Edgar Schein in "*Organizational Culture and Leadership*" and John P. Kotter in "Leading Change" emphasize the importance of aligning new initiatives with existing cultural values or explicitly addressing the need for cultural evolution. Schein discusses how leaders can understand and work within their cultures to effectively implement change, underscoring that changes must be congruent with existing cultural values or must address cultural transformation explicitly. Daniel Denison and Robert E. Quinn along with Kim S. Cameron, through their respective works, provide frameworks for assessing and modifying organizational culture to support sustained change. Norman Bodek in his various publications, highlights that the essence of Lean is about unleashing people's potential, emphasizing respect and engagement over mere efficiency.

These insights collectively underscore the critical role of leadership in fostering a culture that not only accepts but drives change, the need to disrupt preconceptions, dismantle organizational mechanisms, sunset sacred

cow and shift power dynamics, advocating for an integrated approach that values continuous learning, employee involvement, and a focus on long-term value creation over short-term gains within a team over self-paradigma.

Lean and Digital Transformation: A New Frontier

Is your organization integrating Lean principles into its digital transformation efforts, or are you treating digital and Lean as separate, unrelated initiatives?

As organizations increasingly adopt digital technologies, the integration of Lean principles within the context of digital transformation presents a new frontier. There is ongoing debate about whether Lean, with its focus on process improvement, is fundamentally at odds with digital transformation, which is driven by rapid technological innovation. However, experts like Nigel Thurlow argue that Lean and digital can be synergistic. Thurlow, known for integrating Lean thinking with Agile and Scrum frameworks, emphasizes that "Lean principles are essentially about creating more value with less, which perfectly complements the goals of digital transformation by optimizing processes through technology." Emiliani acknowledges the potential for Lean principles to enhance digital transformation as well but warns against using technology as a substitute for Lean thinking. He argues that "Digital tools can enhance Lean, but they cannot replace the need for human-centered problem-solving." The real power of Lean lies

in its emphasis on people and processes, not just the tools.

For digital transformation to be successful, it must be grounded in Lean principles that prioritize value creation and continuous improvement. Adding to this perspective, Jeffrey Liker, points out in "The Toyota Way to Lean Leadership" that adopting Lean in digital transformations requires a deep understanding of both Lean and digital technologies as complementary tools rather than opposing forces. He states, "The integration of Lean into digital transformation strategies enables companies to not only streamline processes but also enhance their adaptability and responsiveness to changes in the market." Michael Ballé, co-author of "*The Lean Strategy*," also weighs in on the conversation, highlighting the transformative potential of aligning Lean with digital initiatives. He argues, "Digital tools and Lean management together create a powerful synergy that can radically transform operations, enhance customer experiences, and drive continuous improvement in entirely new ways."

Together, these experts advocate for a balanced approach where Lean principles guide the strategic implementation of digital technologies, ensuring that organizations do not merely adopt new technologies for innovation's sake but do so in a manner that aligns with the core Lean objectives of waste reduction and value creation. This approach not only leverages the strengths of both Lean and digital but also ensures that they work in

concert to enhance overall organizational agility and competitiveness.

Lean Implementation Failures: The Leadership Factor

Is your leadership fully committed to Lean as a long-term strategy, or is it treating Lean as a short-term project or program?

High-profile failures of Lean implementation have led to skepticism about its effectiveness. Critics often point to these failures as evidence that Lean is not a viable long-term strategy. However, a closer examination reveals that these failures are often the result of poor leadership, lack of commitment, or misapplication of Lean principles, rather than flaws in the Lean methodology itself. In *"REAL Lean: The Keys to Sustaining Lean Management (Volume Two)"*, Bob Emiliani explores the reasons behind Lean failures, stating, "Lean fails when leaders lack commitment and understanding." Too often, Lean is treated as a program or a project, rather than a fundamental change in the way the business operates. Successful Lean transformation requires a deep, sustained commitment from leadership and the willingness to welcome challenging preconceptions.

David Mann adds to this in his discussion on sustaining Lean culture in *"Creating a Lean Culture: Tools to Sustain Lean Conversions."* Mann emphasizes that Lean culture requires consistent reinforcement and leadership by

example. He notes, "Leadership commitment to Lean principles is crucial. Leaders must continually reinforce Lean behaviors and practices, and model them in their own actions." Mark Deluzio, in his insights on Lean thinking, reiterates that Lean is more than just tools and techniques; it's about a holistic transformation of business processes and culture. He often stresses, "Lean transformation is not a cost reduction exercise but a way of thinking that permeates and transforms the entire organization." In addition, he highlights that "Lean is not a spectator sport, and leaders need to get their gloves dirty". Jim Collins, renowned for his insights on organizational excellence and sustainability, offers principles highly applicable to transformative strategies like Lean. In *"Good to Great,"* Collins emphasizes the role of Level 5 Leadership, which combines deep personal humility with intense professional will, crucial for driving successful organizational change. He articulates the importance of disciplined thinking and actions, stressing consistency as the hallmark of mediocrity: "The signature of mediocrity is not an unwillingness to change; the signature of mediocrity is chronic inconsistency." Meanwhile, in *"How the Mighty Fall,"* Collins explores the stages of decline in great companies, reinforcing that success is a choice and discipline, not merely circumstance. His work underscores the necessity of maintaining rigorous, disciplined leadership and adhering to core values for long-term success, aligning closely with the principles underlying Lean transformations. Tracey Richardson, a recognized Lean

practitioner and trainer, emphasizes this as well and highlights the importance of employee involvement in Lean transformations.

In her teachings, she argues, "For Lean to be truly effective, it must not only be embraced by top management but also deeply understood and practiced at all levels of the organization." This points to the necessity of comprehensive training and communication across the organizational spectrum. Takahiro Fujimoto also weighs in on the discussion, bringing a unique perspective from his extensive study of the Toyota Production System. He highlights the need for a clear understanding of the 'why' behind Lean tools and principles, noting, "Understanding the rationale behind Lean practices is crucial for them to be effectively implemented and sustained."

Together, these insights from Emiliani, Mann, Deluzio, Richardson, Collins and Fujimoto provide a comprehensive understanding of why Lean initiatives fail and how to combat these issues.

They collectively emphasize the need for leadership commitment, disciplined practices and rituals, cultural alignment, employee engagement, and a deep understanding of Lean principles as fundamental to the successful and sustainable implementation of Lean.

Sustainability of Lean Initiatives

Are you investing in ongoing training and

development to sustain Lean initiatives, or are you assuming that initial training is sufficient?

One of the biggest challenges in Lean management is maintaining the momentum of Lean initiatives over the long term, often hindered by what is termed "Lean fatigue," leading to a gradual return to old habits. Bob Emiliani in "Lean Sustainability: Creating Safe, Enduring, and Profitable Operations" emphasizes the importance of ongoing education and the need for leaders to ensure that Lean education is continuous and that new employees are trained in Lean principles. Masaaki Sato, in "The Toyota Leaders: An Executive Guide," underscores the critical role of leadership in maintaining discipline and focus required for Lean, advocating that leaders must be champions of the process, continually motivating their teams. Jeffrey Liker in "The Toyota Way" points to the embedded principles in Toyota's culture, such as respect for people and continuous improvement, as essential for sustaining improvements. John Shook highlights that without a change in behavior and mindset, operational changes won't stick, and Daniel T. Jones in "Lean Thinking" suggests practical measures like visual management and regular Gemba walks to maintain focus and momentum. Joe Murli in "The Lean Management System" and John Dyer in the "façade of excellence" further reinforce the importance of leadership's daily engagement and the cultivation of a Lean culture that embraces continuous improvement at all levels.

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In my work, I advocate for a systemic approach that aligns Lean initiatives with strategic goals and drives a cultural transformation towards continuous improvement. Lean principles must be ingrained in daily behaviors and supported by active, committed leadership. It's this deep organizational commitment, not just the implementation of Lean tools, that truly sustains Lean and fosters a culture of continuous improvement every day.

The journey through the complexities of Lean management reveals that its true power lies not in the tools themselves but in the philosophical bedrock upon which they are applied. The discourse from experts like Emiliani, Sato, and Liker underscores a fundamental principle: Lean must foster a culture of continuous improvement and respect for people to transcend the pitfalls of short-sighted implementations.

It challenges organizations to think beyond the immediate and superficial gains and to embed Lean deeply into their cultural and operational DNA. As we've seen, successful Lean implementation requires a steadfast commitment to education, leadership, and an unwavering focus on value creation that benefits not just the bottom line, but every stakeholder involved. In doing so, Lean transcends its potential as a mere efficiency tool and becomes a cornerstone of sustainable organizational excellence. ■



BOOST LEAN EFFICIENCY WITH KNOWLEDGE MANAGEMENT

by Cynthia J. Young

Organizations are continuously seeking ways to improve efficiency and reduce waste. Lean methodology, with its focus on streamlining processes and eliminating non-value-added activities, has become a popular approach for achieving these goals.

However, the success of Lean initiatives often hinges on the availability and effective use of knowledge within the organization. Integrating knowledge management (KM) into Lean projects can significantly enhance their effectiveness by ensuring that the right information is available to the right people at the right time.

KM can be defined as knowing what to do with the information (or data) that you have.¹ In the end, it's the people side of the people/process/technology triangle of KM that makes the decisions to support the internal customers of the organization and the external customers paying for the services. For Lean projects, KM involves identifying critical knowledge, making it accessible, and ensuring its application to improve processes. Integrating human-centric knowledge management practices can improve both the basic and the intense Lean projects. Use common sense. Don't overcomplicate it.

Integrating KM in Lean projects should not be a project of its own. KM practices should be a standard method of ensuring knowledge is in everyday processes in the organization so that when integrating KM, extra time and effort doesn't need to exist. The following strategies will enable organizations to leverage KM practices to enhance and support their Lean initiatives.

Provide employees with foundational KM training to support Lean processes. Start by defining explicit knowledge as written knowledge and the tacit knowledge as what people know through their Lean experiences. Locate items of explicit knowledge used to support Lean processes and procedures to include documented lessons learned and best practices. Follow this by identifying personnel with Lean experience and begin documenting their tacit knowledge for conversion to explicit knowledge. Tacit knowledge can come from anywhere in the organization so don't just talk with personnel who are working in Lean positions.

Audit your organization's KM practices. Conduct a knowledge audit to identify what knowledge is available, where it is stored, and who needs it. This will help in understanding the current state of KM and identifying gaps. ISO 30401, Knowledge Management Systems – Requirements, addresses areas of operations, and specifically in the Performance Evaluation section covers monitoring, measurement, analysis, and evaluation; internal audit; and management

review which provides a high-level oversight and aids management in the ability to ensure continual improvement ².

Develop a KM strategy. Based on the audit results, engage leadership to develop a KM strategy that outlines how knowledge will be captured, shared, transferred, stored, and how it will be findable in the organization that will support the overall organizational strategic plans. A major benefit of having a KM strategy is the ability to use it to support the organization's strategic planning. This should include defining roles and responsibilities, selecting appropriate tools and technologies, and establishing processes for KM. When developing the strategy, keep in mind the three legs of the KM stool of people, processes, and technology along with the underlying governance that is not KM-centric, but how the organization needs to legally operate.

Encourage a knowledge sharing culture. Create a culture that values and encourages knowledge sharing. This can be achieved through leadership support, recognition and rewards for knowledge sharing, and providing training on KM tools and practices. Encourage open communication and collaboration across all levels of the organization.

Sharing the knowledge gained from the capture of lessons learned and best practices can be best accomplished through discussion rather than assigning one person to

“A major benefit of having a KM strategy is the ability to use it to support the organization's strategic planning.

coordinate the capture of the lessons learned and best practices and then posting these to a mysterious shared folder on the organization's intranet never to be seen or used. Sharing lessons learned should require an easy-to-understand process and encourage reuse.

Reduce waste. Lean projects rely on the ability to reduce non-value-added processes to also known as the eight wastes of defects, overproduction, waiting, non-utilized talent, transportation, inventory, motion, and excess processing or DOWNTIME. A method of waste reduction through KM practices is by capturing lessons learned and best practices. This helps teams to avoid past mistakes and build on earlier successes. Doing this must also include knowledge sharing with not only their leadership and their team, but making the knowledge captured known to the organization.

Use lessons learned and best practices. For ease of knowledge sharing and transfer, as well as supporting waste reduction, an organization can share their lessons learned in an issue-discussion-recommendation the format described below ³ and further shown in the example in Figure 1 ⁴:

- Define the issue using one sentence to convey the problem.
- Discuss the background and why the problem was or is a problem in one paragraph of three to five sentences.
- Make a recommendation to solve the problem or share how the problem was solved

Lesson Learned – Timely Data Analytic Reporting	
Issue	Weekly data analytic reporting is not being completed on time.
Discussion	Data collection is hindered due to access to a system that requires the customer to deliver the data to the contractor to analyze. The contractor cannot gain access to the system. This delay restricts the time that the contractor has to perform the data analytics.
Recommendation	Standardize a timeframe to gather data that will allow the contractor to perform data analysis and submit required reports on time.

Figure1. Lesson learned write-up example

To help others understand, and ultimately act using the best practices, resist the temptation to exclusively post them. Have a conversation with the team to make sure they've collected all the best practices and then share them through discussions with other users. For instance, a project manager and their team may know of another project manager and their associated team who are doing similar work. By sharing these best practices with the other team, the receiving team will be able to better mitigate risks to the project.

Enhance problem-solving. Lean methodologies often involve problem-solving techniques such as root cause analysis and the five whys. KM supports these efforts by providing access to historical data, expert insights, and documented solutions to already-identified problems. Rather than operate with an A-team mentality where only the same people are used each time to solve problems. Spread the wealth. Learning to problem-solve helps to build confidence making individuals into stronger team members.

One way to grow or supplement the pool of

experts available to become problem-solvers would be through cross-training team members. Using a forceful backup mindset enhances the team expertise and overall team expertise while maintaining the corporate knowledge they have gained. Organizations that enforce a forceful backup mindset w purposefully have personnel trained to cover other work during times emergencies or just exercising personal time off, and to be there to bridge the gap when personnel leave or retired from the organization.

Another method of supporting the need to have a pool of experts is to have personnel in other parts of the organization function as knowledge managers. This is more of a collateral duty since this helps to eliminate silos through cross-organizational discussions and collaboration. Lean projects often require cross-functional collaboration. KM helps this by that knowledge flows freely across departments and teams through people functioning as knowledge managers when they use their insight to the help their co-workers solve their problems.

Monitor and evaluate the effectiveness of the KM strategy . Regularly monitor and evaluate the effectiveness of KM practices. Gather feedback from users to identify areas for improvement and make necessary adjustments. Use metrics such as the number of knowledge contributions, user engagement with KM tools, and the impact of KM on Lean project outcomes.

Integrating KM into Lean projects, processes, and procedures can significantly enhance their effectiveness by ensuring that the right information is available to the right people at the right time. By focusing on key components such as explicit and tacit knowledge identification, sharing, and application, organizations can create a culture of continuous improvement and sustained success. Through practical steps such as conducting knowledge audits, developing a KM strategy, and fostering a knowledge-sharing culture, organizations can unlock the full potential of their Lean initiatives and drive long-term success. ■

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THE LEAN TRANSFORMATION

- A POEM

by Mark DeLuzio

The CEO struggled to make his plan
He learned it was Lean he needed to buy
People told him it was simple at best
Just needed to find a good Lean guy

It was John that he found, had all kinds of belts
Certificates galore, how could he go wrong?
Interview was an outstanding success
Told a good story, sang a good song

Point Kaizens galore, John had it all
CEO content, he purchased salvation
Stock will take off, bonus to swell
Board to be filled with elation

Town Hall meeting was held
CEO introduced him this way
With John's tools and belts
His Lean will save the day

Months have passed with little to show
John struggled and seemed a bit lost
CEO concerned when he tallied his gate
Quite disappointed when he asked about cost

A chef is to Kaizen, a meal so great
But running a restaurant he'll end up fatigued
Transformation experience, John simply had none
At the end of the day, he was out of his league

Functions resisted John's change and new terms
Defended their turf, that they're unique
No aircover, CEO did not lead
Dissention mounted; performance still weak

Lean program curtailed and John was let go
Lean did not deliver as billed
Heard of TOC, 6 Sigma and such
Must move fast, the Board needs to be thrilled

Viewed as a program, culture stood still
Respect not addressed; GAN permitted to bloom
New programs they'll try, only to find
Futile efforts, frustration, their efforts be doomed

CEO did not grasp, Rome not built in a day
The tortoise will win, the rabbit will place
Toyota still strives for perfection, they say
Widening distance from all those that are in chase.



donation membership plan

-- READ FOR A CAUSE --

donations revert to child care institutions

full access to all features

read the latest issue on digital

read all issues in pdf

get the magazine in pdf before it goes online

-- valid for 3 months --

A person is holding a newspaper that is on fire. The fire is concentrated at the top edge of the paper, with bright orange and yellow flames. The person's hands are visible at the corners of the paper. The background is a dark, textured surface.

THE READER'S CORNER

ALIGN TO THRIVE

by Nancy Nouaimeh

"Life is like riding a bicycle. To keep your balance, you must keep moving." — Albert Einstein

In today's rapidly changing business landscape and with new trends impacting employee engagement, how can organizations keep moving steadily, improve, and grow? Studies and practices of high-performing organizations show us that Enterprise Alignment is more important than ever for sustained success.

Recognizing the Power of Enterprise Alignment

But what does it really mean to have every

person in the organization aligned and moving in the same direction, and why is it so important? Are leaders prioritizing this matter on their business agenda?

"Enterprise Alignment ensures that the organization, teams, and individuals work cohesively towards shared goals."

This alignment strengthens the organization at every level, enhancing performance and driving better results. When every part of the organization is aligned, resources are used efficiently, strategic goals are met more .

consistently, and overall organizational agility improves. Additionally, alignment helps in reducing redundancies and improving coordination, leading to a more streamlined operation

While many executives understand the importance of Enterprise Alignment, prioritizing it among other business activities can be challenging.

The Cycling Peloton Model: A Unique Analogy

One effective way to visualize Enterprise Alignment is through the cycling Peloton model. In a peloton, each member—climbers, sprinters, domestiques, the captain, and the leader—works together for collective success.

This analogy vividly illustrates the benefits of synchronized effort and shared objectives:

- Everyone knows their role.
- Everyone knows the rules and systems.
- Everyone knows the road and the goals.
- Everyone executes their role efficiently.
- The peloton works collectively.
- Leaders may change, but the team continues to work towards the end goal.

In a recent race this summer, while chatting with a fan, I asked about what is unique about the racers in a peloton, and what motivates them to make such tremendous effort, knowing in advance that only one of them will win at the end. He explained, "Cyclists know

their roles, strengths, and when to contribute. Each one is valuable, and the team won't succeed unless everyone performs well. Team strategy, communication, and alignment are key. The leader's success depends on the team's performance. Team members know it but they know their own value too".

This highlights the importance of understanding individual strengths and how they contribute to team success.

Similarly, in a corporate setting, leaders need to recognize and harness the unique strengths of their team members to achieve collective goals. Companies like Apple and Google, for example, have thrived by aligning individual strengths with organizational objectives, fostering a culture of innovation and excellence.

Self-Awareness, Team Dynamics, and Culture

The Peloton success could be paralleled in business to form high-performing teams that rely on self-awareness, strong team dynamics, and a healthy culture.

1. Self-Awareness: Conscious knowledge of one's character, feelings, motives, and desires. For individuals in an organization, self-awareness leads to better personal development and performance. Employees who understand their strengths and weaknesses are better positioned to contribute effectively to their teams.

2. Team Dynamics. Effective communication, collaboration, and coordination are essential. Teams that understand their dynamics can work more efficiently and handle challenges better. High-performing teams often engage in regular reflection and feedback sessions to enhance their dynamics.

3. Culture. The collective behaviors within a company or community. A strong, positive culture fosters engagement, loyalty, and high performance. Organizations with a strong culture prioritize employee happiness and customer satisfaction, leading to exceptional performance and loyalty.

In a peloton, members' strengths, capabilities, and performance are used to identify roles and provide support. This model, known as Social Performance Management (SPM), boosts overall team performance. By recognizing and leveraging individual strengths, teams can optimize their collective output. Social Performance Management also involves continuous feedback and development, ensuring that all team members grow and contribute effectively.

Gap between Recognition and Action

How empowered are leaders to improve and prioritize alignment within their organizations?

Surveys and studies often reveal that while leaders recognize alignment's importance, few have the tools or strategies to implement it effectively.



This gap between recognition and action can be bridged by understanding the tangible benefits of alignment and the potential pitfalls of misalignment, such as decreased efficiency, poor communication, lower employee morale, inconsistent customer experience, strategic failures, and ineffective decision-making.

Learning from the SPM Model, this is How Leaders Can Make a Difference:

- Categorizing employees based on their contributions and performance helps in identifying areas for development and recognition. It ensures that both low and high performers are given appropriate support and challenges.
- Leaders can assign roles that play to individual strengths, create mentorship opportunities, and foster a culture of continuous improvement.
- Focus on regular feedback, recognition, and opportunities for growth. These contribute to higher levels of engagement and satisfaction.
- Establish a psychologically safe environment enabling effective teamwork and encouraging open communication, risk-taking, and innovation. Team members feel valued and are more likely to engage and contribute their best efforts. Subsequently, engaged employees are more likely to be aligned with the organization's goals. Gallup's research shows that highly engaged teams are more productive and have

lower turnover rates.

From Misalignment to Alignment... Think Systemically

W. Edwards Deming attributed most problems—and opportunities for improvement—to the system itself. The Shingo Model's principle of "Think Systemically," in the dimension "Enterprise Alignment," emphasizes understanding and addressing system gaps.

Organizations need to look beyond individual performance and consider how the system and processes support or hinder success. Culture should be designed through the systems in the organization to create changes that last and make a deep impact on alignment and performance.

In "*Good to Great*," Jim Collins highlights that the best results come when employees act within a well-designed system. Establishing shared values, clear goals, and success metrics allows employees to innovate and take responsibility for results. This approach transforms an organization's culture, aligning efforts towards common objectives.

Companies that have successfully endorsed "Think Systemically", like Abbott, Hologic, Ipsen, and Jabil (Recipients of the Shingo Prize), have seen significant improvements in performance and employee satisfaction.

Let's consider the case of Toyota. I had the chance to visit the Kirloskar Toyota Factory in India in 2016. Renowned for its lean manufacturing, the alignment principles are

“Through understanding the relationships and interconnectedness within a system we are able to make better decisions and improvements.

- Shingo Institute

obvious to visitors. Every employee feels empowered, is encouraged to contribute ideas for improvement, and is actively engaged in continuous improvement. This collective effort, aligned with the company's goals, leads to efficiency, high-quality products, and innovation.

"Enterprise Alignment is not a One-Time Effort."

A CEO's Journey to Enterprise Alignment

Faced with the challenge of internal misalignment, here is the improvement plan that Sarah, the CEO of a food company based in the Middle East, put in place to synchronize her team with the company's mission.

- *Setting Key Organization-Wide Goals.* Sarah focused on a few essential goals tied to the company's purpose, providing clear direction and ensuring all efforts aligned with the company's mission.
- *Cascading Goals.* She implemented a strategy deployment system to cascade goals to each department and team member, fostering a unified effort by ensuring everyone understood their role in achieving broader objectives.
- *Mapping and Improving Company Systems.* To demonstrate ownership and interconnectivity, she introduced a comprehensive "System Map," where all systems and their elements (such as reports, feedback, etc.) were mapped. This helped teams see how their contributions fit into the larger picture and where improvements were needed.

- *Communicating Mission and Strategy.* Recognizing the importance of communication, she established regular updates through town hall meetings and newsletters, ensuring all employees understood the mission and their contributions to it.
- *Encouraging Cohesive Teamwork.* Sarah promoted effective leadership and strong interpersonal relationships by investing in team-building activities and leadership training, fostering a supportive and collaborative work environment.
- *Nurturing Collaboration through Cross-Functional Teams.* She encouraged the formation of cross-functional teams to break down silos, bringing diverse perspectives and expertise that led to innovative solutions.
- *Measuring and Recognizing Performance.* To drive continuous improvement, she established regular performance measurements and celebrated achievements, motivating employees and highlighting the impact of their contributions.
- *Conducting Regular Reviews.* Sarah instituted quarterly reviews and strategic planning sessions to ensure alignment with the mission and adaptability to change, helping address emerging challenges and refine strategies.

new organizations and revitalizes established ones. Start with decisive leadership to define your organization's purpose, align strategies and metrics, and maintain clear communication throughout the organization. This alignment enables staff to connect their daily work to the organization's mission, driving accelerated results.

Investing in alignment and fostering a supportive culture paves the way for sustained success and high performance. This requires dedication, perseverance, and a commitment to continuous improvement, but the rewards are immense.

Align every part of your organization towards a common goal. This approach not only delivers better business outcomes but also cultivates a more engaged and motivated workforce. Implement systems that develop all individuals and clarify their contributions, driving change and building a winning culture.



Laying a Strong Foundation

Enterprise Alignment is a transformative strategy that provides a robust foundation for

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