

Leadership before Lean



Look out for organisational anorexia!

The so-called Lean method is currently the big hit in the consulting market. If your work place has not yet been subject to become “Lean”, the probability that it will be is still quite high. It is a ‘hype’ going on.

Lean is a method derived from the Toyota Production System, that is: car production. In order to create higher value for the customers, Toyota focuses on what they call “the seven wastes”. The idea is, among other things, to avoid production varieties, improve quality and production time, and lower the expenses. In other words: when everything is “Lean”, i.e. well trimmed, one avoids negative factors and promotes positive factors. Fine.

Except from the name, concept and wrapping, this is all old news. However, many corporations have good experience with “Lean” and other quality assurance methods. Also, particularly in a time with limited supply of work force, higher requirements of efficient processes in the companies are needed.

Those of us whom have paid attention to the consultancy business over some years know that this is a business with a lot of buzz words and trends. Some of us might for instance remember Quality Circles, TQM and Business Process Reengineering. Some of the methods had good features, but too many consultants without depth, experience and ethics jumped on the different trends claiming to master the methods which they really did not understand. Thereby dangerous “mutations” arise which could generate more pain than gain.

The finest management consultants create a bridge between the academic and philosophic ideas of management and the day to day application of them. When tools and techniques approach business and organizational challenges in a practical and analytical way, they become superior earlier management styles. This is top consulting.

Over the time I have been working with organizations I have been witness to a tendency which I will characterize as “company anorexia”. Fat and flesh is cut off, and the company never becomes “lean” enough. An additional anorectic phenomenon is that the focus is on input and output, and not on what is actually going on in the “body”. I refer to this as the “black box”-syndrome: we know what goes in and what comes out, but whatever happening inside is a mystery. When output consequently becomes less, input is cut (amount and quality of raw material and people) in order to improve the input-output relationship. Again: flesh is cut in stead of fat.

In English one differentiates between management and leadership. Management is to create order and coherence, leadership is to create change and movement. The Scandinavian languages employ the same word for management and leadership. This can sometimes make room for confusion about what exactly shall be done in the different organizations. With this small definition, is Lean a management or a leadership tool?? I think many will consider it a management tool. That is acceptable as many organizations need better management in order to become more “Lean”. Nevertheless, even more organizations are in need of leadership. If an organization is not lead, it cannot be managed either. If an organization have the wrong direction, motivation and energy (i.e. leadership), management could be dangerous. We risk moving in the wrong direction with the wrong motivation, with a big and “lean” energy! We risk doing everything perfectly wrong with high effectiveness.

Toyota is an example of a company that during many years has been lead in a very successful way. Consequently management methods such as TPS, Six Sigma, Kaizen, Poka-Yoke (yes, I am not kidding) and more has been employed with large success.



If your company first and foremost is in need of leadership, then it should not start with “lean”. The risk of cutting flesh in stead of fat is simply too big. Begin with leadership and include the people of the corporation in the choice of direction. Make it distinctly and tangible, but in a way that creates trust and builds respect.

Remember that the “Lean” method is based on Japanese tradition and culture. A (leadership) culture building on authority and subservient respect for the superior. A culture in which leadership, resolution and accomplishment is executed from top to bottom in a strict linear and mechanic manner. It is very efficient if there is cars or other industrial products that are to be produced, but barley as efficient when it comes to formation of ideas and services. I would say that the method could even be devastating for a culture where everyone is used to handle complex assignments, taking part in problem solving and resolution processes.

The best way to get rid of unnecessary loss of energy/resources and make the company well trimmed or “Lean” is through increased mutual trust and respect.

I would claim that 80% of change is “organically” made, i.e. by humans, and the last 20% is made by technical and “mechanical” procedure. In stead of unilateral stressing the mechanical one-way-processes, I believe in freeing the enormous amount of knowledge- and energy resources that is latent in every human being. This is done by involvement, learning, creation of teams with real resolution and accomplishment power, transparent relationship within the organization - from top to bottom, and last but not least: forming a organizational structure that gives power and authority to those who actually conducts the assignments. Only then “Lean” or other management methods can be implemented -if it is necessary, but look out for organizational anorexia.

Written by Kjetil Sandermoen, June 2007