FINALLY: LATEST!! NEWEST!! BEST!! LEADING EDGE!!

LEAN MANAGEMENT

Management Fashions as Substitutes for Leadership –

The Case of Lean Management

MSc in Business, Language and Culture – Leadership and Management Studies

Master's Thesis

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Executive Summary

The aim of this thesis is to provide an alternative view on Lean Management, leadership, and management fashions based on a critical review of theories and empirical material. To arrive at this alternative view, I will use the critical management research framework by Alvesson and Deetz (2000) based on the three tasks of achieving insight, critique and providing a transformative redefinition.

Lean Management is basically perceived as a set of principles and techniques that seek to change organizations and increase organizational effectiveness by focusing on value, mapping the value stream and banishing waste, creating flow and pull, and continuous improvements. However, in this thesis I will argue that Lean Management is *also* a substitute for leadership, that it is a management fashion, and thus, that all management fashions are substitutes for leadership.

The Lean principles and techniques not only function as a means to improve organizational effectiveness, but they also inspire commitment, mobilize action, and promote legitimacy for organizational change by spreading responsibility and distributing authority in an organization. The definition of leadership that I have adopted will illustrate leadership as a distributed, discursive and relational phenomenon that is socially constructed among organizational actors.

In the last twenty years enthusiasm for Lean Management has spread like wildfire across nations and industries, to the point where it has now achieved the status of a management fashion. By making this observation I do not intend to dismiss or diminish Lean. To the contrary, in this thesis I argue that Lean has become so popular *because* it functions as a substitute for leadership.

In a larger perspective all management fashions are substitutes for leadership, because they promote new techniques that close performance gaps, while also infusing organizational members with a new language that conveys a sense of meaning and purpose.

The research performed in this thesis will show that the resistance to putting the label of management fashion on Lean is primarily due to the perceived lack of seriousness surrounding the fashion concept. I will argue that realizing that Lean is a management fashion does not subtract from the usefulness of Lean, but that this realization can help leaders

evaluate which management fashions to employ given the specific substitute for leadership it will promote.

On the same note, this alternative perspective can assist fashion-setters, such as consultants, management gurus, business schools and business mass-media, in adjusting their management techniques that enable them to be useful for a longer period of time than they currently are, in a way so that leaders can still be perceived as being rational and progressive in the eyes of organizational stakeholders.

My findings lead me to promote Eccles and Nohria's "action perspective" for managing organizations, which emphasizes employing effective rhetoric that mobilizes robust action to reach organizational goals, while maintaining a keen eye to the multiple identities, motivations and interests that organizational members have.

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Chapter 1: Introduction

The growing popularity of Lean Management across nations and industries has raised several questions among practitioners and scholars alike: Why has Lean become so popular? Does Lean contain any leadership dynamics, or is Lean simply just another "management fashion" (Abrahamson, 1991; 1996)?

Lean Management is a set of principles and techniques that seek to change organizations and increase organizational effectiveness by focusing on value, banishing waste, creating flow and pull, and continuous improvements.

According to Lean Management's proponents, there is no limit to what a company can achieve by using Lean Management, and its advocates are many: consultants, management "gurus", organizations from both manufacturing, services and administration, as well as some academics have highlighted the remarkable results that they or their clients have achieved. At the same time, Lean Management is portrayed as a simple, logical and rational technique which is fairly simple to implement provided the proper training.

Lean consultants promise that everybody involved in a Lean initiative will benefit: customers will receive products of higher quality and value to them, and suppliers will achieve better and closer relationships with the organizations using Lean. Employees will simultaneously achieve higher job satisfaction, intrinsic motivation and more skills, and managers and leaders will gain market share, increase profitability and provide effective leadership to their organizations.

But how is all this to be achieved?

In this thesis I will argue that the use of Lean as a management technique reveals a paradox that can be used to explain the popularity of many other management fashions as well; namely, that Lean is not only a *management* technique or concept, but is actually a form of leadership or - in the words of Kerr and Jermier (1978) - a *substitute for leadership*.[1]

I will argue that Lean Management is not only about managing organizations and increasing effectiveness, but that it is also a management fashion through which formal leaders can spread leadership by inspiring commitment, mobilizing action, and providing legitimacy for organizational change by spreading responsibility and distributing authority in an

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[1] Kerr, S. and Jermier, J.M: "Substitutes for Leadership: Their Meaning and Measurement", *Organizational Behavior and Human Performance*, 1978, 22, pp. 375-403.

organization.[2] Lean does so by infusing organizational members with a new rhetoric, focused on customer value, quality, cost reductions and effectiveness, that conveys a sense of meaning and purpose.

Finally, I will propose that "doing" good leadership is not only about achieving economic performance, but is just as much – or maybe even more so – about *creating meaning* for organizational members in the words of Podolny, Khurana and Besharov (2010) and Weick (2001).

Hence, the use of a management fashion such as Lean becomes a mean to achieve an important end: effective leadership.

My distinctive contribution with this thesis is therefore to unpack the various elements of Lean Management to show that managers can use Lean to close performance gaps as well as to provide meaning for organizational members, and that Lean therefore can function as a substitute for leadership.

Furthermore, I will show that Lean is a management fashion, and I will consequently argue that all management fashions are substitutes for leadership.

1.1 Research Question

In order to arrive at my distinctive contribution, I will explore the following research question and sub questions:

> *"How can Lean Management and other management fashions function as substitutes for leadership?"*

To assist in answering this question, I have developed the following sub questions:

1. **How does Lean Management function, and what are the leadership elements of Lean Management?**

2. **How can Lean and other management fashions diffuse leadership in organizations?**

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[2] This leadership definition is adopted and slightly extended from Eric Guthey (2010) in a strategy document to Copenhagen Business School's president Johan Roos.

Chapter 1 contains the introduction, research- and sub questions, and the delimitations. A graphical outline of the thesis will be provided in the end of this chapter.

Chapter 2 introduces my chosen methodology based on critical management research to show the reader how the steps taken in my research will move through the steps of Insight, Critique and Transformative Redefinition[3] and, simultaneously, the exploratory, explanatory and prescriptive levels.

Chapter 3 introduces the basic theory for Lean Management and presents the five Lean principles and the concept of "muda".[4] This chapter will illustrate how Lean works according to theory. I will also include empirical material from my interviews to answer the question: How can Lean Management contribute to organizational effectiveness?

Chapter 4 will contain the approaches to leadership I have chosen for my research, namely the leader-centered, follower-centered, and leadership as relationship approaches. I have also included Gail Fairhurst's discursive leadership perspective, as I believe that the socially constructed nature of leadership and the focus on language presented in it is critical for understanding leadership as a phenomenon.

In the end of this chapter, there will be an analysis of the interviews where I answer the question: What are the leadership dynamics of Lean Management?

In **Chapter 5,** I will move from the specifics of Lean dealt with in chapter 3, into the more general perspective on management fashions. The remainder of this chapter will discuss the role of culture, and will offer critique by Eccles and Nohria. The contribution that these scholars have made to management knowledge concerning the *hype* of managers will highlight some of the more negative criticisms that have been raised against the use of the "fashion" concept, and will establish what effective management is really about.

In the end, the interview material will be used to discuss the opposition towards the term management fashion, in discussing Lean Management and the F* word.[5]

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[3] Alvesson, M. and Deetz, S. (2000): "*Doing Critical Management Research*", pgs. 17-18, Sage Publications, London.
[4] Muda means "waste" in Japanese.
[5] The term "F* word" stands for fashion. However, writing F* in English often refer to less serious matters, and I have therefore been inspired to use it to show the perception many have toward linking fashion and management. The source is unknown, but it is not my own invention.

Chapter 6 contains the conclusions to the findings in my research and answers the research question and sub questions. It is my ambition that scholars and practitioners will be able to use these findings to realize that Lean and other management fashions are not only tools and methods for managing organizations, but that they are also substitutes for leadership.

By providing a transformative redefinition of Lean, leadership and management fashions based on the theories and empirical findings, I will show how a renewed understanding of these topics should help leaders scrutinize and choose appropriate management fashions (and hence, forms of leadership) to implement in their organizations.

Chapter 7 will contain the bibliographies used.

Chapter 8 will consist of the appendices: the full-length interviews and interview method.

1.2 Delimitations

Delimiting this research will be done briefly, as I often explain why I have chosen specific approaches or theories inside the thesis.

However, this research will investigate the relationship between Lean Management, leadership and management fashions. I wish to illustrate that Lean can be considered a substitute for leadership, and in order to arrive at this point it is crucial to understand first what Lean is all about, and what leadership is, based on a review of leadership theories.

By including management fashion theory, my aim is to illustrate that the proposition that Lean is a substitute for leadership can encompass all management fashions, albeit in different ways. I will also focus on the role of culture in Lean. Finally, I will deal with the action perspective proposed by Eccles and Nohria (1992), as I believe that they make some good arguments about what effective management is and is not, while providing critique against managerial "hype".

The interviews I have conducted will provide the practitioners' point of view on Lean's capability to contribute to organizational effectiveness and the leadership dynamics in Lean, and will also discuss the reasons for why there is so much resistance towards the fashion concept.

1.3 Outline of Thesis Structure
Figure 1: Thesis Structure
Source: Own design

Chapter1
- Introduction
- Research Questions
- Delimitations
- Outline of Structure

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- Critical Management Research and the Three Tasks of Achieving Insight, Critique and Transformative Redefinition
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- Data
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- Lean Management - the Basics
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Chapter4
- What is Leadership?
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- Summary

Chapter5
- Management Fashions
- Lean is a Management Fashion
- The Role of Culture
- Rhetoric and Robust Action
- Category 3: Lean Management and the F* Word
- Summary

Chapter6
- Transformative Redefinition of Lean, Leadership and Management Fashions

Chapter7
- Bibliographies

Chapter8
- Appendices

Chapter 2: Methodology

According to Merriam-Webster's Dictionary, a methodology is "*a body of rules, methods and postulates employed by a discipline: a particular procedure or set of procedures*".[6] More formally expressed, a methodology is *"The theory of how research should be undertaken, including the theoretical and philosophical assumptions upon which research is based and the implications of these for the method or methods adopted"*.[7]

I will use the methodology section to show to the reader the ways in which I have dealt with issues such as research questions, the nature and use of data, my chosen philosophy of science, the theoretical frameworks I have chosen, and in conclusion some thoughts about the validity and reliability of my research. By presenting the ways in which I have chosen to conduct my research, it will become clear why I have chosen where to put my focus, which theories to employ, what literature to explore, which questions to ask my interviewees (and why I have chosen those particular interview subjects) and finally, why I conclude the way I do. The following figure will graphically illustrate the research design.

Figure 2: Research Design
Source: Own design
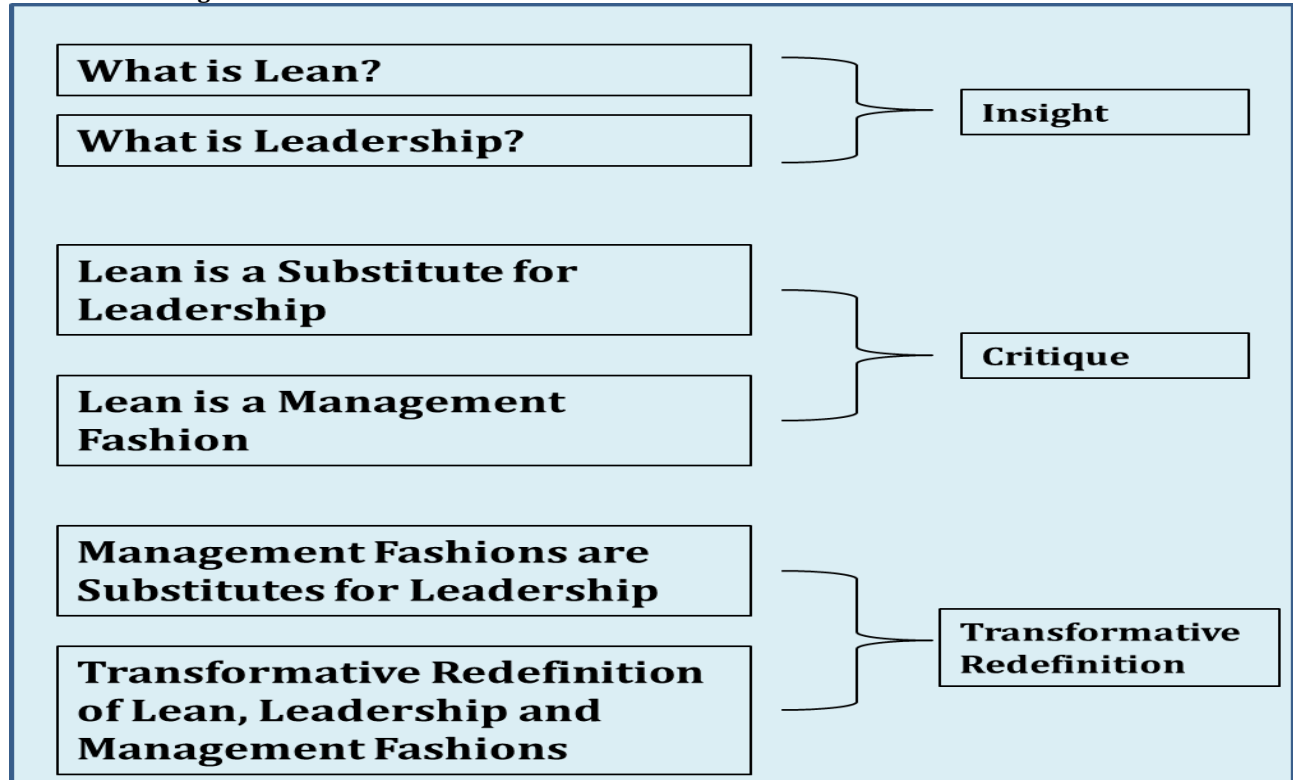
By progressing through these steps, I wish to make clear how I intend to answer the research question and provide my main argument that Lean is a substitute for leadership and, consequently, that all management fashions are substitutes for leadership.

2.1 Critical Management Research and the Tasks of Achieving Insight, Critique, and Transformative Redefinition

When investigating the different research disciplines, I became intrigued by critical management research as portrayed by Alvesson and Deetz in their book "*Doing Critical Management Research*" from 2000.[8]

The central tenet of their proposition into management research is that it must be critical and that it is a qualitative discipline stemming from both critical theory and postmodern work.[9] By saying that research must be critical, they argue that "*Critical research generally aims to disrupt ongoing social reality for the sake of providing impulses to the liberation from or resistance to what dominates and leads to constraints in human decision making".[10]* This approach allows room for methodological flexibility and open-mindedness when dealing with the relationship between methodology and theoretical orientation: *"Rather than a fully-fledged and distinct critical methodology for management/social research, we are proposing a relatively loose framework characterized by a set of comments, reflections and possible guidelines for qualitative management research with a critical edge".[11]*

I will therefore use Alvesson and Deetz's framework for my own research, as I find the absence of rigid methodological and theoretical traditions liberating and beneficial for the type of research I am conducting. All of the comments, reflections and guidelines mentioned in their book will however not be considered at length. Instead, I will treat the areas I find to be of most importance more meticulously.

This thesis will consequently take the form of a critical qualitative study of Lean Management, leadership theories and the leadership dynamics of Lean Management. I will discuss the concept of management fashions and argue that Lean indeed is a management fashion. The aim is to show how Lean and other fashions may be conceived of anew as substitutes for leadership.

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[8] Alvesson, M. and Deetz, S. (2000): "*Doing Critical Management Research*", Sage Publications, London.
[9] Ibid. pp. 1-3.
[10] Ibid, p.1.
[11] Ibid, p. 2.

Alvesson and Deetz highlight three of the central tasks of critical management research, namely achieving **insight**, **critique** and **transformative redefinition**. I will therefore use their framework to get insight into Lean, leadership and management fashions by asking *what* these concepts are about. Asking *why* is also a way of critiquing the knowledge we have up until this point, and by including Eccles and Nohria's action perspective I wish to show what the essence of managing is really about. Finally, drawing on the insights and critiques, I will provide a transformative redefinition of *how* we can conceive Lean, leadership and management fashions in new ways.

The following pages will provide a lengthier explanation of critical management research.

When setting the goal of achieving ***insight*** the aim of the research must be to "(...) *seeing into the ways in which knowledge and the objective character of objects and events are formed and sustained (...) to investigate local forms of phenomena"*.[12] The task is therefore to fully understand a phenomenon from the local's point of view and to reach an in-depth understanding. There must be an overt relation of the investigated phenomenon to the broader political, historical, cultural or otherwise relevant context in order to get the bigger picture. Power relations and forms of domination are thus often revealed at this stage, although they are more fully explored and critiqued in the critique stage.

As Alvesson and Deetz write, "*Insight is closely related to (...) interpretation. An interpretation aims to read something into what is ambiguous – or what can be productively turned into something ambiguous through turning the simple and self-evident into something complex and open*".[13] The task of getting insight consequently represents the "what?" of knowledge production. I will therefore answer the "what" of Lean Management, leadership and management fashions in order to understand where we currently are in the knowledge of these topics.

Doing so, I adopt an interpretivist philosophy of science. The claim that you can create law-like, neutral observations in the social sciences is in my view too far-fetched. The language we use is a representation of cultural background and context, and is therefore also an interpretation. And trying to distinguish between the objective and subjective makes little sense: "*Objectivity as the principal virtue of research is hard to sustain under examination and creates a number of problems (...) The world, in itself, is fundamentally indeterminant; it is made determinant in specific ways by human interests in and ways of relating to it. Facts and data are*

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[12] Alvesson, M. and Deetz, S. (2000): "*Doing Critical Management Research*", pp. 17-18, Sage Publications, London.
[13] Ibid, p. 141.

produced and make sense only in the context of a particular framework that allows and guides us to see certain things and neglect others".[14]

By rigorously illustrating the steps I have taken when undertaking this research, I will ensure that the proper interpretive light is shed so that the results become obvious, albeit not without the possibility of contestation – as convincingly suggested by Alvesson and Deetz, *"Good research acknowledges that there is a researcher making an immense number of choices affecting the research results".*[15]

Insight will primarily deal with chapter 3 and 4, where my ambition is to illustrate the "*what*" of leadership and Lean, and also in chapter 5 on management fashions.

Critique revolves around the critique of dominating messages, structures and power relations, acknowledging that these are human made constructions and not something that arose out of a natural order. Grossberg (1987:393) said that the critique task aims to "*describe (and intervene in) the way messages are produced by, and inserted into, and function within the everyday lives of concrete human beings so as to reproduce and transform structures of power and domination*".[16]

The critique of the fashion-concept, as will be dealt with in chapter 5, shows that questioning the rationality and progression paradigms associated with management fashions is rare, and gurus and consultants try to counter this questioning. I suspect this is due to the fact that the consulting industry makes a living from selling fashionable techniques to organizations, and that consultants fear that classifying their services as being "merely" fashions threatens the seriousness of these concepts. I will return to this perception later and argue why I think this is a misconception.

As Alvesson and Deetz write, *"critique thus is directed at the conventions and structures of social orders and the forms of knowledge and privileged understanding that are complicit with such orders. Critique itself operates as part of a participative communicative act, the act of reopening effective communication to productive conversation".*[17] Eccles and Nohria do just that and point to areas where managerial "hype" could actually be effective management, in referring to their action perspective.

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[14] Alvesson, M. and Deetz, S. (2000): "*Doing Critical Management Research*", p. 63, Sage Publications, London.
[15] Ibid. p. 80.
[16] Grossberg (1987:393) quoted in Alvesson, M. and Deetz, S. (2000): "*Doing Critical Management Research*", p. 142, Sage Publications, London.
[17] Ibid. p. 144.

Critique therefore follows insight – without a deep local understanding, it is impossible to provide any legitimate and well-founded critique of any subject matter. The critique task thereby assists the researcher in providing better answers for questions that have so far been addressed with an understanding that has been "*at least implicitly seen as being insufficient*".[18] The tasks of insight and critique will thus provide the basis for alternative interpretations and understandings that are subsequently presented in the task of transformative redefinition. In viewing the critique this way, it becomes possible to question the perception about Lean, leadership and management fashions that are presented by both opponents and proponents of the fashionable concept, and to introduce the perspective of Lean as not only a *management* fashion (which it is), but also as a *substitute for leadership*. Hence, the critique-task will primarily ask the question *why*: why do we conceive Lean, leadership and management fashions the way we do? And can we arrive at a better and more encompassing understanding of these concepts?

Transformative Redefinition is the natural extension to insight and critique. When the tasks of getting insight into and producing critique about a social phenomenon are complete, then the next task is to use the new knowledge to redefine what we know about the phenomenon and how to use it in a real life context: *"A third task is the development of critical, managerially relevant knowledge and practical understandings that enable change and provide skills for new ways of operating".[19]* In this thesis, I will investigate how recognizing Lean as a management fashion <u>and</u> as a substitute for leadership influences what we can use it for, and how we can approach management fashions in more productive ways.

Many traditional theses and writings on Lean deal with what Lean is and what it can do for organizations in an instrumental and often very tool-focused way. It is my goal with this piece of research to reach a new understanding of and use for the topics of Lean, leadership and management fashions. In the words of Alvesson and Deetz, "*The transformative redefinition task demonstrates our commitment to the more pragmatic aspects of critical thought, recognizing that insight and critique without support for social action leaves research detached and sterile*".[20] The task of providing a transformative redefinition will thus draw on all the previous chapters to show how we, with our new insight into and critique of Lean, leadership and management fashions, can gain a new understanding of these phenomena.

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[18] Alvesson, M. and Deetz, S. (2000): "*Doing Critical Management Research*", p. 144, Sage Publications, London.
[19] Ibid. p. 19.
[20] Alvesson, M. and Deetz, S. (2000): "*Doing Critical Management Research*", p. 17, Sage Publications, London.

2.2 Interviews [21]

The four interviews were conducted with different participants in order to get the best possible grasp of the specific knowledge the interviewees have: the first two interviews are with **Peter Lindberg (PL)** and **Jan Christian Rasmussen (JCR), highly experienced consultants from Valcon A/S**, a Danish-based consultancy which is specialized in Lean implementation in the production, services and administration sectors. These interviews will primarily seek to understand how the consultants work with Lean in organizations and illustrate the particular leadership issues when implementing Lean. Finally, these interviews will explore the consultants' familiarity with other management fashions such as BPR and TQM, and their view on Lean as a management fashion.

The third interview is with **Peter Bagger (PB) from Carlsberg**, who is a Lean manager and responsible for implementing Lean in Carlsberg. In conducting an interview with a manager who is working with Lean as a user of the concept, I am particularly interested in understanding how Lean was introduced in Carlsberg, how they work with Lean, as well as the leadership and cultural issues he may have experienced in the implementation phase.

The fourth interview is with **Maalek Malouf (MM), a Ph.D. student at CBS**[22] who is writing his dissertation on Lean and knowledge management. Aside from this, he has several years of experience working with Lean in both the services and production sectors.

The analysis of the interviews resulted in the formation in three categories:

Category 1: How can Lean Management contribute to organizational effectiveness?
  ➔ This category will be dealt with in chapter 3 on Lean Management

Category 2: What are the leadership dynamics of Lean?
  ➔ This category will be dealt with in chapter 4 on leadership.

Category 3: Lean Management and the F* word.
  ➔ This category will be dealt with in chapter 5 on management fashions.

I have chosen to transcribe all of the interviews in their full length, and then subsequently categorize the major learning points. [23] The full interviews will be put in Appendices A-D. As I

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[21] I have used Kvale's book "*InterViews – An Introduction to the Qualitative Research Interview*" to provide me with a method for conducting the interviews, as it specifically deals with the semi-structured research interview method. A full interview methodology is in Appendix E.

[22] Copenhagen Business School.

have transcribed the interviews directly as spoken, there are on occasion inversions and incomplete sentences.

2.3 Data

The data used for this research consist of both primary and secondary data.

The primary data, as mentioned above, have been collected through four interviews with people working with Lean Management from different perspectives.

The secondary data consist of articles and books on the topics of Lean Management, leadership, culture, management fashions, the action perspective etc. I have equally used the internet on several occasions, bearing in mind that the sources may be of vastly different reliability and credibility. Therefore I have primarily used these sources for definitional purposes, where interpretation is more acceptable. As a consequence of these insecurities, I have sought to primarily use acknowledged books and articles from peer-reviewed journals.

The data for this research consists almost exclusively of qualitative data, as I am focusing more on real life, context- and actor dependent phenomena and the interpretations made by actors. Qualitative data therefore provides me with a richer and more rigorous understanding of the phenomena at hand than I could have acquired out of quantitative data.

Ideally, a combination of qualitative and quantitative data could have shed more light on issues such as the diffusion of Lean in Danish companies or the growth rate of Lean Management in Danish and European organizations. However, a combination of a different focus and a lack of time at hand for conducting these quantitative investigations mean that I have focused solely on qualitatively data.

Finally, I wish to express an interesting thought on data collection in the words of Alvesson and Deetz: *"(...) we prefer the expression "empirical material" and think that the metaphor "data collection" is directly misleading. It sounds as if social studies resemble the picking of mushrooms".[24]*

Therefore, no data can be said to present itself openly to the researcher as if it was presented by nature – data is always actively chosen to produce empirical material from which to interpret from: *"In the social sciences there is only interpretation. Nothing speaks for itself".* [25]

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[23] The interview with PL was conducted and transcribed in Danish on the wish of the interviewee. Where I have used his statements, I have translated them to English. However, the full interview in Appendix A is in Danish.

[24] Alvesson, M. and Deetz, S. (2000): "*Doing Critical Management Research*", p. 113, Sage Publications, London.

[25] Denzin (1994:500) quoted in Alvesson, M. and Deetz, S. (2000): "*Doing Critical Management Research*", p. 113, Sage Publications, London.

2.4 Theoretical Frameworks

The various views on theory differ quite significantly: the positivists and their focus on law-like generalizations are inclined to focus more on the deductive, hypothesis testing theories that clearly aims at establishing causal relations.[26] Social constructionists argue over the level of explicitness of their theories and claim that reality is socially constructed and given meaning by humans.[27] Critical theorists put their main emphasis on the importance of theory selection *"to adequately understand social phenomena"*.[28] The role of theory is thus disputed and the area in which researchers are encouraged to put their emphasis is equally differing.

However, I agree with the metaphor that Alvesson and Deetz use, referring to theory as being better understood as *"the "lens" one uses in observation [*rather*] than a "mirror" of nature".[29]* This way, the researcher is forced to recognize that he or she actively chooses and interprets what is in focus. In the words of Alvesson and Deetz, *"The lens metaphor helps us to think productively about theory choice. What do we want to pay attention to? What will help us attend to that? What are the consequences of attending to that?"*.[30] As an example, I will draw on both leadership psychology and discursive leadership when discussing approaches to leadership, as the combination of these lenses broadens the understanding of leadership that I wish to arrive at.

When choosing which theories to apply, I have intended to use theories that would help me in answering my research question and support my central arguments. I have consciously thought about the statement of Alvesson and Deetz, that *"the problem with most theories is not that they are wrong or lacking in confirming experiences but that they are often irrelevant, misdirect observation, or function to help only dominant groups".[31]*

I wish to illustrate my own use and application of theory as having - again in the words of Alvesson and Deetz - *"(...) three basic functions: directing attention, organizing experience and enabling useful responses".[32]* The application of theories will help me perform the three tasks of achieving insight, presenting critique and providing a transformative redefinition, and thereby provide alternative lenses through which we can view these phenomena.

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[26] Easterby-Smith, M., Thorpe, R., and Jackson, P.R. (2008):"*Management Research*", 3rd Ed., pp. 57-58 Sage Publications, London, UK.

[27] Ibid. pp. 58-60.

[28] Alvesson, M. and Deetz, S. (2000): "*Doing Critical Management Research*", p. 37, Sage Publications, London.

[29] Rorty (1979) quoted in Alvesson, M. and Deetz, S. (2000):"*Doing Critical Management Research*", p. 37, Sage Publications, London.

[30] Ibid. p. 37.

[31] Ibid. p. 38.

[32] Alvesson, M. and Deetz, S. (2000): "*Doing Critical Management Research*", p. 41, Sage Publications, London.

The following sections will briefly explain which theories I have chosen as well as the purposes they are meant to serve in my research.

2.4.1 Lean Management Theory

This theory builds on the foundation provided by Womack and Jones in their seminal books *"The Machine That Changed the World"* (1990) and *"Lean Thinking"* (1996). The reason for focusing exclusively on the theory provided by Womack and Jones is that they are acknowledged by most if not all scholars and consultants as being the "founding fathers" of Lean Management theory. Although many consultants, management gurus and scholars have added to, modified or criticized Lean Management theory, and the framework has seen multiple extensions, adaptations and alterations, it is still my belief that the fundamental understanding of what Lean Management is stems from this framework. The heuristic argument behind Lean theory is that if an organization employs the five principles and banishes waste, Lean Management will lead to improved effectiveness and lowered costs.

2.4.2 Leadership Theories

In order to answer my research questions, I have chosen to use the frameworks of follower-centered, leader-centered and leadership as relationship approaches presented in a 2008 book by Jackson and Parry. These perspectives illuminate the elements of leadership which I see as being of great importance and they aid me in arriving at a robust definition of leadership that will enable me to illustrate how I posit that Lean is a substitute for leadership. I will also discuss and analyze leadership from a discursive perspective as presented by communication scholar Gail Fairhurst. This underlines my view of leadership as a socially constructed phenomenon that is defined by (and works through the use of) language. Each perspective and theory will be discussed in detail in chapter 4.

2.4.3 Cultural Theory

The cultural theory I will use in this thesis deals with organizational culture and is based on Edgar Schein's seminal work in 1992. The reason for including a brief section on culture is that Lean Management has often been highlighted as an example of a particular Japanese management style, and hence impossible to implement outside that specific culture. However, I will argue that although Lean has been born in a very distinct cultural setting and bears

some resemblances of Japanese culture, these traits are of minor importance for successfully implementing Lean. Highlighting Schein's elements of culture will help me understand where it is important to focus when applying Lean cross-culturally, and will be one of the elements in explaining why Lean is a substitute for leadership.

2.4.4 Management Fashion Theory

This section will present the theory on management fashions developed by Eric Abrahamson in the 1990's based on institutional theory. Abrahamson made the argument that management fashions do not just exist randomly in the managerial world, but that they are created in the so-called management fashion-setting industry consisting of business schools, consultants, management gurus and the business press, and that they are demanded by management fashion users such as business leaders. In Abrahamson's view, business leaders and managers are required to appear to be both rational and progressive, and they therefore have to change management techniques every so often in order to maintain that appearance. Hence, the churn of management techniques can continue forever, as supply and demand will constantly evolve. I will argue that Lean Management is a management fashion based on Abrahamson's definition, but that this conclusion in no way diminishes or detracts from the usefulness of Lean. To the contrary, accepting that Lean is a management fashion (and a substitute for leadership) will enable leaders to carefully scrutinize which management fashion to adopt to achieve desired performance goals while simultaneously creating meaning among organizational members.

I have also chosen to use Eccles and Nohria's book "*Beyond the Hype*" to emphasize the meaning I have about leadership: that it is about bridging performance gaps *and* creating meaning for organizational stakeholders. These authors suggest that the real work of managers should focus on managing the three areas of rhetoric, robust action and identity, taking what they call *the action perspective*. They thereby claim that a lot of the management hype and different techniques are useful only when they effectively direct managerial attention to these three areas. As will become evident later, I argue that Lean can achieve these ends.

2.5 Validity and Reliability

Validity is an area that has numerous different interpretations depending on one's philosophical stance. Positivists, realists, social constructionists etc. each have widely differing demands for how to reach validity, and each approach has its own preferred methods. Given the fact that I prefer the interpretivist/constructionist approach, I find it most appropriate to look closer into this philosophy's view on validity, and thereby also illustrate why I chose this approach over the others.

Some constructionists (Golden-Biddle and Locke, 1993) have identified three criteria: *authenticity* (convincing the reader that the researcher has a deep understanding); *plausibility* (linking the research to ongoing interests among other researchers); and *criticality* (questioning taken for granted assumptions).[33]

Others, such as Silverman (2000), in order to become more objective and preventing data picking, propose principles of *refutability* (looking for disconfirming cases), *constant comparison* (looking for new cases that can stretch current theory), *comprehensive data treatment* (thoroughly analyzing all data before coming up with conclusions) and *tabulations* (applying rigor in data organization).[34]

I agree with Easterby-Smith et al. (2008) that validity in constructionist/interpretivist research implies that the results should "*(...) be believable, and they should be reached through methods that are transparent*".[35] As previously stated, I intend to provide a clear and transparent overview of how I go about answering my research question and the interpretations that I make.

As this piece of research is undertaken with an interpretivistic philosophy of science, using critical management research methods and building on qualitative data, the **reliability** (defined as *"the extent to which an experiment, test or measuring procedure yields the same results on repeated trials"* by Merriam-Webster[36]) of the data in a statistical sense is estimated to be low. It is unlikely that other researchers would come to the same conclusions as I even if they could gain access to the exact same material as I have used. This is again attributed to my interpretivist philosophy of science, which predicates that interpretations are highly subjective in nature.

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[33] Golden-Biddle and Locke (1993) quoted in Easterby-Smith, M., Thorpe, R., and Jackson, P.R. (2008) "*Management Research*", Third Ed., p. 96, Sage Publications, London.
[34] David Silverman (2000) quoted in Easterby-Smith, M., Thorpe, R., and Jackson, P.R. (2008) "*Management Research*", Third Ed., p. 96, Sage Publications, London.
[35] Easterby-Smith, M., Thorpe, R., and Jackson, P.R. (2008) "*Management Research*", Third Ed., p. 97, Sage Publications, London.
[36] http://www.merriam-webster.com/dictionary/reliability Accessed on August 5th, 2010.

2.6 Literature review

The literature review in a scientific research project in my opinion is conducted to serve several purposes: it aims at investigating the topic(s) as it is understood up until the time of writing and which theories are of relevance, critically reviewing what other researchers have written about the topic, to bring the reader (and the researcher himself) up to date on the chosen areas of interest, and finally, to provide a point of departure from which my own research will advance.

I have chosen to write the literature review in each section pertaining to the specific literature, as I believe that it enhances clarity and understanding more than when writing one, unified literature review.

2.7 Summary chapter 2

Chapter 2 has been concerned with the methodological aspects of my research and has thus sought to answer the ways in which I have gone about answering my research question and the central arguments in this thesis.

I first presented my **research design** that provided a graphical overview of the research, with the hope of simplifying this complex process in a manner that leaves the reader with a thorough understanding of the research process.

Then I introduced my triple goals of achieving insight, critique and transformative redefinition by doing **critical management research**.

In this chapter I also introduced the **philosophy of science** I have adopted, and argued for why I believe the interpretivist/social constructionist philosophy best answers questions related to critical management research. This ensured that the subjective and interpretative nature of this kind of research was highlighted and thereby presented the reader with a foundation for understanding how I reach my goals, answer my research question, and interpret data and results in the thesis.

The following section introduced the people I have interviewed for my research.

Then I discussed the **data** that I have used and the ways in which they were obtained, and I provided some arguments for why I chose to use qualitative rather than quantitative data.

A section on **theory** illustrated my view of theory as a lens rather than a mirror of reality, and provided some thoughts on why I have chosen the theories I have. A brief description of the chosen theories and their application in my research was also included.

A discussion of **validity** and reliability in this kind of research concluded that results should be believable and be presented using transparency in the choice and application of methods by which the results have been obtained. As argued about **reliability**, I do not consider this point to be of crucial importance for this kind of research.

A brief introduction to how I intend to present and use my **literature review** was also presented in this chapter.

Chapter 3: Lean Management

"Lean production vs. mass production requires half the human effort in the factory, half the manufacturing space, half the investment tools, half the engineering hours, half the time to develop new products [hence the name *lean*]*"*.[37]

The aim of this chapter is to introduce the core elements of Lean Management. I will thereby show that Lean is a set of principles and techniques that seek to change organizations and increase organizational effectiveness.

The first section 3.1 will describe the Lean Management principles based on the theoretical framework provided by Womack, Jones and Roos (1990). The following section 3.2 will then present the analysis of the interviews and thereby illustrate how Lean can contribute to organizational effectiveness according to my interviewees. Section 3.3 will contain a summary of this chapter.

3.1 Lean Management

In order to get the best possible understanding of Lean Management and to illuminate the leadership dynamics in it, I find it appropriate to begin with the foundation of Lean.

The term "Lean Production"[38] was first created by John Krafcik in an article called "*Triumph of the Lean Production System*", based on his master's thesis at MIT Sloan School of Management, published in the fall of 1988 in Sloan Management Review.[39] The concept was popularized by Daniel T. Jones, Daniel Roos and James P. Womack in their bestseller book from 1990, called "*The Machine That Changed the World*".[40] The book set out to investigate how the Japanese car manufacturer Toyota had achieved remarkable success using its Toyota Production System (TPS). The authors made some bold claims based on their findings, as the opening quote in this chapter shows. No wonder the book became an immediate bestseller and has spawned a plethora of sequels in the business press.

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[37] Jones, D.T., Roos, D., and Womack, J. P. (1990): "The Machine That Changed the World", cover page, Rawson, New York.

[38] As Lean Prodution has moved in to services and administration, the concept has also been known as Lean Manufacturing, Lean Thinking, Lean Philosophy, and Lean Management. Throughout this thesis, I will use Lean Management or simply Lean to encompass the concept, regardless of which sector it is used in.

[39] Sloan Management Review; Fall 88, Vol. 30, Issue 1, p. 41-52.

[40] Jones, D.T., Roos, D., and Womack, J. P. (1990): "The Machine That Changed the World", Rawson, New York.

3.1.1 The Five Lean Principles and "Muda"

In the following pages, I will describe the principles and the concept of "muda"[41], which means waste. The aim is to give an understanding of Lean Management and the most important terms related to it.

Thoroughly describing the principles will display several of the leadership dynamics which are inherent in Lean and which may provide a starting point for viewing Lean as a substitute for leadership.

The Five Lean Principles

1) **Specify Customer Value**
2) **Identify the Value Stream**
3) **Make Value-Creating Steps Flow**
4) **Let the Customer Pull the Product or Service from the Organization**
5) **Continuously Strive for Perfection (Kaizen)**[42]

3.1.2 Principle 1: Specify Customer Value

According to the Lean principles, specifying value for the customer is crucial and the obvious starting point for any company wanting to implement Lean Management. Contrary to what one might logically expect, the value attributed to a product or service is often based on organizational rather than customer specification. Womack and Jones (1996) describe how this was often the case in post-World War II Germany, where technical experts often were refining ever more complex products with ever more complex machinery *"that were of little interest to anyone but the experts themselves"*. The logic often was that *"the customers will want it once we explain it"*.[43] However, this is completely nonsense from a Lean Management perspective, where value should be viewed through the eyes of the ultimate customer. In order to do so, the Lean principles prescribe that organizations should develop much closer links with customers, and develop long-term relationships with key customers to understand what it is they desire.

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[41] I often use the Japanese words in this research. This is also to illustrate how the new language can provide a sense of legitimacy among people, as many have the assumption that "Japanese Management" works. More on this in chapters 4 and 5.
[42] Jones, D.T., Roos, D., and Womack, J. P. (1990): "The Machine That Changed the World", pp. 16-26, Rawson, New York.
[43] Jones, D.T. and Womack, J.P. (1996): "Lean Thinking", Free Press, New York.

According to Lean Management theory, another core principle is that products or services must be pulled through the organization by the customer, as will be explained in more detail later. To be able to specify customer value based on Lean Management, it is essential that customers are presented with specific products containing specified features at a specified price in order to ensure that the organizations get the customers view on what they perceive to have value. As Womack and Jones would have it, *"Providing the wrong product the right way is* muda*".*

3.1.3 Principle 2: Identify the Value Stream

The value stream contains the set of actions and processes that are involved in bringing a product or service from the supplier through the organization to the end customer. Womack and Jones describe three critical management tasks facing all businesses as *"the* problem-solving task *running from concept through detailed design and engineering to production launch, the* information management task *running from order-taking through detailed scheduling to delivery, and the* physical transformation task *proceeding from raw materials to a finished product in the hands of the customer"*.[44]

The way many organizations are organized today reflects the sharp boundaries that exist between organizations, with the focus being primarily internal on one's own actions and processes. According to the founders of Lean Management, it is essential to view a product or service in its entirety from start to finish. This requires that the whole supply chain is integrated in the production of a good or service.

In order to do so, it is emphasized as being crucial that organizations and their suppliers have very close, transparent, and trustful relationships, something which in many Western cultures is unusual. In Japan, the close relationships between suppliers, organizations and customers go by the name of *keiretsu*.[45] The keiretsu system works as an interconnected web consisting of banks, companies, their suppliers, customers, and sometimes government.[46] The system came into being after World War II, and has been described as an essential part of the explanation for the booming Japanese economy following the War and until the 1990s.

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[44] Jones, D.T. and Womack, J.P. (1996): "Lean Thinking", p, 19, Free Press, New York.
[45] Keirestu is "*a set of companies with interlocking business relationships and shareholdings. It is a type of business group*", that is specific to Japan – Wikipedia.org.
[46] http://searchcio-midmarket.techtarget.com/sDefinition/0,,sid183_gci518852,00.html Accessed on May 7th, 2010.

3.1.4 Banishing Waste or "Muda"

In Lean Management jargon, "muda" is defined not only as solid waste from the production of goods and services, but is broadened to encompass misaligned processes, unnecessary work and rework, redundancies, excess distances, and the like.

There are seven original types of muda as defined by Taiichi Ohno of Toyota: [47]

The Seven Types of Muda

1. **Transportation (of products not required in the process)**
2. **Inventory (especially finished products)**
3. **Motion of people or equipment**
4. **Waiting**
5. **Overproduction ahead of demand**
6. **Over-processing due to poor tool configuration**
7. **Defects and the inspections performed to guard against them.**

When identifying the value stream, Lean Management specifically aims at identifying three types of action that occur:

1) Actions that **create value**, such as when a machine assembles the parts of an automobile (in production), or when a doctor treats a patient in the emergency room (in services).

2) Actions that **create no value, but which are unavoidable with current technologies and production assets**, such as quality inspections of cars or the X-rays being made on a patient in order to diagnose his or her possible fractures. These actions are termed Type 1 muda.

3) Actions that **create no value and which are immediately avoidable**, such as letting known defects travel from one department to the next before being corrected, or the time a patient spends waiting in the emergency room between X-rays and treatment by a doctor. These actions are termed Type 2 muda.[48]

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[47] Ohno, Taiichi (1988): "*The Toyota Production System: Beyond Large Scale Production*", pp. 19-20 Productivity Press, Portland, Oregon. Quoted in Jones, D.T. and Womack, J.P. (1996): "Lean Thinking", p. 15, Free Press, New York.
[48] Jones, D.T. and Womack, J.P. (1996): "Lean Thinking", pp, 19-20 Free Press, New York.

After this division of actions according to Lean Management theory, the goal is then to graphically outline one's value stream as detailed as possible to see where which actions occur. As a consequence of this, all Type 2 muda should be removed, and the optimal Lean value stream must then be implemented with the required adaptations relating to delivery of goods or services, flexibility in ordering systems, and transparency between organizations and their suppliers being the pivotal areas of importance.

3.1.5 Principle 3: Make Value-Creating Steps Flow

Womack and Jones argue that creating flow will require a total remodeling of peoples' view on production, careers, and even organizations themselves.[49] They argue, *"Applying flow to the full range of human activities will not be easy or automatic (...). However, we do insist that flow principles can be applied to any activity and that the consequences are always dramatic. Indeed, the amount of human effort, time, space, tools, and inventories needed to design and provide a given service or good can typically be* cut in half *very quickly, and steady progress can be maintained from this point onward to cut inputs in half again within a few years"*.[50]

The steps needed to create flow should, according to Womack and Jones, be the following three:
1) Focus on the good or service from start to finish.
2) Ignore the traditional boundaries of jobs, departments, careers, functions etc. to remove all impediments to flow.
3) Rethink work practices and tools to remove backflows, scrap and stoppages. [51]

A more illustrative example will be described in the following text to highlight how this can be achieved. Note, however, that this is not an exhaustive illustration of creating flow, but a description of the most central concepts according to Lean Management theory.

Traditional organizations – according to the Lean Management authors - are ripe with different departments or business units that each has its place in the production of a good or service. Mass production techniques mean that when producing a car, for example, each department has only its own function in mind. So the welding department is isolated from the assembly department, which is isolated from the painting department etc. Each department

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[49] Ibid. pp. 51-52.
[50] Ibid. p. 52.
[51] Jones, D.T. and Womack, J.P. (1996): "Lean Thinking", p. 52, Free Press, New York.

therefore works on a number of different tasks that are not seen as being as closely interrelated as they ought to be according to Lean Management. Accordingly, traditional organizations build up large inventories of unfinished goods that await the next job being performed along the whole chain from start to finish, leading to long lead times. This is what Womack and Jones calls "the batch and queue" world, where there is an abundance of (unnecessary) waiting time.[52]

Utilizing a Lean Management flow approach means assembling dedicated product teams including staff from assembly, design, sales, planning, marketing, engineering, purchasing and tooling which can ensure that the process runs smoothly from A to Z.[53] These teams should have the skills needed to perform all tasks at hand in the production of the good or service. *Takt time* is a way of measuring the needed production rate with the rate of sales as measured by the ordering system.[54] As an example, if customers place orders on 100 cars per day, and the factory works single eight-hour shifts per day, then the takt time is 4.8 minutes per car[55]. Demand may increase or decrease and takt time may need to be adjusted, but it is critical that the production is always adjusted to customer demand if one is to follow the Lean Management approach. An efficient way to ensure that *"everyone can see where production stands at every moment"* is to use flow charts.[56] The need for visual controls relates to the 5S': *seiri* (organization)*, *seiton* (tidiness)*, *seiso* (purity)*, *seiketsu* (cleanliness)*, and *shitsuke* (discipline) which are desired to reach a clean and manageable work area.[57]

Another pivotal concept is *just-in-time (JIT)*, a technique which is built on a day-to-day delivery system to improve efficiency and lower inventories. Invented by Taiichi Ohno of Toyota, the *"(…) idea was simply to convert a vast group of suppliers and parts plants into one large machine, like Henry Ford's Highland Park plant, by dictating that parts would only be produced at each previous step to supply the immediate demand of the next step"*.[58]

Ordering to replenish stocks can be designed ranging from the simplest shelve systems where nuts and bolts are kept, to the most advanced computer systems that can be programmed to replenish stocks automatically when a certain amount is left. Providing the needed parts just-in-time also means that machines should be constructed so that they are able to produce different, small amounts of each component rather than big batches. This is underlined by the

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[52] Ibid. p. 50.
[53] Ibid. p. 54.
[54] Ibid. pp. 55-56.
[55] 60 minutes per hour/demand for 12.5 cars per hour
[56] Jones, D.T. and Womack, J.P. (1996): "Lean Thinking", p. 56, Free Press, New York.
[57] Ibid. p. 61.
[58] Ibid. p. 62.

emphasis on flexible retooling of machinery in Lean Management: *"The key technique here is to think through tool changes to reduce changeover times and batch sizes to the absolute minimum that existing machinery will permit"*.[59] Right-sizing becomes of critical importance in the Lean organization.

Using flow techniques requires that the company should be very adept at managing the production. There are no buffers, very low inventory, and a Lean company is organized so that the entire production stops if one single part of operations stops. Hence, it is of great importance that companies attune their company in a Lean way on multiple levels if they are to succeed. One way to increase the probability for success is to use *poka-yoke*, or mistake-proofing.[60] Using poka-yoke means thoroughly analyzing the processes of producing a product or service and then to set up guards that prevent mistakes. These guards can be made as physical features, where a product is unable to continue in the production process unless a certain widget is bent, or it can be designed so workers need to move in a certain predefined pattern when handling cases or expediting customers.

3.1.6 Principle 4: Let the Customer Pull the Product or Service from the Organization

The fourth Lean principle, pull, relates not only to supply pull, but also to the pull in production. The pull principle is based on the underlying philosophy that inventories are muda, and should be lowered as much as possible or, preferably, should be avoided altogether. Hence, when a customer places an order on a car, the pull principle requires that the car should be built instantaneously after the specifications provided by the customer. Ideally, there should be no such thing as great car lots with hundreds of finished cars awaiting purchasers. Womack and Jones, citing an example where a company introduced Lean principles to the production of bumpers for cars, stated about the pull principle: *"Don't make anything until it is needed; then make it very quickly"*.[61]

The pull approach aims at showing why viewing a product or service in its entirety, from raw material to finished good in the hand of the customer, is of such importance. It also stresses the manifest need for close cooperation and flexibility with suppliers: without a very flexible ordering system, it would be impossible to produce and assemble a car from the thousands of different parts that go in to the finished product, in a matter of weeks. And customers, it is assumed, can only be expected to wait a limited amount of time before they receive the good

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[59] Ibid. p. 61.
[60] Ibid. p. 61.
[61] Jones, D.T. and Womack, J.P. (1996): "Lean Thinking", p. 71, Free Press, New York.

they ordered. Womack and Jones write that introducing flow and pull in combination will be able to satisfy customers' need for rapid delivery by stating that *"(…) if you can't quickly take throughput time down by half in product development, 75 percent in order processing, and 90 percent in physical production, you are doing something wrong"*.[62]

Again, the need for level production, level scheduling, Just-In-Time ordering, visual controls, flow charts, and close cooperation and flexibility with all the suppliers is what makes Lean Management possible according to the philosophy.

3.1.7 Principle 5: Continuously Strive for Perfection

Once the four preceding steps of identifying value, mapping the value stream, creating flow, and creating customer pull are implemented, it is time to strive for perfection. However, as appealing as it may sound, perfection is not achievable in real life. Thus in Lean terminology the keyword has become continuous improvement: striving for perfection while realizing that processes, production techniques, product quality and the like can always be marginally improved. As Womack and Jones describe in relation to a North American company president working with Lean, *"No matter how many times his employees improved a given activity to make it leaner, they could always find more ways to remove* "muda" *by eliminating effort, time, space, and errors"*.[63]

In the original Japanese sense, there are two means by which to strive for perfection: *kaizen* (incremental improvement) or *kaikaku* (radical improvement). An incremental approach means constantly revisiting processes, production, quality, etc., and letting the employees improve as they go along, whereas a radical approach requires that not only the company, but the entire value stream is realigned to radically change and redesign production, processes, tooling etc. from the beginning of a Lean initiative. Womack and Jones argue that every organization must use both to pursue perfection.[64]

This review of the five Lean principles and the concept of "muda" have informed the reader about the basic concepts in Lean Management according to the principles put forth by Womack and Jones. This recount has sought to illustrate the principles as they "should" be understood based on their framework – it seeks to view the five principles and the term "Muda" from the outside rather than from the inside.

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[62] Jones, D.T. and Womack, J.P. (1996): "Lean Thinking", p. 24, Free Press, New
[63] Ibid. p. 90.
[64] Ibid. pp. 90-94.

The following section will illustrate how Lean can contribute to organizational effectiveness according to the interviewees.

3.2 Category 1: How Can Lean Contribute to Organizational Effectiveness?

The questions in the interviews revolved around how I could answer my research questions and support my main argument. Hence, my questions revolved around three main categories. Asking the interviewees "*How does Lean work/how do you work with Lean*" was intended to shed light on the more effectiveness or performance gap-closing elements of Lean, such as processes, tools and results.

The Valcon consultants work with Lean through a five phase process.

Step 1 is the planning or start phase, where they meet with the customers and evaluate their challenges/performance gaps and potential results from implementing Lean: "*We wish to commence a dialogue with the customer to make clear which problems they face and what they wish that we do to them and establish what success criteria we should work towards, and we aim to illustrate very clearly where the organization is hurting (…) E.g., "we want to improve our quality by X percent, or raise productivity, or raise customer satisfaction". It may be different parameters*".[65]

The next phase is preparation, where the consultants find out which processes it is most efficient for them to look at that could solve the problem. They therefore have an internal project manager appointed by the organization as well as some people who know the particular process very well. PL says that, "*We identify these people and make some time estimates, and then we ask for a lot of data for each of the processes to see how many transactions take place there. (…) Can we say something about the productivity, rate of errors, quality etc., so we try to get as much data as possible during the preparation phase*".[66]

The following phase is the analysis phase where the consultants make value stream mapping of the processes: "*We roll out a large piece of brown paper, hang it on the wall, and then we draw up the process by using notes to map and visualize the process. To a lot of customers and employees, this is a big wake up call to see the process outlined end-to-end. Already at this stage they realize how many unsuitable elements – or what we call waste – that are made clear just by visualizing the process*".[67] The consultants make sure to include people from all parts of the process, because often people only work on parts of the process. By doing it in this way people

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[65] Appendix A - Interview with PL.
[66] Ibid.
[67] Ibid.

can say, "*this is how we do it, and this is where we always deal with something that has to be reworked because you always forget to include this or that type of information*".[68] They then perform a brainstorming session to see where there may be waste, and as PL puts it, "*They can hardly avoid to see the waste, it almost happens during the mapping exercise*".[69] PL also states that whereas employees often believe that problems could be solved just by introducing new IT, there is often a deeper underlying cause for waste: "*Very often it turns out that IT is not the real issue when we discuss waste. It turns out that it has more to do with who does what when or which kind of information that is used in the process*".[70]

The fourth phase is the design phase, which typically lasts between six and eight weeks. This is a very tool focused phase, where they create a detailed project plan for the ensuing work. As PL says, "*As a case we may be facing a reorganization, make some standards for the work they should produce because each employee may service the customers in different ways, where some are underservicing and others are over servicing, which is ripe with waste. And then they have to produce that. Our role is to challenge the way they think and to guide the process as project managers*".[71]

In the fifth and final phase, implementation, the consultants' work is mainly about change management. It requires them to inform employees and managers, to appoint ambassadors etc. (more on this in the following section). And then the implementation is up and running. PL states that, "*we typically recommend that they start with a project where you can make a lot of changes and implement some of the Lean principles through the use of certain tools and solutions that you make, and then take a break for ½-1 year where you make this work and continue to make improvements in the daily operations before embarking on a new, maybe smaller project*".[72]

PB of Carlsberg says that he usually starts out by establishing a common frame for the employees: "*I would say that each implementation is different. If you ask what the most difficult part is, I would say it is to get started. In the beginning people think they know what Lean is, but if you have 10 people, they will have 10 opinions about what Lean is. And it takes time to having these people understand it from the same point, and it takes more time than the decision-makers think it should take. Once management has decided that they want it to start up, they want it to*

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[68] Ibid.
[69] Appendix A - Interview with PL.
[70] Ibid.
[71] Ibid.
[72] Ibid.

be the day after. But if you want to get people on board, you have to invest in showing them what Lean is (…)"[73]

PB also underlines that in order to have a successful Lean implementation, it is important that it quickly becomes visible for the employees that it works: "*Employees also think it is great when they can see that something is a success, and to be successful with it, we need to have some early successes. So making quick wins as we do with Lean is perceived positively, as long as we aren't firing people*"[74]

In Carlsberg, they have three success criteria for their Lean efforts. The first one is to develop a culture of continuous improvements. Currently, they are not measuring the impact yet, even though that is their mission. The second criterion is related to financial measures. As PB says, "*To justify that we do this and spend the time and resources, we need to create some beneficial financial impact, so we have a target called 3-5 % of our non-material cost base. So there are clear expectations for each brewery when we start up relating to how much impact it should entail*".[75] The final criterion is that "*We do as we have planned to do. We have a computer system where we can follow up on milestones for each implementation, and to be successful we believe that we should do what we agreed to do. We don't want to disappoint people who have been involved in this, especially not the operators, because they are used to a lot of big plans filled with good visions but with little execution afterwards*".[76]

And that is according to PB a pivot in Carlsberg's approach to using Lean – that they improve the organizational effectiveness with entailing financial results *and* improve the conditions for workers: "*We are very focused on creating improvements that are helpful to the employees, especially operators on the filling lines. They experience a lot of small stops that no one really focuses on, but that makes them run back and forth all the time to make sure the machines are running, even though the machines are supposed to run all the time by themselves. By reducing these small stops, employees experience the effect in a positive way*".[77]

MM reinforces this as being something that clearly enhances organizational effectiveness: "*In the course I have given my version, namely that Lean combines the flow and stretch, something you can see. If I say I will use flow, I can show people what the result will be. The more one piece you are, the better. So you have some clear and observable results on the process on the shop floor*".[78]

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[73] Appendix D – Interview with PB.
[74] Appendix D – Interview with PB.
[75] Ibid.
[76] Ibid.
[77] Ibid.
[78] Appendix C – Interview with MM.

According to PB, Carlsberg deals with the results from their implementations in a way that focuses the measurements on financial impact: "*We do measure impact from each implementation and we spend a lot of time making the calculations to estimate how much we will save from this. But one thing is having a financial impact; another thing is being successful with implementing Lean. Does money mean that you also are successful in creating this continuous improvement culture? And that is where I see the weakness in the way we measure*".[79]

In PB's view, Carlsberg has a particular view on Lean that at least in theory tries to encompass both the side related to performance gaps and to meaning creation: "*We have a holistic approach as we call it, which consists of three prongs: one is the toolbox, which we call the operating system. Then there is the management infrastructure, which is very much about the tools we give the managers to run the business. And then we have a third one called mindsets and behaviors, which encompasses all the things we do to try to get the people on board*".[80]

The operating system and management infrastructure are clearly mostly dealing with the more performance related elements: This is where they develop tools, standards and systems for the optimal use of production facilities and where they visualize processes and try to institutionalize the proper conduct for their production. The final prong, mindsets and behaviors, clearly relates to the leadership elements, with their aim of convincing employees that this is the correct way to work.

Valcon also works with both elements (in 2009 they published a book called "*Lean Leadership*"), but because they are external consultants hired from the outside on temporary contracts, they have far less possibilities for changing the mindsets among people. As PL says, "*The hard part, if you look at an implementation in the longer perspective outside the specific project – it is easy enough to get some quick results in the project – is making it work in the long run. And what makes it hard is that it requires a change of mindset*".[81]

Interestingly enough, JCR of Valcon and MM of CBS in addition to PB criticized leaders for too often focusing on the organizational effectiveness or financial results from implementing Lean. As MM said, "*In the bank I was working in, they were focused on results every quarter. And even though the manager was saying that Lean was important, all his focus was on getting the results. Or else you might be fired*".[82] Asked about whether this in his view was due to too much focus on the short term and if leaders needed a longer perspective, he replied, "*Yes, and a more*

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[79] Appendix D – Interview with PB.
[80] Ibid.
[81] Ibid.
[82] Appendix C – Interview with MM.

consistent look on Lean and what it can and can't do. You have to be clear about what Lean can give you. What situation are you in, what are your wastes" (…) I think that the strength of Lean is that you have some focus on flow, on value, and the challenge is how you translate this in your reality.[83]

Upon concluding my interview, I asked JCR what he would ask to find out more about Lean if he were in my shoes and he replied, "*Well, it may be outside this paper, but the whole business case. You know, has it paid off? That in my mind is very interesting. And that might be on a company or organizational level, saying "OK, we did it in this department, did it pay off?" With facts! Some say "yes it did", but they can't substantiate it. It is just a feeling. So I think that the whole follow-up on the outcome, the effect, and the value generation is very poorly described. And so many resources have been poured in to Lean projects*".[84] I find this question to be both highly revealing of how Lean as a management fashion has been sold – it claims to be able to reduce resources, time etc. by half, but the consultants living off selling it cannot exactly show the business case for Lean – and it also illustrates that maybe the organizational effectiveness it seeks to achieve may not even be the most important task it accomplishes after all. It may very well be that the meaning that is being created – the leadership dynamics of Lean – are just as important for making effective and robust action possible.

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[83] Appendix C – Interview with MM.
[84] Appendix B – Interview with JCR.

Summary Chapter 3

The purpose of this chapter was to describe the basic principles of Lean Management. As stated in the beginning, Lean Management is a set of principles and techniques that seek to change organizations and increase organizational effectiveness by focusing on value, banishing waste, creating flow and pull, and continuous improvement. It was described how Lean aims at delegating responsibility in an organization, focusing on external stakeholders such as suppliers (and their value chain) and customers (and their perceived value), relying on peer reviews, developing multi-skilling abilities in employees, creating self-reliant work teams, optimizing flow and pull, and continuously strive for perfection.

As evident from the empirical analysis, Lean contributes to organizational effectiveness in a number of ways:

First, it creates an overview of the many processes that go on in any organization. By mapping the value stream based on substantial data and by including all relevant employees, it becomes possible to create flow and pull (and thereby, as in Carlsberg, make life easier for employees), to eliminate as much waste as possible, raise quality of a product or service, and to instill a mentality and a way of working towards continuous improvements. As was evident from both PL and PB, a holistic approach to ones' internal and external supply chain makes it a lot easier to see where waste and redundant labor occurs. The interviews with JCR and PB illustrated that exactly how much effect that is derived from a Lean initiative is hard to quantify in terms of money – the business case is lacking.

The interviewees all agreed that Lean had the positive side effect of creating enthusiasm and meaning among employees.

But as I have mentioned repeatedly in this thesis, I believe that Lean can do more than this. When Lean is seen as a substitute for leadership that fulfills the three-fold aim of inspiring commitment, mobilizing action, and providing legitimacy for organizational change by spreading responsibility and distributing authority in an organization, then it follows that it must do more than just reduce costs, improve quality, create flow and pull, and develop a culture of continuous improvements. This will be dealt with in chapter 4.

In the following chapter, I will present a definition of what leadership is, and I will argue for why Lean is a substitute for leadership.

4 Leadership

"*I think where it works is where you have... Actually, that is a very good question. Where it works is where I have a determined manager or leader, determined in the sense that they say "This is what I want, and I will stick to this come rain or come shine (...)". So you need to be determined. You also have to lead by example, you need to do it yourself and do as you preach, you need to be empowering and trusting, and you need to be able to let go*".[85]

The above quote belongs to JCR of Valcon when we discussed leadership style and Lean Management. But my experience is that even talking about leadership is a complex task, because people have multiple definitions and interpretations of what leadership is.

I believe that leadership is a set of "*social and organizational dynamics with the three-fold aim of **inspiring commitment**, **mobilizing action,** and **providing legitimacy** for organizational change by spreading responsibility and distributing authority in an organization*".[86]

The aim with this section is to present and discuss several approaches to leadership. Presenting these approaches will show why I have chosen to work with this definition of what leadership is. This definition combined with the elements of Lean Management in the previous section will illuminate the leadership dynamics and the ways in which Lean Management can act as a substitute for leadership.

I will commence by presenting four major perspectives on leadership before presenting my own view on how we can conceive of leadership. I have chosen to include discursive leadership, as it is my conviction that leadership is socially constructed through language, and that this recognition must be added to the predominant focus on leadership psychology in traditional leadership research.

Next, the leadership dynamics of Lean will be uncovered in relation to the Lean principles and the definition of leadership that I have chosen to use.

I will then draw attention to an area that intrigued me when reviewing the leadership literature. Podolny, Khurana and Besharov (2010) argue that leadership research and practice primarily focuses on performance and neglects the meaning making capability of leaders. Including this critique will illustrate how I believe that practitioners and scholars should balance their focus on the purpose of leadership to encompass both areas.

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[85] Appendix B – Interview with JCR.
[86] This definition is an extension of a definition by Guthey, Eric (2010) in a strategy document for CBS President Johan Roos.

The writings by Kerr and Jermier (1978) on substitutes for leadership will be dealt with in the end of this chapter to illustrate how Lean is a substitute for leadership by simultaneously closing performance gaps and creating meaning for organizational members.

I will also introduce the concept of substitutes for strategy, since I find the insights from that article to be equally relevant for the substitutes for leadership-concept.

The last section before the summary of chapter 4 will be an analysis of the interviewees' statements relating to the leadership dynamics of Lean Management.

4.1 What is Leadership?

A simple Google search on the words "leadership" and "leadership definition" came up with a staggering 108,000,000 and 22,200,200 hits, respectively.[87] Google Scholar returns 1,720,000 academic articles containing "leadership", while searching on EBSCOhost, a database hosting several of the largest academic journals in the world, returned 301,130 articles containing "leadership" in the text, and 48,567 containing "leadership" in the title of the article.[88] So it is safe to say that there are innumerous writings dealing with the term, often with a specified definition of what leadership is.

James Macgregor Burns in 1978 wrote that *"leadership is one of the most observed and least understood phenomena on earth"*.[89] Quoting the leadership researcher Bernard Bass (1990) *"There are almost as many definitions of leadership as there are persons who have attempted to define it".[90]* Leadership scholar Gary Yukl wrote that the definitions of leadership *"reflect the assumption that it involves a process whereby intentional influence is exerted by one person over other people to guide, structure, facilitate activities and relationships in a group or organization".[91]*

However, most scholars can at least agree to one thing about leadership: that it is a process by which formal or informal leaders influence others. I will add to this that leadership is always about influencing for *change*: it may be organizational changes, performance targets, change of systems, change of organizational culture and identity, change of mission etc. Especially in Western organizations the managerial imperative is always about progress (as will be described extensively in chapter 5) in the form of change.

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[87] google.com search on April 17th, 2010.
[88] EBSCOhost through cbs.dk/library – article search, and scholar.google.com, accessed on April17th 2010.
[89] Burns, J.M. (1978): "*Leadership*", p. 4, Harper & Row, New York, US.
[90] Bass (1990) quoted in Jackson, B. and Parry, K.(2008): "*A Very Short, Fairly Interesting and Reasonably Cheap Book About Studying Leadership",* p. 12 Sage Publications, London, UK.
[91] Yukl, Gary (2002): "*Leadership in Organizations*", p. 2, Fifth Ed., Prentice Hall, Upper Saddle River, New Jersey, US.

I have chosen to draw extensively on the work of Jackson and Parry (2008), as I find their writings on studying leadership very informative. They highlight several approaches to leadership that are essential to understanding leadership from an academic perspective that has implications in real life organizations.

Three main approaches to leadership introduced in their book will be dealt with in some detail here, specifically leader-centered, follower-centered leadership and leadership as relationship. Focusing on these three approaches was motivated by the fact that each highlights areas that are often neglected or diminished by the others. For instance, leader-centered leadership often tends to look solely at the traits, behaviors or identity of the formal leader, and neglects the followers. Conversely, the follower-centered approach posits that leadership is primarily an attribution process which is performed by the followers, and that the leader as such has little or no influence on this attribution process. I will therefore discuss these views before I include the relationship approach, which in my view is inclusive of both the follower and the leader-centered approaches.

I have also chosen to include discursive leadership theory, more specifically by Podolny, Khurana and Besharov (2010) and Gail Fairhurst (2008; 2009). This will guide the reader to an understanding of leadership as something that is socially constructed in the *relationship* and language used among leaders and followers.

4.1.1 Leader-centered Leadership

The leader-centered perspective on leadership usually focuses on both leader identity and leader behavior. In this approach it is critical for leadership what the leader is, says and does rather than what the employees think. As Jackson and Parry write, *"All textbooks on leadership seem to commence with a treatise on the trait approach"*.[92] The trait approach deals with the personal traits of the leader, such as persuasiveness, esteem, integrity, resilience, confidence and so on. As Jackson and Parry note, it is often a matter of determining whether leaders are born or made and this has been at lengthy debate between leadership scholars for many years. Following the trait approach, a leader will only succeed if he/she contains certain qualities in his/her persona, and these qualities are not something you can learn – either you have them or you do not. When moving the focus of research from leader identity to leader behavior, it becomes more feasible that you can learn to become a leader. The essence of leadership in

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[92] Jackson, B. and Parry, K.(2008): *"A Very Short, Fairly Interesting and Reasonably Cheap Book About Studying Leadership"*, p. 23, Sage Publications, London, UK.

this sense is what you do rather than what and who you are. As Jackson and Parry write, the assumption is that, *"If you strike the right balance between concern for people and concern for production, you will be the most effective leader"*.[93]

Transformational and transactional leadership styles deserve a more thorough investigation, as they are seen by many as being of pivotal importance in Lean Management.

Transformational leadership suggests that the leader must act to transform the organization into something better: the leader is *"someone who defines organizational reality through the articulation of a vision, and the generation of strategies to realize that vision"*.[94]Hence, the goal of the transformational leader is to see the desired future and then provide for the energy, resources and commitment needed to pursue and achieve that future state. Bass (1990) wrote that the transformational leader *"(...) provides vision and mission; instills pride; gains respect and trust; communicates high expectations; uses symbols to focus efforts; expresses important purposes in simple ways, promotes intelligence, rationality and problem solving; gives individual attention; coaches; individualizes; and advises"*.[95] As becomes clear from this listing of activities, being a transformational leader is a breathtakingly demanding task.

As the name implies, the transactional leadership style is attributed with the parts of leadership that focuses on the transaction that takes place between leaders and followers. Bass (1990) wrote that the doings of the transactional leader is based on *"(...) contractual exchange of rewards for efforts; promises rewards for good performance; and recognizes accomplishments"*. [96] Furthermore, the transactional leader does management by exception by either an active (searching for deviations from rules and taking corrective action) or a passive (only intervening if standards are not met) approach. Hence, being a transactional leader seems to be a lot less demanding (and a lot more mind-numbing) task than being a transformational leader.

However, several scholars (Bass, 1990; Jackson and Parry, 2008) suggest that transactional leaders can learn how to be transformational. Jackson and Parry even write that a balancing of the two types is necessary to achieve the most effective performance: *"(...) the most effective leaders are successful at enacting the transformation and the transaction"*, and they continue to

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[93] Jackson, B. and Parry, K.(2008): "*A Very Short, Fairly Interesting and Reasonably Cheap Book About Studying Leadership",* p. 25, Sage Publications, London, UK.
[94] Ibid. p. 28.
[95] Bass, B.: From Transactional to Transformational Leadership: Learning to Share the Vision", *Organizational Dynamics,* 1990, Vol. 18, Issue 3, pp. 19-32.
[96]Ibid. pp. 19-32.

write that *"For Bass, the ideal approach to leadership exhibits both forms of leadership – transformational and transactional"*.[97]

4.1.2 Critique of the Leader-centered Leadership Approaches

A number of critiques can be raised against the leader-centered approaches: for one thing, it appears unlikely that all the power and potential for influence should be situated with the top executive alone. The focus for each of these theories is on *the leader*. Another point relates to the personality and identity idea permeating much leader-centered leadership theory, which more or less makes it impossible for anyone not born a leader to become one. I would agree that the leadership task is something that can be learned, given the proper inclination in the person wanting to become a leader. Of course it is difficult to inspire followers and mobilizing action if one feels more at ease when sitting quietly in ones cubicle. However, the skills of inspiring commitment, caring for individual employees, mobilizing action, building self-confidence etc. in my opinion can be learned. A final critique relates to the transformational/transactional leadership styles, for even though they may be known as "new" leadership styles in the words of Jackson and Parry, they also have an emphasis on the leader's authority, influence and power. Little if anything is mentioned about how the followers see their leader or how the relationship between leader and followers is – it is simply assumed that followers are easily influenced or even manipulated by their formal superiors. With these words in mind I will progress to the follower-centered approach to leadership.

4.1.3 Follower-centered Leadership

One of the few scholars who have researched into the concept of follower-centered leadership is Jim Meindl. According to Jackson and Parry, he was deeply worried about the unilateral focus on the leader and the lack of research into the roles of the followers.[98] Quoting Meindl from Jackson and Parry, *"the concept of leadership is a permanently entrenched part of the socially constructed reality that we bring to bear in our analysis of organizations. And there is every sign that the obsessions and celebrations of it will persist"*. [99]

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[97] Jackson, B. and Parry, K.(2008): *"A Very Short, Fairly Interesting and Reasonably Cheap Book About Studying Leadership"*, p. 29, Sage Publications, London, UK.
[98] Jackson, B. and Parry, K.(2008): *"A Very Short, Fairly Interesting and Reasonably Cheap Book About Studying Leadership"*, p. 43, Sage Publications, London, UK.
[99] Meindl, Ehrlich and Dukerich (1985:78) quoted in Jackson, B. and Parry, K.(2008): *"A Very Short, Fairly Interesting and Reasonably Cheap Book About Studying Leadership"*, p. 43, Sage Publications, London, UK.

For the purpose of highlighting the different roles and varied level of influence followers have traditionally been attributed with in leadership theories, I will build on the five categories introduced by Shamir in "Follower-Centered Perspectives on Leadership".[100]

1. Followers as **recipients** of leadership: this is the "classic" passive role, where leaders provide leadership and followers receive it.
2. Followers as **moderators** of leadership: here leadership is dependent on the level of maturity, previous training, and motivation for the leader to moderate his leadership style accordingly.
3. Followers as **substitutes** for leadership: when followers are fully autonomous and neither task nor relationship orientations affect the follower – here the need for a leader is very small or non-existent (I will return to the concept of substitutes for leadership later in this chapter).
4. Followers as **constructors** of leadership: in order for leadership to be seen as leadership, it must be recognized as such by the followers. What they do, who they are, and the followers' psychological perception of leaders are just some of the factors determining whether or not they will be seen as leaders.
5. Followers as **leaders**: this is a shared view of leadership – leadership is a function that can be performed by any member of a group, regardless of formal position. In this category, leadership is not viewed specifically as belonging to leaders or followers, but is more in between. There are several potential versions of this approach, where one is of particular importance: distributed leadership. In essence, distributed leadership means that the executive level distributes authority to lower echelons in the organization and allows for a great deal of flexibility. In Lean Management theory, this is supposed to be done very adamantly, since Lean Management would have it that the ones best fit for making decisions regarding continuous improvement and Muda are the people working on the floor.

Shamir et al. (2007) and Jackson and Parry (2008) have argued for a sixth category which can be seen as a critical alternative to the traditional views on followership: followers as **co-producers** of leadership. As co-producers, the focus is on the relationship that exists between the leader and the followers.

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[100] Shamir, B. (2007): "From Passive Recipients to Active Co-Producers" in Shamir, B., Pillai, R., Bligh, M.C., and Uhl-Bien, M. (eds.) *"Follower-Centered Perspectives on Leadership"*, pp. ix-xxxix, Information Age Publishing, Greenwich, CT., US.

4.1.4 Critique of the Follower-centered Approach to Leadership

A main point of critique is the same as goes for the leader-centered approaches: no matter what level of analysis, the focus is almost solely on the followers and their perceptions, modifications or other of the (formal) leader's leadership. Another main weakness of this focus is the implicit assumption that organizational leadership – the executive level – is of little importance for employee behavior and performance. Even though it is difficult to establish how much leaders actually contribute to organizational performance, the mere fact that leadership can be defined very broadly as an influence process means that there must be someone who decides to influence someone. Hence, in order even to be able to talk about followers, we must recognize that formal or informal leaders do play an important part in leadership dynamics.

I will proceed with the relationship-centered approach to leadership that I believe to be of great relevance to modern leadership research.

4.1.5 Leadership as Relationship

Leadership as relationship is a relatively new yet very interesting approach in the literature. Scholars such as Popper (2004), Shamir et al. (2007) and Jackson and Parry (2008) have suggested that viewing leadership as relationship-based broadens the scope and insights into leadership that otherwise escape the researcher if focusing solely on either leaders or followers. As Popper (2004) writes, "*The shift to the view of leadership as relationships (...), is to some extent analogous to the shift to relational terms that has taken place in psychodynamic theoretical thinking (...) This is a shift to a form of thinking that regards* the relationship itself *as the psychological essence, the important unit to analyze*".[101] The prior attempts to conceptualize leadership as relationship has often sought to include rationality as a conscious trait in both leaders and followers, but as Zajonc (1980) wrote, "*Preferences need no inferences. In other words, affect is not a postcognitive phenomenon. To arouse effect, objects need to be cognized very little – in fact, minimally*".[102]

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[101] Popper, M.: "Leadership as Relationship", *Journal for the Theory of Social Behaviour*, 2004 (6), Vol. 34, (no. 2), pp. 107-127. Emphasis added.
[102] Zajonc (1980) in Popper, M.:"Leadership as Relationship", *Journal for the Theory of Social Behaviour*, 2004 (6), Vol. 34, (no. 2), pp. 107-127.

The view on leadership as relationship therefore includes an emotional element: leaders have to be liked, feared or respected by their followers, who in turn demand an indefinable amount of care and attention from the leader.

4.1.6 Critique of Leadership as Relationship

A major – though not invalidating - point of critique towards seeing leadership as relationship is that it becomes more complex to describe leadership. When researchers have to investigate what leadership is and how it works, they now need to include psychological elements that are difficult to retrieve. For leaders and followers, it becomes even more difficult to operationalize and use this concept when it requires that everyone understands his or her own psychological inclinations.

Though it may be more complex to work with leadership when seeing it as something that arises in a relationship between leaders and followers, it can help leaders attend to their followers' concerns and interests with greater precision. By understanding the preoccupations of organizational members it becomes more feasible that leaders can actually help create meaning for these members. Next, I will turn to the writings of Fairhurst (2008), where she adds to leadership psychology - "*The proverbial elephant in the living room because it has dominated leadership research since its inception*"[103] – that the understanding of leadership will be improved by including a discourse perspective.

4.1.7 Discursive Leadership

Gail Fairhurst has been prominent in advocating for an alternative way of viewing leadership research called discursive leadership. The discursive approach to leadership clearly correlates with the co-constructing and relationship-focused approach to leadership mentioned earlier, and I have included it since I find it to be highly relevant for the chosen definition of leadership and for my proposition that Lean is a substitute for leadership.

Fairhurst contrasts this view with the predominant leadership psychology-view that emphasizes the cognitive, behavioral and situational factors that influence leaders and followers.[104]

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[103] Fairhurst, G.: "Discursive Leadership: A Communication Alternative to Leadership Psychology", *Management Communication Quarterly*, 2008, 21, pp. 500-518.
[104] Fairhurst, G.: "Discursive Leadership: A Communication Alternative to Leadership Psychology", *Management Communication Quarterly*, 2008, 21, p. 511.

Fairhurst does not try to diminish the importance of leadership psychology, as she recognizes it as having some explanatory power. As she states, "*Although my bias is a discursive one, I position discursive leadership and leadership psychology as alternating lenses; one is neither superior to nor derivative of the other*".[105] Fairhurst thus invites researchers to apply either or both approaches, and I find this position to be a compelling one, as I can recognize the strengths and weaknesses of both.

In the discursive approach to leadership, *"Discursive scholars represent a constellation of perspectives united by the view that language does not mirror reality, but constitutes it. Human communication is also more than a simple act of transmission; it is about the construction and negotiation of meaning (Deetz, 1992; Jian et al., 2008). Leadership actors can thus be passive receptors of meaning (Foucault, 1980, 1990, 1995; Shapiro, 1992) and disciplined (Foucault, 1980, 1990, 1995) as much as they can be transformative agents (Fairhurst, 2007)"*.[106]

Fairhurst advances several aspects of leadership, two of which I find to be particularly important: the first aspect is her recognition of leadership as an influence process that also includes management of meaning among organizational members, and the second is that these tasks "*need not be performed by only one person appointed to a given role. It may shift and distribute itself among several actors (...)*".[107] She thereby clearly demonstrates an emphasis on leadership as a distributed and dynamic process.

When including the discursive perspective on leadership and using it as a supplementary lens for analyzing leadership concurrently with the leadership psychology-approach, it becomes evident how leadership as a phenomenon is both socially constructed and multidirectional, but that it also requires quite a bit of psychological cunningness and knowledge on the part of leaders aspiring to lead.

In the words of Fairhurst, "*Those who aspire to lead must figure out what leadership is in the context of what they do and persuade themselves and others that they are doing it. Stated otherwise, leadership is a set of language games (...)*".[108] In the case of Lean Management, this means that the leader must be fully aware not only of the specific performance gaps that he wishes to close, but also about the ways in which his employees can be influenced by the language he communicates when implementing Lean.

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[105] Ibid. p. 511.
[106] Fairhurst, G.: "Considering Context in Discursive Leadership Research", *Human Relations,* 2009, 62: pp. 1608.
[107] Fairhurst, G.: "Discursive Leadership: A Communication Alternative to Leadership Psychology", *Management Communication Quarterly*, 2008, 21, p. 511.
[108] Fairhurst, G.: "Considering Context in Discursive Leadership Research", *Human Relations,* 2009, 62: p. 1610.

I will return to the importance of language in section 5.4, where I examine the views of Eccles and Nohria on the managerial imperative for robust action.

Rounding off the discursive leadership approach, I wish to add that including this view on leadership fulfills the need for critique of taken for granted beliefs about social phenomena as mentioned in the methodology chapter: by showing leadership as a phenomenon that can be decoupled from the traditional asymmetrical power structures and into something that is dialogical, context- and culturally dependent, and socially co-constructed, we get the possibility of understanding leadership from a new perspective that tries to avoid the dichotomous relationship between social actors.

4.1.8 Critique of the Discursive Leadership Perspective

As with all theories, there are a number of criticisms that can be raised against discursive leadership. It goes without saying that some leadership psychology scholars could probably argue that the view of Fairhurst completely neglects the psychological makeup of both leaders and followers. For instance, the attribution of leadership by followers to certain leaders and not others must necessarily be founded at least in part by the predispositions people have, be they regressive or symbolic.

However, these complexities do not subtract from the understandings gained by viewing leadership from a discursive perspective. As mentioned before, I find it to be a highly useful lens through which we can study leadership in combination with leadership psychology. It just becomes much more important that we recognize the different foci of each view, and that we thus try to draw lessons for the critical study of leadership that enhances and nuances our understanding.

4.1.9 So, What is Leadership All About?

After this review of the three chosen approaches to leadership and Fairhurst's discursive leadership approach, I will restate my own point of view. In my view the balanced approach to leadership is the one that makes most sense, since all layers must be catered to: formal and informal leaders, followers, and the relationship and dynamics that interplay between them. Solely focusing on the leader or the followers simply misses the point of gaining a deeper understanding of what leadership dynamics are all about.

I thus work with leadership from the perspective that it is a set of "*social and organizational dynamics with the three-fold aim of **inspiring commitment**, **mobilizing action,** and **providing legitimacy** for organizational change by spreading responsibility and distributing authority in an organization*". [109]

In relation to Lean Management, this definition will therefore mean that the ambition of leadership is to spread responsibility for change down an organization and to delegate authority to employees that allows them to create pull and flow, develop external relationships, banish waste, and to focus on customer value and continuous improvements.

In viewing leadership this way, I recognize the relational (that leadership impinges on relationships between human beings), discursive (that leadership is socially constructed through the use of language) and distributed (leadership does not necessarily have to come from top managers, but might equally likely be spawned by middle management or shop-floor employees) attributes of leadership.

4.2 The Leadership Dynamics of Lean

A closer analysis of the Lean principles discloses several instances where leadership is distributed downwards in an organization. The different tasks for cultivating a Lean organization have traditionally been the responsibility of managers and formal leaders, but they are now funneled downwards with the approval and active support of the organization's top management.

First of all, the language used in Lean in itself provides a leadership dynamic. It inspires commitment for change and mobilizes specific actions towards promoting flow, reducing waste and continuous improvements, and it does so with a language that legitimizes the needed actions through a focus on effectiveness. I would also argue that the extensive use of Japanese terms and vocabularies is a way of trying to ensure some kind of external legitimacy, by saying "look, it is a Japanese (meaning effective) concept that we have adopted" on the part of consultants and leaders.

As another example, there is a much larger focus on the external stakeholders than in more traditional ways of managing, as the Lean organization is required to cultivate close relationships with suppliers and customers. This is also expressed in the need for the organization to focus on the full value chain – not only internally in the company, but also among its suppliers. As a consequence, the horizontal rather than the vertical linkages become

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[109] An extended version of Eric Guthey's 2010 leadership definition in a strategy document to CBS president Johan Roos.

more important on an inter-organizational as well as an intra-organizational level. Another way leadership is distributed in the Lean organization is by the breakdown of barriers preventing free flow and pull, which is achieved by the dissolution of traditional views on careers, departments and possible functional barriers. As an example, a worker in a production line not only has the authority, but also the duty, to stop the production line if he for instance discovers a malfunctioning part.

Everything in the Lean organization must be designed so that flow and pull can operate without obstructions, and the hierarchical structure must cede to cross-functional product teams that can supply the required flexibility when producing goods. This furthermore means that the employees are required to learn new skills so that they are sufficiently trained to leave and enter different functions within their team.

The term poka-yoke, or mistake proofing, refers to the principle of trying to ensure that production is run in the smoothest possible manner. According to the Lean principles, however, this form of mistake-proofing is decided upon by the employees rather than by managers, as the Lean philosophy advocates that this responsibility should be distributed to the ones working with the daily operations, the employees. A final example of how Lean distributes leadership is related to the core concept of continuous improvement, known as *Kaizen.* It is the employees, and not the formally appointed leaders or managers, who decide how to continuously improve a product or service (of course, also based on customer value). The feedback mechanisms in a Lean organization should primarily aim at the employees directly involved in the production, and should only involve the upper levels of management when the systems, processes or production methods become institutionalized in "the way we do things around here".

As was also evident from this description of the Lean principles, the application of Lean Management infuses organizational members with a new language for action, both in real and in symbolic terms. A strong leadership dynamic originates in the instrumental prescriptions of using Lean Management: the focus becomes on value stream, customer value, flow, pull, continuous improvements and the banishment of waste. In a world riddled with ambiguity and complexity, these simple focal points make it very tangible for employees to take action. I will deal with the language dynamics and meaning creation extensively throughout the next chapter.

4.2.1 Bridging the Gap Between a Focus on Economic Performance *and* Meaning-making

Much recent interest in leadership research and practice has primarily as its focus the (economic) performance that the leader should try to achieve, rather than also focusing on another very important task of the leader: that of creating meaning for organizational members.

Podolny, Khurana and Besharov (2010) present the classic tradition of viewing leadership as riddled with meaning-making activity, and draw on Selznick's work (1984) to say that, "*It is the role of leadership to turn an organization into an institution, by infusing the organization with values and creating a distinct organizational identity and sense of purpose that is in fact internalized by organizational members as meaningful*".[110]

This statement underlines the necessity for people in leadership positions to act as leaders rather than as managers. If not, Selznick argues, an organization is nothing but "*a lean, no-nonsense system of consciously coordinated activities. It refers to an* expendable tool*, a rational instrument designed to do a job".[111]* However, as argued by the authors, the classic focus on performance and meaning has been decoupled following WWII, and the primary focus of leadership scholars (and leaders) have turned to measurable items such as financial statements or market capitalization, rather than meaning.

As will be argued in this thesis, failing to tend to the meaning creating function of leadership can be what makes the difference between good (as in effective) and bad (as in ineffective) leadership. When dealing with management fashion theory in chapter 5, I will also argue that it is in part the meaning creating capacity of Lean that has made it such a popular management technique.

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[110] Podolny, J.M., Khurana, R., and Besharov, M.L. (2010): "*Handbook of Leadership Theory and Practice: A Harvard Business School Centennial Colloquium*", p. 9, HBS Publishing Corporation, Mass., US.
[111] Selznick (1984) in Podolny, J.M., Khurana, R., and Besharov, M.L. (2010): "*Handbook of Leadership Theory and Practice: A Harvard Business School Centennial Colloquium*", p. 9, HBS Publishing Corporation, Mass., US.

4.3 Substitutes for Leadership

The theory on substitutes for leadership was proposed by Kerr and Jermier in 1978. [112]

The argument providing the foundation for the theory is that there are several individual, organizational and task variables that may act as substitutes for leadership, thereby negating the effects which formal leaders may have on employees, negative or positive.[113] These variables can be grouped into task-related leadership behaviors or relationship-oriented leadership behaviors that may have direct or indirect influence on the need for leadership.

In the context of Lean as a substitute for leadership, it means that applying Lean can affect the employees' need for direct, hierarchical leadership, provided that the implementation of Lean diminishes the employees need for direction and/or supervision.

By any account the Lean principles - at least in the theoretical writings - aim at reaching several of these effects: developing horizontal rather than hierarchical vertical linkages, relying on peer review processes rather than formal evaluations, and cultivating relationships with referents outside their own organization (as with suppliers and customers in the case of a company using Lean).[114]

Performance feedback, intrinsic motivation, flexibility and teamwork are other elements that can act as substitutes for leadership, and all of these items are part of the foundation of the Lean principles.

This, however, is only possible when formal authority in the first place initializes a Lean Management program, and this is why the existing literature on both Lean and leadership is lacking in certain respects. The focal point of modern leadership tends to be on economic performance, where leaders try to achieve certain results by the employment of different management techniques such as Lean. And Lean is often applied without the proper understanding that it in and of itself can act as a substitute for leadership, rather than just another management technique.

In the 2001 book "Making Sense of the Organization",[115] Karl Weick relates the concept of substitutes for leadership with substitutes for strategy. As he refers to the article by Kerr and Jermier, he suggests that: "*Leadership has less impact when one or more of these conditions* [individual, task or organizational characteristics] *obtains. It is not that the situation is devoid*

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[112]The definition of a substitute is "*a person or thing that takes the place or function of another*" according to Merriam-Webster's Dictionary http://www.merriam-webster.com/netdict/substitute accessed on 29th September 2010.
[113] Kerr, S. and Jermier, J.M: "Substitutes for Leadership: Their Meaning and Measurement", *Organizational Behavior and Human Performance*, 1978, 22, pp. 375-403.
[114] Ibid. pp. 379-380.
[115] Weick, Karl (2001): "*Making Sense of the Organization*", Ch. 15, Blackwell Publishing, UK.

of leadership; rather, the leadership is done by something else".[116] The analogy between leadership and strategy has multiple resemblances, and leadership and strategy are subjects that have close interrelationships. Whether or not strategy is conceived of as being planned and controlled or "*(...) good luck rationalized in hindsight*",[117] then leadership requires some sort of desired future and sense of direction in order to inspire commitment, mobilize action and provide legitimacy for organizational change. This something is often called a strategy. As Weick notes, "*If you get people moving, thinking clearly, and watching closely, events often become more meaningful*".[118] This implies that for both concepts, the pivot is about creating meaning for organizational members.

Weick, in line with Eccles and Nohria (1992, see chapter 5), Fairhurst (2008; 2009) and Podolny, Besharov and Khurana (2010) has his main emphasis on the sense-making or meaning making capability of action: "*What is often missed is that the failure to act, rather than the nature of the external world itself, creates the lack of order. When people act they absorb uncertainty, they rearrange things, and they impose contingencies that might not have been there before*".[119]

Interestingly enough, Weick also pinpoints that strategic planning and organizational culture - substitutes for strategy (and leadership) that currently promote action and create meaning – will become obsolete when they no longer encourage action and "*(...) replaced by some newer management tool that will work, not for the reasons claimed but because it restores the fundamental sense-making process of motion and meaning*".[120] In this statement, Weick illustrates some fundamental elements of the management fashion concept that will be analyzed in chapter 5.

However, the substitute for leadership idea does not dissolve the need for formal leadership in an organization, provided that the leader realizes that Lean Management acts as a substitute for leadership and that the concept contains elements that contribute to meaning-making in the goals it is meant to achieve. As will be discussed in the next section and chapter 5, Lean Management infuses organizations with a new language that can provide a sense of meaning and purpose for organizational members.

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[116] Weick, Karl (2001): "*Making Sense of the Organization*", p. 345, Blackwell Publishing, UK.
[117] de Bono (1983) in Weick, Karl (2001): "*Making Sense of the Organization*", p. 345, Blackwell Publishing, UK.
[118] Weick, Karl (2001): "*Making Sense of the Organization*", p. 346, Blackwell Publishing, UK.
[119] Weick, Karl (2001): "*Making Sense of the Organization*", p. 352, Blackwell Publishing, UK.
[120] Weick, Karl (2001): "*Making Sense of the Organization*", p. 354, Blackwell Publishing, UK.

4.4 Category 2: What are the Leadership Dynamics of Lean?

In their 2009 book "Den Gode Leanleder", three Valcon consultants list what they call the "five virtues of the good Lean leader".[121] The book is endorsed by no less than 14 business executives, and Valcon has started an ECTS-credited education based on the five virtues and the lessons from the book.

In their view, in order to succeed with Lean, a leader must: *Set the direction and create meaning; understand the value streams; act based upon measurements; claim the rewards; and inspire commitment.*[122] This view on what leadership should accomplish is very much in line with the definition that I have adopted. What is interesting in the five points is that they do not mention the possibility that Lean can actually do this, rather than the leader having to choose a particular leadership style to adopt. I have therefore asked questions about Lean and leadership style for the interviews in this section.

I have argued extensively for the realization that management fashions in general and Lean in particular not only serve the purpose of closing performance gaps, but that they also have leadership dynamics that enable them to act as substitutes for leadership.

The task of managing meaning or creating a sense of purpose, it was argued by Eccles and Nohria (1992), Polodny, Khurana and Besharov (2010), and Fairhurst (2008; 2009), was at the center of the leaders responsibilities.

How is this proposition supported by the experiences from my interviewees? I will analyze their statements and look into the leadership elements of Lean that they portray when giving their recounts of Lean.

Lean Rhetoric

The use of language is - as mentioned repeatedly - very important. By saying that Lean provides a language that "infuses organizational members with a sense of meaning and purpose", it is both in real (as in "we can achieve this and this, reduce costs, improve quality, create flow and pull, enhance your work life etc."), but it can also be in more symbolic terms that signifies the start of a new era for the organization.

The interviewees all were very inspired by the possibilities they saw in using Lean, and they often used words that described Lean as a sort of corporate revolution or radical change.

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[121] Hansen, C.B, Normand, J.S. and Simonsen, M. (2009): "*Den Gode Leanleder*", Børsens Forlag, Denmark.
[122] Own translation from Danish.

In Carlsberg, PB talked about "the Lean Journey" when describing the introduction of Lean. I asked if Lean was no longer a project, but a way of working, to which he replied: "*It is becoming a way of working. It isn't so that we are a fully Lean company if you go to one of our breweries, but we see that where it was previously completely driven by the corporate team, supported by the local Lean team and to some extent also the local Lean organization, it is now becoming driven by the local Lean team or local management, and they are doing a lot of good improvements, whether we have initiated it or not. So it is more and more becoming the way that we do things and a natural part of the business, and not just a new corporate initiative*".[123]

When I asked MM if it was of little importance that leaders often focus on attaining a profit when implementing new management techniques, he said, "*Yes, but don't use Lean as the subject for this. Lean is more motivation, more change and things like that. Use your financial report or product revenue, but don't use Lean for this. I think you are destroying Lean if you use it for this*".[124]

These and other statements revealed that the symbolism of using a management technique such as Lean can be very powerful and influential – even awe-inspiring - for people who work with it.

In this sense, Lean rhetoric therefore inspires commitment, mobilizes action and provides legitimacy for organizational change by spreading responsibility and distributing authority in an organization, which I will argue for in the following analysis.

Inspiring Commitment

All the interviewees made an effort to underline that in order to succeed with Lean, it is critical that leaders inspire commitment to it as a change initiative.

PL said that, "*What really is the challenge is to make sure that we have involved the leaders all the way in the process, because when we get to a point where it becomes difficult – even if the ideas we have arrived at are good – there is always some resistance to change. It is never the case that the current situation is bad, and the new situation, that's just fantastic. There are always advantages and disadvantages with both situations*".[125] Thus to ensure that the leaders continue to support the implementation even when the going gets tough, Valcon wants to get the leaders to really commit themselves to the project.

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[123] Appendix D – Interview with PB.
[124] Appendix C – Interview with MM.
[125] Appendix A - Interview with PL.

As PL said in relation to employee resistance when problems arise, "*It is important that the leader is willing to defend the new solutions we have designed*".[126] Asked about whether he had been involved in a Lean implementation that failed, PL responded, "*Yes, I can at least think of one (…). It failed because the top manager was nowhere near of being involved in it. He initiated it, but then he didn't understand, or didn't want to accept, that he also needed to change some things*".[127]

Basically, he could not understand that they needed to reevaluate their processes, and as PL described it, "*He continued to undermine it, and for each month he undermined it, the more the employees lost their steam and the belief in it. So that project failed*".[128] Ensuring commitment is also something that JCR focuses on, in order for organizations to realize their potential with Lean: "*It has to be sustained, meaning that the staff, middle management and top management continue to do what we have agreed to do*".[129]

JCR also believes that it is pivotal for top management and leaders to be committed to the project, or else it will fail. As an example, he illustrates that this level is the most important for success: "*It is not the staff. I have never experienced that management was completely on board and we then couldn't go through with it at the staff level. On the contrary I have experienced, as you mentioned earlier, that management paid lip service and said "yes, we want this", but when the consequences suddenly dawned on them, or a new management fashion such as Blue Ocean Strategy came along, they lost interest in Lean and then they moved on.*

And the second that they by their behavior display that this is no longer the most important, it goes all the way in the organization (…). It is the most difficult areas to work with when management is not genuinely in it.[130]

PB of Carlsberg said that they thought very consciously about commitment when starting a new Lean project: "*With Lean we have traditionally ensured that we have a committed top management team before we start up, and then we start up and quickly get the employees on board (…). In terms of having success or not, I believe that the place where we have success is where we have leaders who already beforehand had a positive attitude towards Lean and who saw this as something that could be helpful for them. The places where we did not have success is where we didn't manage to get these people on board. So the managers play a very important role in terms of having success with Lean*". [131]

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[126] Ibid.
[127] Ibid.
[128] Appendix A - Interview with PL.
[129] Appendix B – Interview with JCR.
[130] Ibid.
[131] Appendix D – Interview with PB.

Commitment, however, can also be inspired by employees without formal authority. All interviewees highlight that they choose employees that are particularly enthusiastic about Lean or who they know to be welcoming to change. They go under names such as "change agents" or "Lean agents" and are seen as being important for influencing other employees and for providing their contribution to the design and implementation of a Lean project. As JCR describes it, the danger in implementing an organizational change program such as Lean is that the consultants leave the company after a while: "*Personally I work with what I normally call Lean agents, and they typically sit within a department, they are taken out of the staff so they are kept locally. Sometimes we even establish a corporate Lean office with people with a consultant-like profile having a lot of Lean experience, but if we are in smaller units they have their own Lean agents. We do a lot of work with middle managers about how work should go forward and how they should introduce new people*".[132]

Mobilizing Action

When JCR and PL implement Lean in organizations, they encourage the leaders in the organizations to actively promote action that supports the goals of the Lean transformation. They particularly promote an active and visible leadership behavior, as PL explains: "*(...) the kind of leadership style that Lean calls for is where the leader is very present, meaning on the floor. We use the term "go to gemba", meaning where the things are happening, and that is especially there where it is different for the leader*".[133] They also make sure that the employees receive the proper training so that they know what kind of action is expected of them.

As JCR explains, "*(...) training for us is a very separate important area of activity in any Lean project to make sure that we boost the competences in Lean. Respecting that it takes time to get people on board and train them and get competences so they can perform without us being there. I haven't been part of a Lean project for less than six months and some of them for three years. We don't do Lean in five days, because then it's tools and cost cutting, and then let's call it that*".[134]

PB also highlighted the importance of mobilizing the right kind of action, and said that he had experienced some difficulties in this: "*Many people in Denmark think they know what Lean is, and it is being applied in many companies, but you see it done in so many ways that whenever you come and say that "we are going to start something new", people already think they know*

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[132]Appendix B – Interview with JCR.
[133]Appendix A - Interview with PL.
[134]Appendix B – Interview with JCR.

what it is. And then it takes some more time(...).Sometimes you think that it should make it easier that everybody knows what it is, and then suddenly people perceive it to be something else or they are doing something else than you were expecting them to do. Because you thought that you both knew what you were talking about, but you were talking about two different things".[135] Therefore they make the effort – as mentioned above – to align people's understanding of what Lean is and what it is supposed to achieve. In this way, it becomes substantially easier to direct the attention and action to the proper places.

Providing Legitimacy for Change

Providing legitimacy for organizational change in the context of a Lean implementation has several meanings. First of all, it is about legitimizing the necessary steps that must be taken in order to reach the results that have been agreed upon. That may be in terms of reducing staff - as JCR said," *The best projects resulting in reduction of labor that I've worked in actually begin by saying "this project is intended to reduce staff by 10 %, and we do it now". So we begin the project working with 90 % of the staff,, the people who are on board when we begin the project know that they will have to stay, because we have taken the reduction already (...). Otherwise, to say that we will reduce the staff by 10 % once we are done creates a lot of uncertainty (...)*"[136] – or about improving quality, or any other of the agreed goals.

It also means that leaders and managers will support and encourage the distribution of authority and spreading the responsibility for achieving the results downwards.

MM said that it was pivotal that the executive level maintained the focus on Lean in the long term: "*You need commitment and someone who believes that Lean is a good thing. Management is also about commitment and vision, and you can't always put a number on it. You need to have a visionary leader who believes in such an initiative*".[137]

So a commitment that goes beyond the bottom-line focus of financial reports must be attained for the proper effect of a Lean initiative to be sustainable and go beyond quick wins.

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[135]Appendix D – Interview with PB
[136] Appendix B – Interview with JCR
[137] Appendix C – Interview with MM.

Lean and Leadership Style

As I found it to be highly relevant for my research, I asked the interviewees about their view on Lean and leadership style, and if they thought that one style was more appropriate than another.

As MM expressed it, "*Again, it is a combination of both (transactional and transformational leadership). You have to combine*".[138] As mentioned earlier about leadership, the transactional leadership style is more about controlling, whereas the transformational style is more about changing, motivating and inspiring. And as was evident from the insights into Lean, this is exactly what is needed: a balanced approach.

PL agreed to this, adding that, "*It is extremely important (that you balance your approach), and we also have to be honest and acknowledge that Lean is also about the management part. Meaning systematizing, controlling, follow up and to some degree control. Present demands*".[139]

PB confessed to not having given much thought to which leadership style that fitted best with Lean but contested that, "*If it is difficult for you to involve employees in decision-making or in brainstorming on issues, then it becomes difficult. The managers who are used to make the decisions themselves and who are not that good at listening to their employees, they have big difficulties. And maybe they aren't the right people to have in this company either. I think that if you like to involve people and you like to listen to them, then you'll have benefits from applying Lean*".[140]

All the interviewees said that the preferable leadership style is one where the leader is willing to distribute authority, decision-making and responsibility downwards, but that he at the same time should be supportive of the necessary methods and tools for controlling Lean in the organization.

Interestingly enough, the interviewees spoke willingly about which leadership style was best suited for Lean, neglecting to see what I have argued in this thesis, namely that Lean is a substitute for leadership in itself.

4.5 Summary chapter 4

In this chapter I presented the four perspectives on leadership which I judged to be relevant for my research. I included Fairhurst's theory on discursive leadership, because it underlines that leadership is a socially constructed phenomenon that is constituted through the use of

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[138] Ibid.
[139] Appendix A - Interview with PL.
[140] Appendix D – Interview with PB

language. These perspectives were then discussed and critiqued before I presented the definition of leadership I work with as being a set of "*social and organizational dynamics with the three-fold aim of **inspiring commitment**, **mobilizing action,** and **providing legitimacy** for organizational change by spreading responsibility and distributing authority in an organization*". As developments in the leadership literature made clear, the focus of modern leadership research has tended to primarily focus on the economic performance of organizations while disregarding the meaning-making task of leadership. I therefore introduced the writings of Polodny, Khurana and Besharov to encourage a balance of the two very important tasks that the leader has: creating meaning for organizational members while also focusing on economic performance. Section 4.3 was used to introduce the writings on substitutes for leadership and substitutes for strategy to demonstrate how it can be argued that Lean is a substitute for leadership.

The empirical analysis showed that Lean indeed can act as a substitute for leadership and create meaning for organizational members in the real world.

First, the language used in Lean mobilizes certain actions related to effectiveness, as mentioned above. It also inspires commitment (provided that the management team is truly committed, that is) and legitimizes the actions taken by employees to reach the objectives that have been agreed upon. In effect, much of the rhetoric explicitly implies that following the Lean principles should be the essence for decision-making, rather than formal authority and hierarchy. The need for distribution of responsibility and authority is at the center of attention in Lean, as already underlined in the theoretical chapters of my research, and is therefore a powerful leadership element in Lean. As such, all the interviewees underlined the importance of organizational change, which is also an essential part of my definition of leadership.

Briefly stated, Lean provides meaning by pointing out a direction to head towards, usually related to cost effectiveness and waste even though these are only partial elements of the Lean principles, mobilizing actions that will make sure that they reach those objectives, inspires commitment in the view that "this is the way we need to go", and provides legitimacy for why it is necessary to change. Thus, Lean acts as a substitute for leadership, rather than being something which needs a particular leadership style.

In short, Lean can have the function of **inspiring commitment**, **mobilizing action,** and **providing legitimacy** for organizational change by spreading responsibility and distributing authority in an organization, which is the leadership function.

Chapter 5 will take the discussion about Lean and leadership to a higher level, where the notion of management fashion is introduced.

Chapter 5: Management Fashions

"If you by saying "fashion" imply that it [Lean Management] *is the latest hype that will switch or be replaced by something else in a short while, I totally disagree with the coupling of fashion to Lean. That does not mean that Lean hasn't spread like a wildfire in line with the other concepts you mention. I just experience something fundamentally different in Lean than in many other "management fads".*[141]

This chapter will deal with the larger perspectives of viewing Lean as a management fashion in a never ending line of management fashions. I will argue that viewing Lean as a substitute for leadership can be broadened to encompass all management fashions. My argument is that utilizing the term management fashion does not detract from the potential benefits of using Lean – to the contrary, I believe that this label can help leaders and managers become aware of what a particular management technique may or may not help them achieve. The recognition that management techniques go in and out of fashion merely represents the need for managers to appear to be rational and progressive in an ambiguous and complex world.

This first section will deal with the theory on management fashions.

The second section introduces a more thorough explanation of Lean as a management fashion and examines the claims for that argument.

The third section will briefly deal with the role of culture for a phenomenon as Lean. It has been argued that culture matters a great deal and that Lean is essentially a *Japanese* management concept ill-suited for application in other cultures. I will argue that this is not the case, although certain elements of organizational culture must be attended to.

The fourth section will illustrate the role of rhetoric, robust action and identity for achieving success with a management fashion. Eccles and Nohria (1992) have argued against the hype of management fashions and have claimed that the essential task for leaders and managers – taking an action perspective - is to master rhetoric that musters robust action towards organizational goals and is inclusive of the (multiple) identities of organizational members. By including Eccles and Nohria's writings, I wish to illustrate how to ensure that some of the criticisms towards the fashionable concept can be rejected, and show how leaders can get beyond the hype and apply management fashions that lead to robust action.

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[141] Jan Christian Rasmussen via email on March 3rd, 2010. Translated from Danish by the researcher. Words in brackets are inserted by me to clarify the meaning of the quote.

In the fifth section, I will analyze the empirical data in an effort to understand the resistance towards labeling Lean as a management fashion, by discussing Lean and the F* word.

5.1 Management Fashions

Scientific Management; Business Process Reengineering; Quality Circles; The Learning Organization; Total Quality Management; Business Process Outsourcing; Change Management; Just-In-Time; Core Competences; Resource-Based View; Activity Based Costing; 7 Habits Of Highly Effective People; Customer Relationship Management; Excellence; Organizational Culture; T-Groups; Decentralization; Diversification; Management By Objectives; Management By Walking Around; Systems Thinking; Economic Value Added; Benchmarking; Value Chain Analysis; Strategic Alliances; Lean Management.

These are just some examples of an ever growing list of management techniques, that all have claimed to represent the cutting edge of management progress, and through which management gurus and managers claim to have found the Holy Grail to managing modern business. Some fashions have long ago peaked and disappeared into oblivion, while many others still remain and thrive well in organizations throughout the world.

Leaders face numerous instances of ambiguity and uncertainty: complex international business environments, changing consumer needs, rapidly evolving product life cycles, political risks, new product innovations, cultural differences among employees, market uncertainties and technological developments to name just a few. The rapid growth of international trade and business since the end of WW II has increasingly led managers and leaders to seek advice from different management experts or "gurus" on how to run their businesses in the most effective and profitable way to overcome competition and "win" in the global economy. At the same time, the proliferation of management consulting firms, business schools and business mass-media publications has led to an industry which is based on scouting the need for managers to come up with new and more efficient ways of managing their organizations, leading to a continually growing supply of management tools and techniques by what has been called the management fashion-setting industry.

What many of these different management "gurus" have proposed throughout history can be coined as *management fashions*. Eric Abrahamson defines management fashions as *"a relatively transitory collective belief, disseminated by management fashions setters, that a*

management technique leads rational management progress".[142] However, the transitory nature of management fashions means that there is a management fashion lifecycle that resembles a bell-shaped distribution.

First, an organization led or heavily inspired by a management expert/guru achieves remarkable results, and various business communities take notice of it. Then the new technique achieves widespread popularity and acknowledgement, and often spreads throughout one or several industries, and thus achieves the status of a management fashion. After a certain – and increasingly shorter - period, the popularity of the management fashion begins to decline, sometimes due to certain shortcomings of the fashion, shift in perception of what is normatively desirable to strive for, or organizational/technological paradigm shifts, and a new management fashion takes over only to repeat the same cycle.

In order to understand what is meant by the concepts of rationality and progress, I will draw on Abrahamson's reference to Meyer and Rowan's neo-institutional theory[143] to explain what is meant by norms of rationality and progress.

According to Meyer and Rowan, **norms of rationality** refers to stakeholders' expectations that managers "*manage their organizations and employees rationally – that is, by the most efficient means to important ends*".[144] However, as is well known, the ambiguity surrounding modern businesses makes it increasingly difficult to establish what actually defines a rational technique to use. Hence, "*managers create the appearance of rationality by using or appearing to use management techniques that generally are believed by organizational stakeholders in a specific context to be rational ways of managing organizations and employees*".[145]

But it is obviously difficult to know whether or not these techniques actually are rational and efficient before they have been applied in the organization.

As for what concerns **norms of progress**, Abrahamson's view is that a management fashion must include both an improvement element (that it is better than previous fashions) and an innovation element (that it significantly departs from current management techniques). Abrahamson writes that, "(...) *norms of management progress create an expectation of ever-improved techniques for managing organizations and individuals, judged by ever-improving*

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[142] Abrahamson, E.: "Management Fashion", *Academy of Management Review*, January 1996, Vol. 21, Issue 1, p. 257.
[143] Meyer and Rowan (1977) in Abrahamson, E.: "Management Fashion", *Academy of Management Review*, January 1996, Vol. 21, Issue 1, pp. 261-263.
[144] Abrahamson, E.: "Management Fashion", *Academy of Management Review*, January 1996, Vol. 21, Issue 1, p. 261.
[145] Ibid. p. 261.

criteria for judging what constitutes managerial improvements".[146] Therefore, the demand for management fashions will never cease to exist, lest managers want to appear to be irrational and regressive.

In Abrahamson's view, an important factor is that management fashions are primarily developed and consumed in cultures that have managerial norms of rationality and progress. He writes *"that in certain countries, norms of rationality and progress create a* management fashion market *for rhetorics championing rational and progressive management techniques".*[147] The norms of rationality and progress in these cultures provide the foundation for even having a management fashion market. Hence, management fashions are so-called "cultural commodities" or "cultural innovations".[148] These innovations are made and disseminated in the market for management fashions, consisting of management fashion setters and management fashion users, illustrated by Abrahamson in "The General Model of Management Fashion Setting" below.

Figure 3: The General Model of Management Fashion Setting
Source: Eric Abrahamson, 1996.

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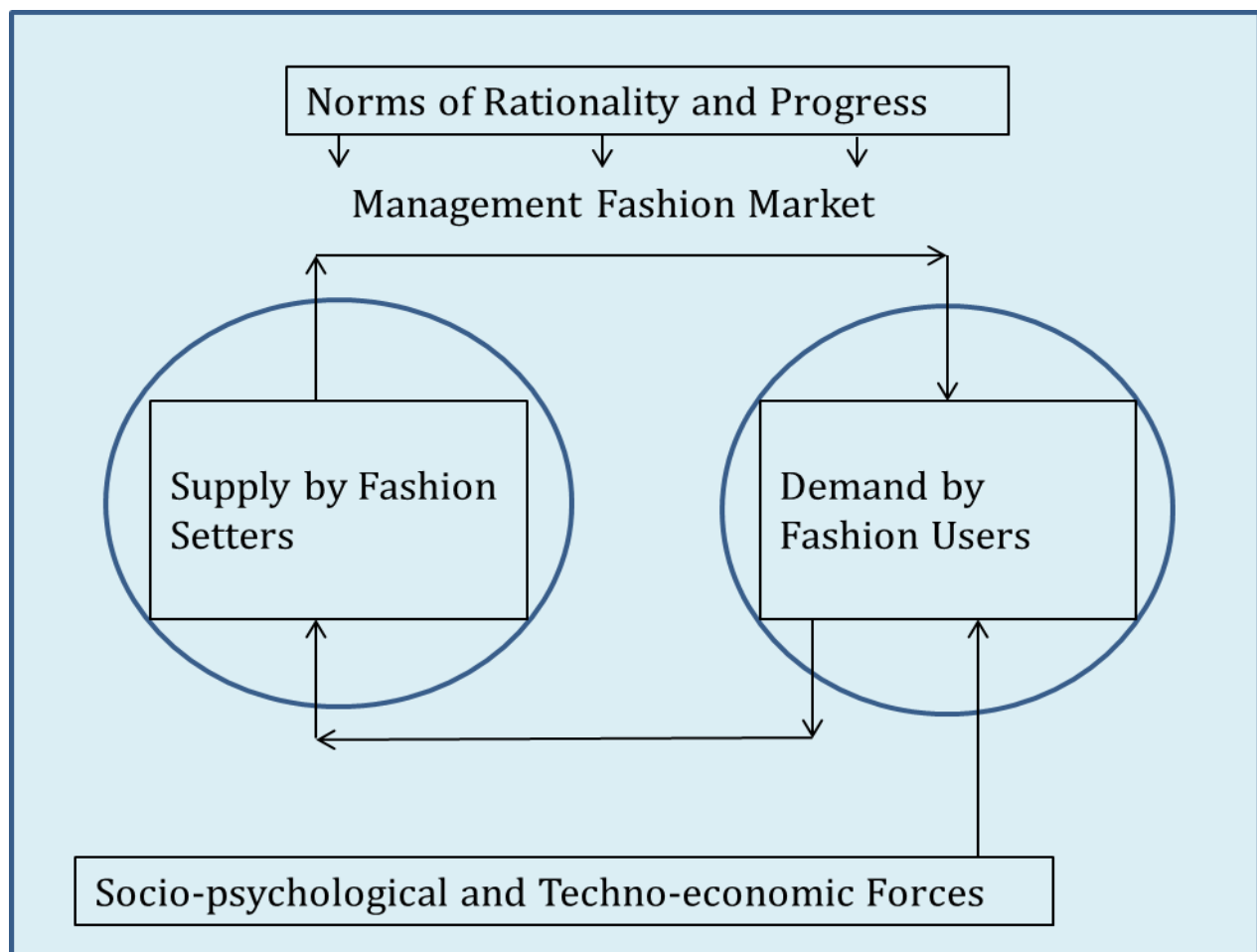
[146] Ibid. p. 262.
[147] Abrahamson, E.: "Management Fashion", *Academy of Management Review*, January 1996, Vol. 21, Issue 1, pp. 254-285.
[148] Ibid. p. 263.

I will describe the supply and demand side in turn.

The **supply side** consists of gurus, business schools, mass media organizations and consulting firms that all sense the needs of the management fashion users.

Abrahamson describes how the management fashion setting process follows a fourfold process from creation, selection, processing to dissemination by fashion suppliers. Each stage will briefly be dealt with in the following:[149]

1. **Creation**: During the creation stage, the fashion setters sense the incipient demands of fashion users. In the case of Lean Management, it was the declining automobile industry in the US that was falling behind the impressive growth of the Japanese industry. That inspired Womack and Jones to investigate what the Japanese were doing, as described in chapter 3.

2. **Selection**: Abrahamson writes that little is known about the selection stage. However, when selecting the techniques that are believed to help satiate the demand side's needs, the fashion setters either resurrect older techniques (sometimes known as "old wine in new bottles") or they use techniques that they themselves have developed or have worked with previously. It seems that the demand for management techniques reflect the current contextual and social surroundings that are present in the business environment, such as rising labor costs, low productivity in an industry such as the US automobile industry, or other pressures due to globalization.

3. **Processing**: This stage deals with the need for fashion setters to construct a language, or rhetoric, through which they can convince fashion users that the new concept is progressive and rational. One of the key attributes of a management fashion is that it provides a new language that infuses organizational members with a sense of meaning and purpose. It is important that fashion setters succeed in simplifying the often complex challenges that organizations may face, in as simple terms as possible.[150]

4. **Dissemination**: As was the case for the processing stage, little is known about the dissemination from fashion setters to users. Abrahamson draws on the writings of "Hirsch (1972:643) to say that we should view *"the mass media in their gatekeeping*

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[149] This description is a shortened version of the one presented by Abrahamson, E.: "Management Fashion", *Academy of Management Review*, January 1996, Vol. 21, Issue 1, on pp. 264-270.
[150] One example could be the five Lean principles; another could be Steven Covey's "7 Habits of Highly Effective People" in Covey, Stephen R., (1989): "*The Seven Habits Of Highly Effective People*", Franklin Covey Co., NY, US

role as a primary institutional regulator of innovation" and that *"the diffusion of particular fads and fashions is either blocked or facilitated at this strategic checkpoint".*[151] Other dissemination points include the business press, business journals, consultancies, management gurus and, as mentioned in the interview with JCR, from business networks and associations such as Rotary clubs.[152]

The **demand side** consists of managers that are influenced by certain socio-psychological and techno-economic forces. This is also what distinguishes management fashions from aesthetic fashions: in the aesthetic fashions, the socio-psychological forces are enough to influence followers. In management fashion, there is an extended need also to include the techno-economic forces: "*They* [managers] *also adopt management fashions in a desire to learn about management techniques that would help them respond to organizational performance gaps opened up by real technical and economic environmental changes".*[153] Abrahamson spends considerable energy advocating for the socio-psychological states that management fashion users can be in and extends them to the realm of management fashions; however, for the purpose of this thesis, I find it to be more relevant to focus on the techno-economic factors such as economic, political and organizational performance gaps that frequently make managers turn to new management techniques.

As Abrahamson states, "*(...) technical and economic environmental changes create incipient preferences among fashion followers for certain types of management techniques that they find useful in narrowing performance gaps opened up by these environmental changes".*[154]

The argument therefore becomes one of saying that managers become prone to using management techniques when they are faced with changing internal or external forces, given their particular socio-psychological state and the challenges presented to them by the environment.

Abrahamson and Fairchild (1997) later added to the theory that "*Our findings reveal a process, endogenous to the management fashion setting market, whereby the downswing in one management fashion triggers the upswing in the next fashion serving a similar purpose".*[155] This can be said to happen for several reasons: first, when a management

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[151] Quoting Hirsch (1972) in Abrahamson, E.: "Management Fashion", *Academy of Management Review*, January 1996, Vol. 21, Issue 1, pp. 268-269.
[152] Interview with Jan Christian Rasmussen, Valcon A/S, Appendix B.
[153] Abrahamson, E.: "Management Fashion", *Academy of Management Review*, January 1996, Vol. 21, Issue 1, p. 265.
[154] Ibid. p. 273.
[155] Abrahamson, E. and Fairchild, G.: "Management Fashion: Lifecycles, Triggers, and Collective Learning Processes", *Academy of Management Proceedings*, 1997, p. 257.

fashion has become considerably used and well-known, managers will soon have to turn to other fashions to live up to the norms of progress and rationality. Second, the use of the management fashion may have revealed some areas where it has been inefficient and has not fully completed its purpose (as described by both Lean consultants I interviewed, they had experienced numerous failed attempts to implement Lean in several organizations). Finally, it may in fact be that the use of the management fashion has been successful, but that it has pointed to other performance gaps that cannot be closed by the use of that particular management fashion. Then, of course, the process starts over again with the invention or rediscovery of a management fashion which is marketed as suitable for closing the new gaps.

5.1.1 Critique of Management Fashion Theory

A main critic of Abrahamson's neo-institutional theory on management fashion is made by Alfred Kieser (1997). His argument is that, whereas neo-institutional theory expect that the norms of which organizational form an organization should implement are stable, this is not true in the real world. Kieser therefore criticizes Abrahamson for hinging his theory on neo-institutional theory so that it "*does not just rest on a simple hypothesis but on a highly reputed theory*".[156]

A second line of criticism relates to Abrahamson's statement that the fashion setting community first develops a management fashion, and then cultivates the rhetoric needed for the dissemination: "*Thereby he implies that management techniques are available in form, i.e. without rhetoric. This seems doubtful. Management techniques do not exist per se. Whenever we communicate we use rhetoric*".[157]

Kieser also claims that Abrahamson's stipulation that management fashions must be progressive and rational is wrong, and that management fashions indeed can be seen as following the same pattern as aesthetic fashion. The reason, he explains, is that rhetoric follows the same pattern as aesthetic fashions.

These criticisms are important for the understanding of the management fashion concept, although not invalidating to Abrahamson's original proposition. Abrahamson himself has claimed in several articles (Abrahamson 1991; 1996; 1997) that the understanding of the

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[156] Kieser, A.: "Rhetoric and Myth in Management Fashion", *Organization*, 1997, Vol. 4, Issue 1, p. 53.
[157] Ibid. p. 53.

different phases and elements of management fashions must be developed further. The points raised by Kieser do just that, especially in relation to the role of rhetoric, which will be developed further in section 5.4.1. Therefore, whether or not Kieser or Abrahamson has the *correct* argument is difficult to for me to establish, but I agree with Abrahamson and find that his emphasis on both socio-psychological and techno-economic factors presents a *better* argument, which is also to a large degree supported by the literature reviewed and in the interviews I have conducted.

Equally, a lengthy discussion of whether or not neo-institutional theory is appropriate for explaining management fashions will not be conducted here, as my focus is not directed specifically towards the creation and dissemination of management fashions, but rather their value as vehicles for distributing leadership in organizations, closing performance gaps and infusing organizations with a new language for meaning and purpose.

5.2 Lean is a Management Fashion

I will use Abrahamson's theory of management fashion to establish if Lean Management is a management fashion. Although several scholars and articles (Kieser, 1997; Benders and van Bijsterveld, 2000; Fink, 2003; Bain's Global Management Tool and Trends Survey 2007) have argued that Lean is a management fashion, I find it to be appropriate to evaluate whether or not this assumption holds.

5.2.1 What Makes a Management Fashion?

Building on the framework developed by Abrahamson, a management fashion can be defined as:

- Progressive
- Rational
- Transient in nature
- Appealing to both socio-psychological and techno-economic factors
- Developed by fashion setters
- Contagious among many different businesses

Abrahamson also developed a method of counting scientific articles mentioning a particular management technique to see if a management fashion showed a bell-shaped pattern in its lifecycle, something that would further cement the claim that it indeed is a fashion.

I have designed the following graph using the numbers of article counts in an article from Germany in 2000 as proposed by Abrahamson.[158]

Figure 4: Lean as a Management Fashion in Germany
Source: Own design
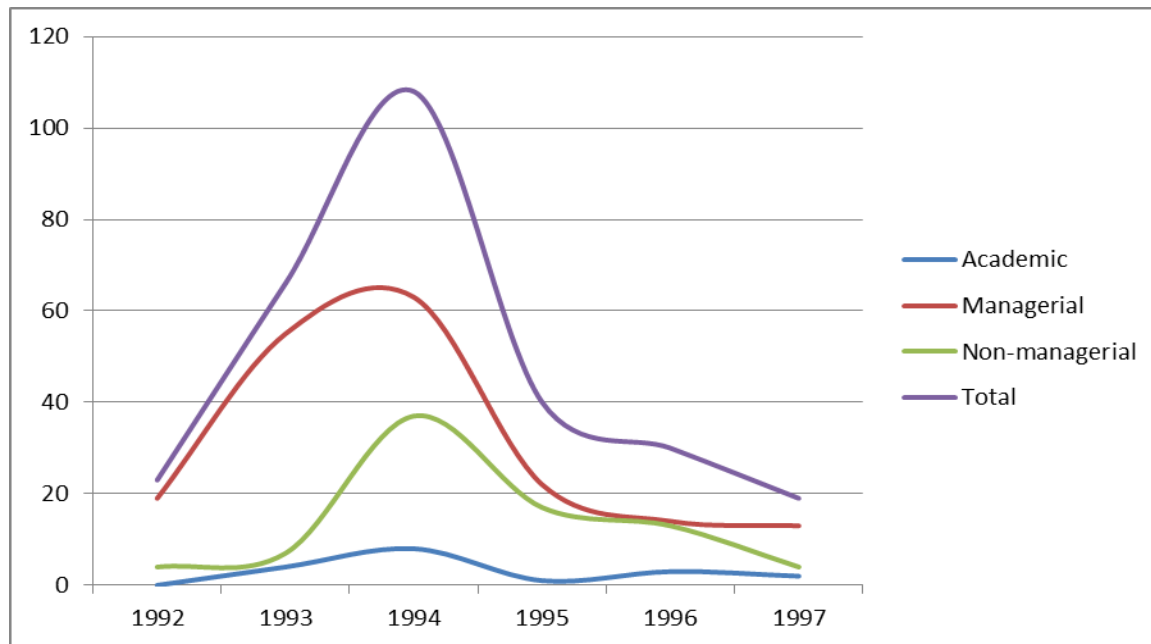
As is visible from the graph, Lean indeed has the bell-shaped feature of a management fashion. Benders and van Veen (2001) in their article on interpretative viability further illustrate what language fashion setters normally use when conveying their message to followers. Citing Røvik (1998) and Kieser (1997), they claim that recurring elements in fashion setters arguments are "*A: Promises of, preferably substantial, performance enhancement; B: the threat of bankruptcy in case of non-adoption; C: using well known and successful users of the concept in question; D: stressing the concept's universal applicability; E: presenting the concept as an easily understandable commodity with a catchy title; F: presenting the concept as timely, innovative and future oriented; G: interpretative viability, i.e. leaving a certain room for interpretation*".[159] Relating the earlier writings on Lean Management to these two combined definitions it becomes evident that Lean indeed is a management fashion containing all these attributes.

An interesting point made in the study by Benders and van Bijsterveld on Lean in Germany was that many companies claimed to use Lean, but were in fact not using it according to the

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[158] In this figure, I have used the numbers from Benders and van Bijsterveld's article (2000) to illustrate the bell-shaped nature of the citations of Lean in different articles. I have not been able to conduct the same analysis in a Danish context, but I consider this to be irrelevant for the purpose of my thesis: my aim here is simply to establish if Lean is a management fashion, disregarding the nationality of the numbers.

[159] Benders, J. and Van Veen, K.: "What's In a Fashion? Interpretative Viability and Management Fashions", *Organization*, 2001, Vol. 8, Issue1, pp. 33-53.

original principles: "*Initiating organizational changes under the banner of "lean production" or "lean management" set into motion a number of recursive loops in which the actions taken became increasingly associated with the banner under which they were taken. (...) the actions taken became identified with the concept, even if they ultimately had little to do with the Toyota Production System or "Japanese management""*. [160]

However, as Benders and van Bijsterveld wrote, it is important to distinguish between a concept's rhetorical and its substantive adoption – it may be that an organization claims to have adopted a certain concept such as Lean (rhetorical adoption), but if it neglects to use the actual principles, it can hardly claim to have substantively adopted the principle.

In the following section, I will look at the role culture plays in Lean Management and how leaders can influence the meaning making capacity by understanding organizational culture.

5.3 The Role of Culture

In this section, I will briefly look into the cultural elements of Japanese management, as I believe these elements must be attended to when leaders wish to manage meaning among organizational stakeholders.

It has often been argued that Japanese management culture plays a major role in the success of management techniques such as TQM or Lean Management.[161]

Gill and Wong (1998) wrote that "Japanese Management" consists of five fundamental principles: lifetime employment, seniority-based wage and promotion, house unions, consensual decision-making and quality circles. Most of these principles are converted into law or based on a historical consensus following WWII, and are therefore a particular Japanese way of managing. However, the success of Lean Management in Western countries illustrate that it is not necessary to become Japanese in order to succeed, but rather to adopt certain organizational culture traits that aim at performance enhancement and leadership delegation.

As described by Paul Lillrank as far back as 1995, "*Japan is not a homogenous seedbed of management innovation. Not all Japanese companies can or want to adopt Lean Production. (...)Thus most of the Japanese management innovations that had a profound effect on management thinking elsewhere originated from a rather small set of industries and leading*

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[160]Benders, J. and van Bijsterveld, M.: "Leaning on Lean: the Reception of a Management Fashion in Germany", *New Technology, Work and Employment*, 2000, Vol. 15, Issue 1, p. 58.

[161] Gill, R. and Wong, A.:"The Cross-Cultural Transfer of Management Practices: The Case of Japanese Human Resource Management in Singapore", *International Journal of Human Resource Management*, 1998, Vol. 9:1, p. 117.

companies: motor vehicles, steel, precision machinery and consumer electronics".[162] So the emphasis for research into Lean must not be confused with particular Japanese national or organizational cultures, but rather with the particular organizational cultures in companies using Lean. The obvious reference point thus is Toyota.

Some of the Japanese management characteristics used by Toyota are of particular importance to adapt when implementing Lean, especially consensual decision-making and quality circles. This is due to the fact that the Lean philosophy has a clear aim of not only continuously improving the quality of its goods or services, but also to delegate the responsibility for change by creating flow and pull to the employees that are involved in the production of the goods or services.

I will thus try to exemplify the areas in which organizational culture should be influenced by drawing on Edgar Schein's (1992) definition of organizational culture. This is not meant to be an exhaustive prescription for leaders implementing Lean, but is intended to guide the leader to areas where the cultural specificities of a change program could be important to influence, such as the distribution of leadership in the organization and nurturing a culture where the primary focus is on quality and waste.

Edgar Schein (1992) defines organizational culture as "*A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you <u>perceive</u>, <u>think</u>, and <u>feel</u> in relation to those problems*".[163] Many criticisms could be raised against this definition, and I do not fully support its encompassing, integrative view of culture. However, for the purpose of this thesis I chose to work with Schein's "Three Levels of Culture"-framework as it presents valuable insights into the different areas of a given organizational culture.

His model "The Three Levels of Culture" will form the basis for understanding how organizational culture influences members and, hence, which areas a leader implementing Lean should be aware of when trying to influence the culture. As Schein (1992) wrote, "*The bottom line for leaders is that if they do not become conscious of the cultures in which they are embedded, those cultures will manage them. Cultural understanding is desirable for all of us, but it is essential for leaders if they are to lead*".

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[162] Lillrank, P.: "The Transfer of Management Innovations from Japan", *Organization Studies*, 1995, 16. Pp. 971-989.
[163] http://en.wikipedia.org/wiki/Organizational_culture#Edgar_Schein Accessed on October 13, 2010. Underlining added by the researcher.

Box 3: Schein's Three Levels of Culture
Source: Own reproduction from http://www.valuebasedmanagement.net/methods_schein_three_levels_culture.html

Three Levels of Culture – Edgar Schein

Artifacts

↕ ↕

Espoused Values

↕ ↕

Underlying Assumptions

Artifacts: This layer is the easiest to influence, as it can easily be changed by management. An obvious example can be the "hard" tools of Lean such as the structures, systems and standards that are pivotal in the foundation of implementing Lean, but also the way employees dress, interact with stakeholders inside and outside the organization, all the way down to a company's mission statement and slogans. The artifacts thus are visible even for the uninitiated outsider.
Espoused Values: The values are more subtle: as described in the model, it can be about corporate strategies (such as a differentiation strategy), goals (such as continuous improvements and cost reductions) and philosophies (such as "Value for Customers First").
Basic Underlying Assumptions: The basic underlying assumptions often operate at an unconscious level in terms of "the way we do things around here" or in the form of unspoken rules, and that is ultimately why it can be so difficult to influence organizational culture: people simply do not realize what their underlying assumptions are. This is where a Lean initiative may experience resistance to change, as employees may have been used to work in completely different ways than prescribed by the Lean philosophy.

As is clear from the graphic depiction of the model, the influences between the three layers move in various directions: basic assumptions influence values and artifacts, but are in turn also influenced by these factors. Leaders must as a consequence attend to all levels of culture if they wish to close performance gaps and create meaning: the performance enhancing function of Lean may fairly easily be attained in the short term, but the more long-term meaning-making function will not occur without the conscious attending to and influence on the cultural levels.

Even though the cultural elements of Lean are important, we must keep in mind that most Lean initiatives (and, indeed most management fashions) are fairly short lived, so that the aim of changing organizational culture on the deeper levels may be overly ambitious. However, it is important to understand as much as possible about organizational members' affiliations and what is important to them when trying to implement a management technique which is intended to not only close performance gaps, but also to create meaning.
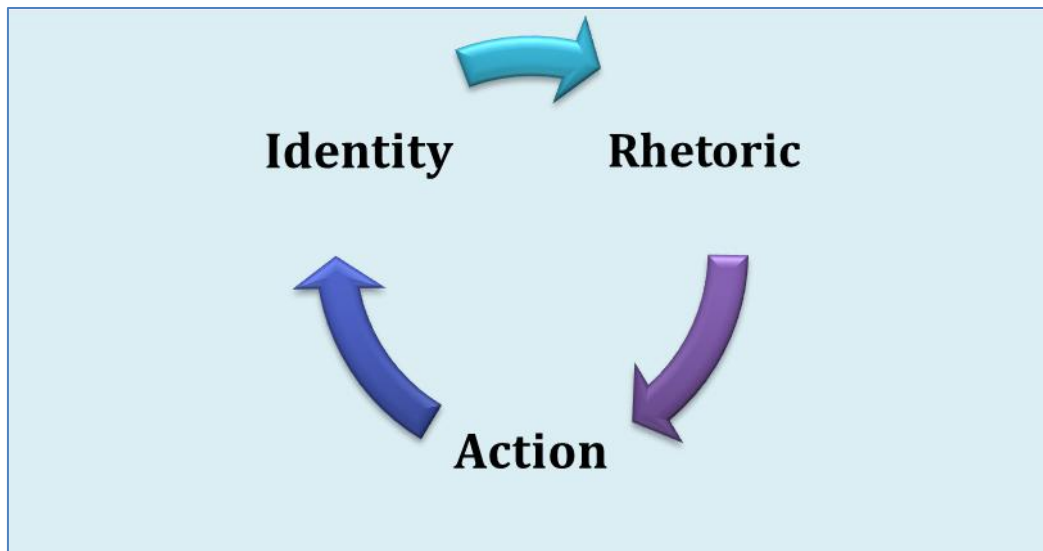
The next section will help us arrive at a deeper understanding of how this is to be achieved by introducing Eccles and Nohria's action perspective and their focus on rhetoric, action and identity.

5.4 Rhetoric, Action and Identity

"*Words may come and go, but* action *is always the managerial imperative*".[164]

Figure 5: The Action Perspective
Source: Own design

Eccles and Nohria's 1992 book "Beyond the Hype" is meant as a critique of the increasing use of fashionable management concepts and empty rhetoric. In their view, a lot of the managerial lingo is jargon, hot air, or merely hype.[165] In the authors' view, what is needed is an action perspective to managing that cuts away all the excessive hype and focuses on what goes on in organizations that leads to effective management.

In line with Abrahamson, Eccles and Nohria raise critique with the all devouring obsession with progress which they term to be an obsession with newness.[166] Instead, they argue, we must reject the obsession with newness and replace it with a focus on usefulness. The action perspective advocates "*a return to the true elements of effective management: rhetoric, action and identity*".[167]

I will deal with each element in turn, before I will present my arguments for how the use of this action perspective can help leaders achieve real benefits from Lean Management and management fashions. Managing meaning becomes much more feasible if leaders acknowledge that all three dimensions play vital roles for influencing organizational members.

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[164] Eccles, R.G., and Nohria, N. (1992): "*Beyond the Hype – Rediscovering the Essence of Management*", Harvard Business School Press, p. 1.
[165] Ibid.
[166] Ibid. p.4.
[167] Ibid. p. 8.

Thus, including the action perspective is primarily motivated as a prescriptive element, where I add to the findings that were made in previous sections about Lean, leadership, management fashions, and culture.

A thorough understanding of these elements are crucial for understanding how Lean is a substitute for leadership, and the action perspective will illustrate the ways in which leaders can constructively use language to promote robust action. As will become clear, the judgment of the leader is pivotal for deciding which rhetoric to use and which actions to take when. Context is of the essence.

5.4.1 Rhetoric

"*In a nutshell, managers live in a rhetorical universe – a universe where language is constantly used not only to communicate but also to* persuade *and even to* create*. The first step in taking a fresh perspective toward management is to take language, and hence rhetoric, seriously – to understand rhetoric as a powerful force always at work in our understanding of organizations*".[168] As was evident from the section on discursive leadership, the focus on rhetoric means that we construct the world through the use of words. Both Eccles and Nohria and Gail Fairhurst have cautioned us to realize that the use of language must become much more conscious among leaders and managers.

As Eccles and Nohria write, "*In organizations, words without deeds are less than empty since they can potentially undermine the powers of all the words that follow them*". [169] This is one important reason why leaders must be careful when choosing which management technique to implement in their organization: when employees have experienced a lot of glossy words and highly promoted corporate change programs only to see them discarded the next year, subsequent attempts of implementing new techniques risk being viewed as just another fashion that will soon blow over. In that sense, it becomes crucial that leaders realize how their words influence their stakeholders, and that they are responsible for the actions or lack thereof that will follow. As the following quote illustrates, "*To view management from a rhetorical perspective is to recognize that the way people talk about the world has everything to do with the way the world is ultimately understood and acted in, and that the concept of revolutionary change depends to a great extent on how the world is framed by our language*".[170]

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[168] Eccles, R.G., and Nohria, N. (1992): "*Beyond the Hype – Rediscovering the Essence of Management*", p. 9, Harvard Business School Press, US.
[169] Ibid. p. 10.
[170] Eccles, R.G., and Nohria, N. (1992): "*Beyond the Hype – Rediscovering the Essence of Management*", p. 29, Harvard Business School Press, US.

When leaders wish to use rhetoric to initiate robust action and create meaning and purpose among organizational members, it thus becomes important that they realize what their framing entails and how the desired change is to be achieved. This is what distinguishes what Eccles and Nohria call "powerful" rhetoric from "mere" rhetoric.

One of the reasons for why I argue that Lean is a substitute for leadership is exactly due to the language it uses. As already shown, Lean rhetoric has its main emphasis on effectiveness. By stating that it is possible to cut costs in half, improve effectiveness, banish waste and ultimately supply customers with high quality products, this rhetoric is one that can instill pride in employees and that can also motivate the actions needed to achieve these performance goals. At the same time, the use of a powerful rhetoric infuses organizational members with a renewed sense of purpose and meaning, provided that the leader understands how to use rhetorical devises such as metaphors, storytelling, myths, slogans etc. that fits the identity of members: "*Using the language of "we" rather than of "I" immediately connects rhetoric to collective action, even if it leaves the details of this action up to the audience itself*"[171] (more on this in section 5.4.3).

As mentioned earlier, the interpretative viability of Lean and other management fashions leaves room for flexibility and interpretation in the application, something which Eccles and Nohria stress as being very significant: "*(...) effective rhetoric aims to be clear, but never* too *clear. It aims at being robust across as many situations as possible and to be flexible enough to incorporate the different meanings, emphases, and interpretations that different people will inevitably give to it*".[172]

The reason why much rhetoric is seen as being "hot air" may be due to the fact that leaders can talk as much as they want about how they intend to reach impressive performance targets, but that if they merely adopt the rhetoric of a management fashion without the substantive adoption, they will surely miss the desired performance targets as well as the meaning creating potential.

Eccles and Nohria attribute this lack of success with the lack of action: "*All too often, rhetoric that does not produce action leads to disillusionment*".[173] The reason, they argue, is that there is too much focus on design rather than the required change: "*(...) real change depends fundamentally upon new ways of acting accompanied by new ways of talking. The basic task of management, if we may state it so boldly, is to mobilize action by using language creatively to*

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[171] Ibid. p.36.
[172] Ibid. p. 35.
[173] Ibid. p. 36.

appeal to the self- and collective identities of individuals".[174] Again, action is the managerial imperative.

5.4.2 Action

The authors emphasize that it is important that action becomes robust (another, more fashionable word, could be sustainable) in the sense that it becomes "*action that accomplishes short-term objectives while preserving long-term flexibility. Because future problems are always uncertain, present actions should not constrict a manager's ability to adapt to new situations as they evolve*".[175] This all sounds good and well, but how are leaders to decide which actions to take and when? Eccles and Nohria suggest that this is dependent on the leader's judgment. It is critical that leaders try to scout their external environment for tendencies and developments while simultaneously looking internally for resources and opportunities. How this judgment should then be exercised is indeed content- and context dependent, and I will therefore not try to recommend generalizable, specific actions that leaders should propose, for the simple reason that every organization faces different challenges and must therefore act differently.

The authors suggest seven principles for robust action: "*1) Acting without certitude; 2) Constantly preserving flexibility; 3) Being politically savvy; 4) Having a keen sense of timing; 5) Judging the situation at hand; 6) Using rhetoric effectively; 7) Working multiple arenas*".[176] It lies beyond the scope of my thesis to further analyze these principles, but nevertheless I find them important to include as they highlight areas that leaders should always strive to master to be effective leaders.

As described earlier, leaders and managers are expected to be rational and progressive agents that make decisions based on facts, but this is seldom the case. Therefore, leaders must act in a pragmatic way where they cannot fully foresee the consequences. Applying a management fashion in such a context is therefore advisable only when the leader judges it to be appropriate for the situation that currently exists, and this is also why I oppose the fashion setters' arguments that highlight Lean or other fashions as the technique that will solve all problems. Eccles and Nohria write about designs that managers "*must remember that their*

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[174] Ibid. p. 37.
[175] Ibid. p. 11.
[176] Ibid. pp. 40-44.

ultimate aim is to get things done, not to devise elegant designs. Designs must properly be seen as a means to an end, as opposed to an end in themselves".[177]

The authors also alert us to understand leadership from a new angle. Rather than being seen as clairvoyant actors that must first define goals and strategies before taking action, leaders should be viewed as "*(...) someone who crystallizes and* makes sense of *past and present actions (...). Rather than expecting our leaders to be clairvoyant about the future, we should expect them to be robust actors – actors who are thoughtful historians of the past and creative participators in the present*".[178]

5.4.3 Identity

The third and final component in the action perspective is identity. For Eccles and Nohria, it is of crucial importance that a leader understands the "*unique identities of the people with whom one deals*".[179] I also mentioned this in the section dealing with the role of culture, where I underlined that organizational leaders must be able to influence perceptions and, hence, organizational culture, in order to benefit from Lean Management both in terms of performance gaps and meaning creation.

Eccles and Nohria write that, "*Since identity is something that must be understood and managed in the particular, the question of "what motivates people" must always be grounded in specific contexts*".[180] That particular realization makes it feasible that leaders do not blindly adopt whatever measure Lean or another management fashion will prescribe as being motivating, but that they have the sensitivity and knowledge of their employees and their particular concerns that will enable them to understand what motivates the employees. It is therefore futile to expect that what motivates one employee will also motivate the other.

For example, in Lean it is assumed that employees will be motivated by a larger degree of responsibility and the distributed leadership that follows. But can we really assume that this is true for all employees? I would argue that some employees would be hesitant to embrace this as motivation, because with increased responsibility comes increased accountability which may be demotivating for some. As Eccles and Nohria write, "*Robust action, which takes*

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[177] Eccles, R.G., and Nohria, N. (1992): "*Beyond the Hype – Rediscovering the Essence of Management",* Harvard Business School Press, p. 54.
[178] Ibid.p. 58.
[179] Ibid.p. 12.
[180] Ibid. p. 12.

account of situational specifics, requires a robust concept of human behavior based on identity, which takes account of individual specifics".[181]

The action perspective thus recommends leaders to be particularistic in their treatment of employees, rather than applying a universalistic approach to everyone. This is of course a lot more complex approach to managing people, but nevertheless, Eccles and Nohria argue, it is the one that is most efficient for achieving robust action: "*Recognizing who a person wants to be, and realizing the implications of this for what she wants to do, is the key to creating a context in which the right kinds of action occur*".[182]

In the end, the leader must act to ensure that he treats employees as individuals with diverse desires and motives for working, and he should allow the tools provided by whatever management fashion to work so that they enhance rather than impede the mobilization of robust action. Only by acknowledging the emergent nature of identities among all organizational members will leaders truly benefit from diversity.

5.4.4 How Can We Use the Action Perspective?

The reason why it can seem difficult to work from the action perspective is fairly simple: Eccles and Nohria do not provide specific guidelines for which actions to take, what rhetoric to use, or how to manage multiple identities. In brief terms, they say: it depends. It depends on the context, employees, challenges, judgments, perceptions of the situation, the identities in the organization, etc.

However, I believe that their recommendations are of crucial importance for succeeding in providing effective leadership in an organization. How would it be possible to manage meaning if the leader does not understand the way his employees view the world? Could he even dream of influencing their behavior if he did not understand their desires and motivations? Conveying a message, as was shown earlier, is founded on the proper use of rhetoric adjusted to the recipients. If the leader fails to realize this, then he surely cannot mobilize the robust action that is needed to change the organization.

In relation to a Lean implementation, it thus becomes pointless to simply assume that hiring Lean consultants and initiating the implementation with a pep talk will ensure the success of the organization. The leader or management team must understand how they can use the particular identities and cultures in the organization to develop the proper rhetoric that will

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[181] Eccles, R.G., and Nohria, N. (1992): "*Beyond the Hype – Rediscovering the Essence of Management*", Harvard Business School Press, p. 12.
[182] Ibid. p. 63

infuse organizational members with a sense of meaning that ensures that robust action will follow.

5.5 Category 3: Lean Management and the F*Word

The management fashion term has received extensive critique by some of the interviewees, not surprisingly mainly from the consultants (who happen to live off selling Lean).

In this section, I will examine why that is so. Is it because they fear that recognizing Lean as a management fashion detracts from the technique's validity and credibility? Or are they simply so enmeshed in the concept that they have become "true believers" in the immortality of Lean?

My argument is that recognizing Lean as a management fashion does not subtract from its value as a management technique. Rather, the aim of this thesis has been to show that Lean and other management fashions are not only about management, but that they are also substitutes for leadership.

A quote will illustrate how strong one of the consultants were in his belief in Lean as a sustainable concept:

"I can follow that the Lean wave is a kind of fashion. My opinion is just that Lean offers something that is qualitatively better than so many other [management concepts]. *In short, I am probably one of the strong believers in Lean. I simply think that there are some mindsets, principles and Lean tools which have some qualities that can lift all organizations."*[183]

JCR at one point even said that, "*My point is that Lean is perceived by many, and taken and implemented, as just the latest fad. And I think that is disrespectful to the origin of Lean*".[184]

But why do they protest so much to the fashion concept? I suspect that it is due to three main things: first, they are used to working with Lean, but they have no practical experience with other management fashions. Hence they cannot see the link. Second, they have both seen remarkable results, and therefore truly believe that it is *something that is qualitatively better than so many other* [management concepts] as stated above. Finally, as discussed in the theory on management fashions, the term "fashion" makes them uncomfortable because they fear that it may diminish the importance of their product (which is currently Lean).

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[183] Peter Lindberg via email on March 4th, 2010. Translated from Danish by the researcher. Words in brackets are inserted by me to clarify the meaning of the quote.
[184] Appendix B – Interview with JCR.

They did however both acknowledge that they in the future probably would be selling some other services. PL said that, "*I believe that it is sustainable (...). But it may be that people in ten years' time will say that we were wrong or that the perspective was wrong, and now we need to change the focus to somewhere else. It is obvious that the pendulum swings, because we choose to focus, and that is right now on waste elimination and improvements and things like that*".[185]

JCR admitted that, "*It is true that as consultants we often live off new ideas. There is a pull from the market towards new ideas, which has given us a lot of business over the last ten years, and when that well dries out there will not be as big a pull on Lean. I think we will continue with it. (...)But it will not be the big blockbuster and the big train pulling a lot of business, simply because market demand will move to the next management fashion. We don't invent the management fashions, we try to spot them and grow them early to get a head start towards competitors*".[186]

He went on to say that, "*The book we have written about Lean leadership introduces something called Lean version 2.0, saying that there is something after the basic Lean and that we need to move on. And the aspect is very much leadership rather than toolbox, because Lean version 1.0 was very much toolbox and now we are moving in to leadership and management behavior*".[187]

PB of Carlsberg admitted that he thought that Lean was a fashion, and that the department would be called something else in the future: "*It will definitely be something else. I see that we have changed a lot in the few years that I've been here. What it will be depends very much on which challenges our managers want us to support them with. We see that, because Lean has had so much success in Carlsberg, we get a lot of other initiatives that are really not linked to Lean, or at least not to the traditional way of thinking about Lean. We get that because we are successful, because we have people in the breweries that can implement and follow up, so a lot of new things are coming in to our team*".[188]

So even though PB, JCR and PL all – albeit somewhat hesitantly - acknowledge that Lean may be a fashion, they still believe that Lean has something that can help organizations, and, as is hopefully evident by now, so do I. My argument is that to recognize Lean as a management fashion and as a substitute for leadership can assist in utilizing Lean in a broader and more comprehensive way than is done today.

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[185] Appendix A – Interview with PL.
[186] Appendix B – Interview with JCR.
[187] Ibid.
[188] Appendix D – Interview with PB.

5.6 Summary chapter 5

This chapter described and critiqued the theory on management fashions by Eric Abrahamson in order to show how fashionable management techniques were created, selected, processed and disseminated in the so-called management fashion market. I also described the roles of the fashion setters and the fashion users. In this process, I introduced Abrahamson's distinguishing features of management fashions from aesthetic fashions by emphasizing that management fashions include techno-economic factors as well as socio-psychological factors. The section on management fashions also illustrated the focus there is on closing performance gaps in the literature, in that it mostly neglects to deal with the other element of leadership research and practice as emphasized in chapter 4, namely that of meaning creation.

I then proceeded by arguing for why Lean is a management fashion, building on the findings in chapter 3, the argument by Benders and Van Bijsterveld, and the definition defined by Abrahamson. I concluded that Lean indeed is a management fashion according to this definition. A graph was developed based on the counting of articles on Lean that showed a clear bell-shaped distribution over the years 1992-1997.

I then discussed the role of culture. I argued that Lean has drawn on some elements of Japanese culture instigated by tradition and law, but that Lean is not closely coupled to a distinct Japanese culture. Rather, Lean is the product of a philosophy of working that has been applied primarily in Toyota. Edgar Schein's "three levels of culture" model was introduced to highlight some areas where leaders could benefit from directing their attention to, while I also noted that Lean and other management fashion initiatives are often too short-lived to radically impact the deeper layers of organizational culture.

In the fourth section, I presented the writings of Eccles and Nohria dealing with effective management and how leaders can get "beyond the hype" by using an action perspective on management. In line with these scholars I argued that effective management is centered on three elements: rhetoric/language, robust action, and identities. In line with my analysis of discursive leadership, Eccles and Nohria present the view that rhetoric matters a great deal when influencing organizational members. Just as a leader can infuse organizational members with a sense of meaning and purpose that creates robust action through the use of effective rhetoric, she can also destroy the organization's possibilities for achieving success by the use of ineffective rhetoric.

In order to get robust action – action that fulfills short-term goals while preserving long-term flexibility – the leader must always evaluate the context the organization is in, and understand the emergent and particularistic nature of the organizational members' identities.

Thus, it became clear how not only Lean, but all management fashions can act as substitutes for leadership by inspiring commitment, mobilizing action and providing legitimacy for organizational change by spreading responsibility and distributing authority in an organization.

The final section concluded the empirical analysis. As the statements in section 5.5 revealed, the opposition to view Lean as a management fashion is mainly out of fear on behalf of the consultants that Lean will lose its value as a management technique. However, when I explained what I meant by saying management fashion, they admitted that Lean as a selling point is unsustainable in the long term, and that they would probably be working with new management techniques in the future. Although they recognized this, the consultants also believed that Lean has something more than other management fashions, but they could not point to exactly what that was. Lean manager PB had a more balanced view and acknowledged Lean as a fashion, but a fashion that has worked well in Carlsberg.

Ii is my assumption that Abrahamson's use of fashion has meant that consultants and others working with Lean often reject this as something that has no relevance for them. To the contrary, the consultants adamantly defended Lean while pointing at other concepts as being fads or fashions.

This may be due to the fact that people who are deeply involved with a management fashion fail to realize it as such, probably because the fashion at that time still seems to be rational and progressive.

The next chapter will round up on all the findings and link the areas of Lean, leadership and management fashions in a new way that opens new possibilities – a transformative redefinition – for dealing with them, hopefully to the benefit of everyone involved in these fields.

Chapter 6: Conclusions

The initial statement that Lean Management is a substitute for leadership should make sense by now, and I have gone through a number of steps in order to support that argument.

I found this argument to be intriguing because it opens up for an entirely new way of viewing Lean, leadership and management fashions. By using alternative interpretations of these subjects, it becomes possible for stakeholders to more critically assess the potential impacts from implementing Lean or any other management fashion, and this is in line with the prescription from Alvesson and Deetz that a transformative redefinition, "[develops] *critical, managerially relevant knowledge and practical understandings that enable change and provide skills for new ways of operating*".[189]

This final section will contain the entire process carefully boiled down to its essential learning points.

In order to provide a transformative redefinition of Lean, leadership and management fashions, I find it relevant to start by answering the two sub questions first.

1. **How does Lean Management function, and what are the leadership dynamics of Lean Management?**

Lean Management works by following the five Lean principles: Focusing on customer value, mapping the value stream, creating flow and banishing waste, pulling products or services through the organization, and by focusing on continuous improvements. This is done in a multitude of ways such as producing flow charts, standardizing and systematizing work processes, aligning the organization so that it is flexible and consists of multi-skilled teams, developing closer and more long-term relationships with suppliers and customers, etc. There were also multiple examples of these elements in the interviews I conducted.

The leadership dynamics consist of the ways in which Lean can inspire commitment, mobilize action and provide legitimacy for organizational change by spreading responsibility and distributing authority in an organization. This is primarily done through the use of language, which focuses efforts on areas that will enable an organization to implement the Lean principles. The argument put forth in this research means that we can choose to regard Lean as something more than a management technique: the leadership dynamics of Lean can

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[189] Alvesson, M. and Deetz, S. (2000): "*Doing Critical Management Research*", p. 19, Sage Publications, London.

reduce the need for leadership in the form of hierarchical leaders. The interviewees unknowingly illustrated several of the described leadership dynamics, and they also spoke about which leadership style that in their opinion was best suited for Lean, but they did not recognize Lean as a substitute for leadership of its own.

2. How can Lean and other management fashions diffuse leadership in organizations?

The way Lean Management and other management fashions diffuse leadership in organizations is different depending on what the focus of the management fashion is. In a fashion such as BPR, it would promote the centralization of business units and a tightening of the formal leadership's influence on processes. In Lean, it promotes distributed leadership and organizational change. The rhetoric used in Lean is primarily concerned with effectiveness, and this emphasis inspires commitment, mobilizes actions and provides legitimacy for all the changes that are deemed necessary to implement Lean. Thus, it also acts as a substitute for leadership according to the definition of leadership I have adopted. My assumption is that most leaders today look to what a management technique may do in terms of effectiveness, quality or financial results, but neglect to see the technique as a vessel that carries a certain form of leadership. Therefore, understanding management fashions as substitutes for leadership makes it possible for leaders to evaluate what kind of leadership they intend to spread in their organizations.

The analyses that have been conducted throughout my research and answering these sub questions makes it possible to answer my research question:

> ***"How can Lean Management and other management fashions function as substitutes for leadership?"***

Lean Management can thus be conceived of as a substitute for leadership in the following ways: it promotes horizontal rather than vertical linkages (i.e. the whole supply chain); it focuses more on peer reviews than on authority controls; it requires flexible, autonomous teams; it proposes a radical transformation of decision-making authority and responsibilities; and it treats the employees as the organization's key resources who have the required specialist knowledge to implement the five Lean principles fully. As was argued in the section

on culture, this is a trait that has a focus on long-term relationships between organizations and their employees. Uncovering the leadership dynamics of Lean and relating them to the substitutes for leadership-concept made it possible for me to argue that Lean is a substitute for leadership. The most important substitute effects are that Lean promotes effective and specific actions, and creates meaning and a sense of direction among organizational members.

As for **management fashions**, they can substitute for leadership in different ways, depending on their specific focus. However, as my focus has been on Lean, I did not go into a further discussion about how this works for BPR, TQM or other concepts.

However, as argued in chapter 5, it is critical that leaders take an action perspective when applying management fashions, and that they make sure to use the appropriate rhetoric that mobilizes robust action that will make it possible to fulfill whatever goals they have.

In doing so, it is critical to be aware of the multiple identities that organizational members have. Leaders must also analyze and try to influence the organizational culture in their organizations, and my argument is that some leaders in this process may discover that Lean or another management fashion is not suitable for their particular organization or business objectives. This awareness may ultimately enable leaders to save considerable time and resources, while they can choose other, more relevant fashions for their particular context that will solidify their appearance as rational and progressive leaders.

The fashionable concept viewed this way may also help the fashion setting community reach better insights into the life cycle of their products, and they can consequently use that knowledge to try to alter existing management fashions so that they can close organizational performance gaps for a longer period of time before they are outdated. I have included the fashion perspective to counter the claim, both by theory and my interviewees that this detracts from the validity of these concepts. As previously argued, I believe that this recognition also may open the fashion setters' eyes to the leadership dynamics of management fashions, and that this may assist them in prescribing actions for their customers.

Leadership in my opinion should be seen as a distributed, discursive and relational phenomenon, and not something that exists externally of leaders and followers. It is socially constructed, and in order to obtain a new understanding of leadership, I agree with Gail Fairhurst that we must include both leadership psychology and the discursive approach. Another important discovery was that leadership research and practice has primarily dealt with the performance gaps of organizations, and only to a lesser extent with the meaning

making task of leaders. By including the views of Polodny, Khurana and Besharov, Fairhurst, and Eccles and Nohria, my aim was to argue for the balancing of these two foci in order to bridge the gap.

Leaders should thus realize that employees often care more about their own motivations and sense-making of their role than their organization's financial results. This can aid leaders in leading in a way that is more encompassing of the multiple identities and interests of an organization's members, whose commitment is essential for success in any business.

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Chapter 8: Appendices

Appendix A – Interview with Peter Lindberg (PL)
Interview med Peter Lindberg den 16/6 2010

Først vil jeg gerne høre lidt om hvem du er, din rolle i Valcon, og dine erfaringer i forhold til at arbejde med Lean.

Jeg arbejder i den gruppe i Valcon, der arbejder med Lean i administration og service. Det er sådan, at i Valcon arbejder vi i tre afdelinger med Lean: Lean Manufacturing, Lean Administration og Service, og Lean Innovation, og det er fordi, at selvom tankesættet og grundprincipperne er de samme, så er der forskelligt fokus og forskellige værktøjer man arbejder med afhængigt af om det er den ene eller den anden slags Lean. Så det har vi ligesom specialiseret.

Så den gruppe sidder jeg i, og har siddet der i 3, nej 3½ år og har sådan set ikke beskæftiget mig med andet end det, så det er værktøjs-Lean og ledelses-siden af det jeg arbejder med. Så jeg er udførende konsulent, og det bruger jeg langt størstedelen af min professionelle tid på. Det sidste halve år har jeg så haft en intern rolle i Valcon, hvor jeg også har været ansvarlig for videreudvikling af vores services. Så den rolle har jeg også.

Har du før arbejdet med andre koncepter såsom BPR eller TQM eller sådan nogen ting?

Nej, ikke sådan udpræget. Jeg har arbejdet meget med procesforbedringer gennem ERP implementeringer, hvor jeg har arbejdet ekstremt meget med processtandardisering, og så har jeg lavet noget procesintegration. Men det har ikke været ud fra en sådan bevidst ledelsesfilosofi, det har mere været sådan rimeligt jordnært kan man sige.

Så tænker jeg på om, hvis du har noget kendskab til nogle af de her andre koncepter, eller har hørt om dem eller har kollegaer der har arbejdet med dem, om du så kan se nogle former for links mellem de her måder at arbejde på og Lean, i forhold til at der er nogle ligheder, eller om Lean måske kan siges at være en videreudvikling. Jeg har beskæftiget mig en del med TQM på studiet også, og der kan jeg se nogle klare links.

Jeg har ikke arbejdet ret meget med det, så nej. BPR har vi en holdning til i Valcon, fordi den måde det bliver udført på af andre konsulentvirksomheder i Danmark, der er det en meget ekspertpræget måde at lave procesforbedringer på. Det foregår ofte på den måde, at der kommer nogle konsulenter ud og laver nogle relativt minutiøse procesoptegninger, og så kommer de tilbage med nogle anbefalinger til hvordan processerne bør justeres og ændres for at forbedre dem.

Men det er sådan meget ud fra en tilgang til det at det er konsulenterne der er eksperterne. Man kan sige at vi arbejder egentlig ud fra den tilgang her, altså vi arbejder meget med begreberne spild og værdiskabelse, og så arbejder vi meget ud fra en tro på, at vi udfordrer og får organisationens medarbejdere og ledere til at se tingene i et nyt lys, men det er egentlig dem selv der skal pege på de konkrete forbedringer, altså præcist hvor er det egentlig de ser et spild.

Men jeg kan ikke relatere ret meget til TQM, jeg kender ikke teorien ret godt. Beklager.

Nu har du jo fremsendt mig det materiale på hvordan I gør, men hvis du ligesom kan forklare ganske kort, hvordan forløber det. Altså, en kunde kontakter jer omkring et Lean-projekt, hvordan forløber det fra start til slut?

Der er fire faser, og den første er sådan en slags planlægningsfase/opstartsfase, og det vi lægger vægt på der, det er at få en dialog med kunden, og få tydeliggjort hvad det egentlig er for nogle problemstillinger som de ønsker at få gjort noget ved, og hvad for nogle succeskriterier skal vi sætte op for projektet, sådan at meget, meget tydeligt kan se, hvor er det egentlig at det gør ondt i organisationen, og så vi også bliver relativt skarpe på, at når vi skal kigge tilbage på projektet, hvornår vil det projekt så have været en succes. Eksempelvis: vi vil have vores kvalitet forbedret med x procent, eller effektiviteten steget, eller kundetilfredsheden. Det kan være flere forskellige parametre.

Så vi prøver at blive klogere på, hvad det egentlig er for en problemstilling gennem 1-2-3 møder med kunden, og ud fra det så bliver vi også klogere på, hvad det egentlig er for nogle processer vi skal ind og kigge nærmere på, for Lean det er jo procesdrevet, så vi skal ind og kigge på: hvad er det egentlig for nogle processer der er i spil for kunne gøre noget ved problemet.

Så gør vi det i den fase, at vi siger til kunden, at vi skal have allokeret en intern projektleder som kan være med til at drive det her sammen med os, som er den eksterne projektleder, og så skal vi have fundet nogle mennesker som kender processen rigtig godt, det skal være nogen

som arbejder med processen til daglig. Det er helt afgørende at de har et fortroligt kendskab til processen, så de kan sige præcis hvordan det foregår.

Så de mennesker identificerer vi, vi laver noget tidsplanlægning i opstartsfasen, og så beder vi typisk om en masse data, dvs. transaktionsdata på hver af disse processer, altså hvor mange transaktioner er der. Eksempelvis, hvis det handler om at servicere et produkt, hvor mange servicehåndteringer er der på en uge, på en måned, om året. Kan vi sige noget om produktiviteten, om fejlraten, om kvaliteten og sådan nogle ting, så vi får så meget data som muligt når vi forbereder det. Det er forberedelsesfasen.

Analysefasen består så typisk af at vi laver value stream mapping på de her processer. Vi ruller et stort stykke brunt papir ud, hænger det op på væggen, og tegner processen op ved hjælp af sedler og så mapper og får synliggjort processen. For mange kunder, og medarbejdere, er det en meget stor aha-oplevelse at se processen foldet ud sådan end-to-end. Allerede der er der enormt mange uhensigtsmæssigheder, eller det vi kalder spild, der bliver tydeliggjort for medarbejderne når de bare ser processen foldet ud. For måske arbejder de kun i den ene halvdel eller den anden halvdel, og der skal så være nogen til stede som repræsenterer alle dele af processen, sådan at de sige: "det er sådan her vi gør, og det er her vi typisk håndterer et eller andet som vi altid skal dobbelthåndtere, fordi I altid glemmer at få den og den type informationer med".

Når vi har tegnet processen op, så laver vi en brainstorming på processen og på, hvor ser vi egentlig spild? Og det kan de næsten ikke lade være med, det kommer næsten under selve optegningen. Så sætter de sedler op, en seddel per spild, og så drøfter vi igennem hvad der egentlig ligger i det når vi siger der er spild her. For spild er typisk bare et symptom, så vi prøver via dialog at få snakket os ind på hvad det er for en bagvedliggende problemstilling, hvad er det for drivere der forårsager det. Det er sådan set med til at kvalificere den næste øvelse vi laver på sådan en workshop, hvor vi prøver på at få folk til at sige, "hvordan kan vi så forbedre det her". I udgangspositionen har mange medarbejdere private holdninger til, at man skal bare have et eller andet IT system, eller et eller andet værktøj der kan gøre sådan og sådan. Meget ofte viser det sig at det ikke er IT der nødvendigvis er løsningen når vi har de her samtaler omkring spildelementer. Det viser sig at det mere har noget at gøre med afstemningen mellem hvem der gør hvad hvornår eller hvilke typer af information bruges i processen. Men nogle gange er det selvfølgelig også IT. Men det får man tit kvalificeret. Og så er det typisk sådan at man gennem sådan en analysefase som er ca. 5-6 uger, så kører man et antal workshops, typisk af en hel dag ad gangen, og så samler vi op og prøver at konsolidere og sige hvad er stort og hvad er småt i det her, og så anbefaler vi typisk nogle indsatsområder

som vi så tager op til en styregruppe som træffer en beslutning. Tit er der egentlig et ønske om at lave flere indsatser end man kan. Det kan være at der mangler en eller anden form for værktøj, det kan være at man siger at vi skal ind og lave en reorganisering, og det kan også være at man siger at vi skal ind og skrue lidt på nogle processer eller lave nogle forenklinger. Styregruppen tager så stilling til hvor meget af det her de vil sætte i gang i forhold til hvor travlt vi har lige nu, i forhold til konkurrerende projekter som ligger beslag på medarbejdernes tid, og der træffer man så beslutning om en designfase. Det er klart, at der laver man ligesom en beslutning på de succeskriterier og det ambitionsniveau man lavede i opstartsfasen, er det stadigvæk realistisk, eller kan vi ligefrem gå efter mere?

I den næste fase, designfasen som er typisk en 6-8 uger, der prøver vi så for hvert indsatsområde at lave en relativt detaljeret projektplan for hvad det er for et stykke arbejde der skal laves. Som sag kan det være at vi skal reorganisere, lave nogle standarder for hvilke ydelser det egentlig er vi skal producere, fordi hver medarbejder sidder og servicerer kunderne på hver deres måde, og nogle overservicerer og nogle underservicerer, og der er masser af spild i det. Og det skal de så producere. Vores rolle er meget at udfordre måden de tænker på, og så at styre processen som projektledere. Når det er ved at være overstået, så er vi sådan set ved at være klar til at tage de her løsninger i brug, og så er der en implementeringsfase som typisk handler meget om forandringsledelse. Det handler om at gå ud og kommunikere og forklare resten af organisationen hvorfor vi nu kommer og implementerer disse ting. Det gør vi sådan set også i slutningen af analysefasen, så holder vi nogle informationsmøder for de medarbejdere der ikke har været med og fortæller dem hvad vi har fundet, og hvad vi har besluttet os for at sætte i gang. Så får de informationen en gang til når vi skal til at implementere, og så kan vi være mere konkrete og fortælle hvad det egentlig er som rammer dem nu. Man kan så sige, at en implementeringsfase er typisk en masse opfølgning. De forskellige indsatsområder har typisk en tovholder, som vi kalder det, som er sådan en mini-projektleder som er dem der skal binde tingene sammen, og de skal sådan set også være dem der først og fremmest er ambassadører for løsningerne når vi implementerer dem, men gerne sammen med de andre der også har været det. Det der i høj grad er kunststykket det er at sørge for at vi har involveret lederne hele vejen igennem forløbet, for når vi kommer dertil at det bliver lidt svært – selvom det er åbenlyse gode idéer vi er kommet frem til – så er der altid lidt modstand mod forandring. Det er aldrigsort/hvid på den måde, at udgangssituationen var dårlig, og den nye situation, den er bare fantastisk. Der er fordele og ulemper ved den gamle situation, og der er fordele og ulemper ved den nye situation. Der kan også godt være nogle uhensigtsmæssigheder ved den nye måde at gøre det på, det må vi

ærligt indrømme, men tit er det sådan at de er langt opvejet af fordelene. Men nogle kan godt stirre sig blinde på det. Der er jo nogle organisationer hvor medarbejderne er meget dårlige til at modtage forandringer – der er meget stor forskel på hvor trænede medarbejderne er i at kunne håndtere at der sker forandringer. Og det skal lederne håndtere, fordi tovholderne er typisk "bare" kolleger til de andre, og når det bliver lidt hedt og der er nogle der virkelig e blevet sure over "hvorfor fanden skal vi nu lave noget om", så er det ikke sikkert at de har lyst til at stå oppe på ølkassen og blive ved med at forsvare det her. Og så siger de "ja, men det var også konsulenten" eller noget i den stil, og det er der det virkelig skal stå sin prøve, og det er der at det er vigtigt at lederen er parat til at stå på mål for de løsninger vi nu har lavet.

Så det er typisk sådan et projektforløb ser ud.

Spørgsmålet er så hvad vi skal snakke om nu, for Lean i projekt og Lean i drift er to forskellige ting. Man bliver jo aldrig færdig når man arbejder med Lean, der vil jo altid være forbedringer, ting man kan gøre næste gang, og ting man gør løbende.

Vi anbefaler typisk at du starter med et projekt hvor du får lavet et ordentligt ryk og får implementeret nogle af de her Lean principper via nogle bestemte værktøjer og løsninger du laver, og så holder du måske en pause på ½-1 år, hvor du får det her til at virke og laver nogle løbende forbedringer i dagligdagen, og så tager du måske et projekt mere, måske et lidt mindre projekt. Men ledelse i dagligdagen er jo lige så meget det, for Lean handler jo ofte om at få skabt noget synlighed omkring hvilke opgaver vi har og hvilket opgaveflow ud og ind vi har, styre at vi overholder deadlines og den slags ting, og det er jo i høj grad lederen der skal træde i karakter der. Vi arbejder meget med det begreb vi kalder driftsledelse, i virkeligheden med Lean-ledelse og driftsledelse, og vi tenderer til at bruge de to begreber lidt i flæng, fordi vi synes at det handler meget om det samme. Driftsledelse er ligesom det med at kunne styre den måde et team løser opgaverne på. Det er meget en produktion af opgaver, ligesom du på en fabrik har en produktion af nogle varer, så producerer du nogle opgaver og nogle ydelser, og det er det perspektiv vi har. Enormt mange ledere i service og administration er gode faglige ledere, de er typisk blevet ledere fordi de var de bedste rent fagligt, og hvis de har været på nogle lederkurser er de typisk blevet trænet i personaleledelse og lignende værktøjer. Men driftsledelse, altså ledelse i at kunne sætte klare prioriteringer i hvilke opgaver der er vigtigere end andre, at kunne arbejde med hvilke opgaver man sige ja tak og nej tak til i vores team, at have styring med hvilke kanaler vi modtager opgaver i, hvordan kvalitetssikrer vi opgaverne når de kommer ind. Eksempelvis Lean i en IT-funktion: de får tonsvis af forespørgsler på at løse nogle problemstillinger. Et helt oplagt spildelement i sådan en funktion er, at de går i gang med at løse nogle problemer, som ikke er godt nok beskrevet

fra brugeren, og spilder en masse tid på det. Så driftsledelse handler om, at når vi sætter en opgave i gang, så skal vi sætte den i gang på det rigtige grundlag. Det kunne også være en styrelse med henvendelser fra borgere, der i henhold til loven skal vedlægge nogle bestemte informationer for at man kan behandle en sag. Så går man i gang med at behandle en sag, og konstaterer at informationen mangler. Den visitering i processen indledningsvist er jo en driftsledelsesdisciplin, som vi også mener, er en Lean disciplin, som man følger op på og diskuterer, "hvordan gør vi nu det". Så indfører man typisk nogle standarder for hvad der skal være på plads før man sætter en opgave i gang, altså følger nogle tjekpunkter, og det er sådan nogle driftsledelsesting som mangler ledere aldrig nogensinde er blevet uddannet i og aldrig har fået som en del af deres værktøjskasse.

Det er meget interessant. Min underliggende tilgang til specialet er, at jeg synes at Lean er meget interessant – det firma jeg arbejder i nu taler om at implementere Lean, og vi har også hørt ekstensivt om det på CBS, og jeg har lige afsluttet et fag om Lean Implementering – og da jeg talte med min vejleder, Eric Guthey, anbefalede han mig at "komme op i helikopteren" og se tingene i et større perspektiv.

Det der lidt kan være problemet nogle gange er, at på dansk kan det være svært at skelne mellem leadership og management. Min tilgang til Lean er, at Lean kan virke som en form for substitut for leadership, forstået på den måde at det skaber et engagement og skaber en legitimering af nye måder at gøre ting på i et firma, hvilket så fører til øget lederskab eller bedre lederskab. Derfor synes jeg det er interessant at finde ud af, dels hvordan man leder Lean, og dels hvordan Lean koncepterne leder medarbejderne og selve firmaet, så at sige. Måske er det det punkt vi skal springe videre til, for i forhold til lederstil, der er min tolkning af Lean at dels så skal et Lean projekt være styret fra toppen, men samtidig er der en høj grad af distribueret lederskab, dvs. at man har teams som får en vis form for autoritet/autonomi, i den forstand at der er en tiltro til at de har en bedre forståelse for at løse de opgaver de arbejder med i det daglige. I forhold til det originale udgangspunkt fra Japan, der har de jo en helt anden måde at arbejde på i forhold til den måde man arbejder på i Danmark. Har du nogle kommentarer til hvordan det påvirker lederskabet hos dem der arbejder med Lean? Min antagelse er, dem der bestiller jer til et Lean projekt er engagerede og har et commitment til at få det til at fungere.

Det sidste er nu ikke altid tilfældet, for dem der bestiller de sidder måske højere oppe i organisationen, og dem vi så reelt arbejder med de sidder måske længere nede i organisationen. Så der kan godt være en forskel. Men jeg vil sige, mere og mere, i takt med

finanskrise og at pengene sidder tættere ind til kroppen, så er der måske et større commitment i organisationerne når man sætter ting i gang end bare for et par år siden.

Lean handler jo faktisk meget om styring. Det er i hvert fald det det kommer til at handle om i administration og service i Skandinavien, simpelthen fordi styring er fraværende. Og på den måde synes jeg faktisk at Lean udfylder et hul, sådan et ledelsesmæssigt tomrum, og hvis man skal bruge den der distinktion mellem leadership og management, så tror jeg også at man er meget ovre på den der management side af det, for det handler meget om at styre og sætte værktøjer op og at følge op.

Hvad angår lederstil, så må man sige at den form for lederstil som Lean helt åbentlyst kalder på, det er en lederstil hvor lederen er meget tilstede, altså ude på gulvet, jf. begrebet "go to Gemba", altså der hvor tingene sker, det er i høj grad det der er forskellen for lederen. Når man arbejder med nogle af de værktøjer og principper som vi implementerer, så er der nogle ting der bliver synlige som ikke var synlige før. Det kan være ting omkring en gruppe af medarbejdere, der har en ufatteligt lav produktivitet sammenlignet med resten – det var måske ikke særligt synligt før. Eller at kvaliteten eller produktiviteten er ringe, eller gennemløbstiden er lang. Og det kalder jo på handling, meget mere når det er tydeligt for alle medarbejdere og ledere at der er noget der faktisk ikke er i orden. Og så kigger folk jo typisk på lederen, og hvis han ikke gør noget, så undrer de sig. Så man kan sige at Lean kræver faktisk handlekraft af ledere, fordi det skaber en ekstrem grad af synlighed, og det kræver tilstedeværelse og evne til at følge op på ting, sådan lige umiddelbart. Skal man tage skridtet videre, så skal de mennesker, eller de ledere der skal blive rigtig dygtige til Lean, de skal kunne bevæge sig mere over i den der lidt mere leadership del. For de skal kunne facilitere en årsagsafdækning, de skal kunne stille de 5 gange hvorfor for at kunne lave en rigtig "root cause analysis" for at identificere de rigtige countermeasures som man skal sætte ind med. Og det handler om at man skal kunne lære at se sin organisation på en anden måde, man skal kunne lære at forstå – det lyder banalt – men man skal kunne lære at forstå processer, man skal lære at forstå hvilke processer det er man har et ledelsesmæssigt ansvar for. Og så skal man kunne lære at se spild, for hvis du ikke kan se spild, så kan du heller ikke se forbedringsmulighederne, og så har du vanskeligt ved at køre en årsagsafdækning, og så har du også vanskelig ved at køre en meningsfuld "5 gange hvorfor". Og hvis du skal kunne gøre det, og du skal gøre medarbejderne i stand til at drive det, så skal du også kunne noget på de lidt mere bløde dele, altså med din lederstil. Så skal du kunne inspirere, motivere og coache folk, og gøre dem til selvstændige problemløsere.

Man kan altid diskutere hvor man skal starte på ledelsessiden, altså skal man starte ovre i den der empowerment-orienterede del, hvor man arbejder meget med at gøre medarbejderne til selvstændige problemløsere, der selv går ud og laver "5 gange hvorfor" og laver små forbedringer i alle hjørner og kroge og sådan noget, eller skal man starte med at få styr på sin egen butik og få noget styring på tingene.

Jeg tror, at de projekter vi har løst i Valcon fra 2004/5 og frem til nu, de har meget været kendetegnet ved, at når vi har tegnet processerne op, så har der været ufatteligt lidt styring, og det gælder administrative funktioner i industrivirksomheder, i finansielle institutioner såsom banker og forsikringsselskaber, i kommuner, og i styrelser og alt muligt andet. Der er sådan set ikke nogen der er undtaget her. For man har været vant til at lede ud fra faglige (…) det typiske paradigme er, at man leder ud fra nogle faglige standarder, man giver mest mulig autonomi à la "løs opgaven på din måde, jeg er ligeglad hvordan, bare du skaber resultater", og der er slet ikke noget blik for, at et godt resultat kan løses med et enormt stort tidsforbrug, det kan løses på en måde hvor man render og forstyrrer organisationen og andre unødigt, eller det kan løses meget effektivt. Det handler om hvad der egentlig sker inde i den der "black box". Så den styringsdimension, den har vi arbejdet rigtig meget med, og som jeg startede med at snakke om før, så er det driftsledelsesdimensionen, hvor der er et ledelsesmæssigt tomrum, og det er der stadigvæk mange steder. Derfor er det tit management-delen hvor der er nogle kompetencer som man skal arbejde lidt med.

Hvis jeg lige må sige en ting mere: det som mange ledere bliver ekstremt udfordret på, det er at de har aldrig rigtigt været vant til at gå ud og følge op. Jo, de kan godt gå ud og dele en masse ros ud, det er jo nemt nok, men når det ikke går godt, og man så skal ud og følge op også anden og tredje og fjerde gang, den situation er de enormt dårlige til at håndtere. Og medarbejderne opfatter det som kontrol og micro management, selvom det egentlig er tænkt som og skal fungere som en hjælp. Det at lære at gøre det, det er en ekstremt stor udfordring for mange ledere.

Det kan jeg sagtens forestille mig. Det som er lidt tricky – som det også fremgår af det af jeres materiale som jeg har læst – er at Lean er en ledelsesfilosofi, det er ikke kun værktøjskassen der er vigtig, men også ledelsesdelen af det, og det virker også til at det er det du klart giver tilkende.

Ja.

Hvis du skal sige én ting som er det sværeste i en Lean implementering, er det så at få ledelsen til at viderebringe ledelsesdelen til medarbejderne og at få dem til at udføre det reelt?

Det sværeste, hvis man kigger på implementering i et lidt længere perspektiv end bare projektet – det er let nok bare at få nogle hurtige resultater i projektet – det er at få det til at virke på den lange bane. Og det der gør det svært, det er sådan et mentalt skifte, altså sådan et mindset skifte. At man skal gøre op med nogle vaner, og man skal i virkeligheden også have noget disciplin i forhold til at sige at nu skal vi strømline den måde vi kører det her på. Det kan ikke nytte noget at vi render og forstyrrer hinanden hele tiden, vi må have nogle standarder for hvordan vi løser bestemte typer af opgaver. Det med at minimere afbrydelser og forstyrrelser, det kan jo reducere spild enormt meget, men det kræver også noget disciplin, og at man nogle gange lige kigger i vejledningen før man går hen og spørger en kollega, eksempelvis. Det kunne være et eksempel på det. Et andet eksempel på det kunne være bare at acceptere, at hvis du har noget juridisk sagsbehandling – det kan også være et mindset skifte – og man skal til at arbejde Lean på dette område, så kan det ikke nytte noget at man sidder og fordyber sig i de juridiske spidsfindigheder i en sag fordi man sidder som jurist og synes at det er rigtig spændende og "borgeren har jo også krav på at denne sag bliver belyst", men det er jo en ekstremt stor grad af overservicering som der slet ikke er nødvendig, og som Finansministeriet og Staten slet ikke er interesseret i at betale for.

Er det sådan noget som "den rette kvalitet til den rette pris"?

Ja, lige præcis, det handler om at skabe styring og sige: hvem er kunden her? For Lean er jo dybest set kundedrevet. Hvem er kunden her, hvad er det kunden gerne vil have, hvad er det kunden gerne vil betale for. Og så lave en proces med mest mulig værdiskabelse og mindst muligt spild. Og der er der nogle steder hvor det mindset skifte, det at skulle sig farvel til nogle ting, det er meget vanskeligt.
Derudover er det vanskeligt at sige hvad der er dén vanskeligste ting, men det er i hvert fald en ting der tit kan være ret vanskelig.

Har du nogensinde været involveret i et Lean projekt der så at sige ikke lykkedes?

Ja, jeg kan i hvert fald tænke på et. Jeg tror jeg har lavet omkring 15 projekter.

Det lykkedes i den grad ikke fordi toplederen slet, slet ikke var med. Han satte det i gang, men så forstod han simpelthen ikke, eller også ville han ikke acceptere, at han selv skulle ændre nogle ting. Det var en organisation, som havde en hovedproces, en planlægningsproces i forhold til at de skulle pushe nogle produkter. Det var en traditionel salg og marketing organisation, og de skulle sørge for at have de rigtige ting på lager ift. de produkter de solgte, så det var ret vigtigt at deres planlægningsproces var rigtig. Så det handlede egentlig om at de skulle planlægge hvad for nogle produkter de gerne ville sælge, og så kunne de gå ud og pushe det. Så skete der altid det i midten af måneden at de blev bange for at de ikke kunne nå at få solgt nok, og så begyndte de at pushe alle mulige typer af produkter de troede de kunne sælge, og sådan havde de altid gjort. Og det mindset skifte, det kunne ham toplederen simpelthen ikke få ind i sit hoved, han var bange for at han ikke nåede sit bundlinje resultat. Og så betød det at de skulle transportere varer fra andre lande så de kunne levere det som de pushede ud til kunderne, med specialkurér og alt muligt, en ekstremt dyr måde at gøre det på. Og det var egentlig det de gerne ville undgå. Men den disciplin ift. at sige "nu prøver vi at strømline vores processer, vi prøver på at planlægge hvilke produkter vi pusher i denne måned", ud fra den proces at man prøver at forudse hvad man tror de gerne vil købe, arbejder med nogle prognoser og noget forecasting så man ikke skal have dette enorme brandslukningsapparat hver eneste måned, det prøvede vi at indføre. Men til stadighed så underminerede han det, og for hver måned han underminerede det, jo mere tabte medarbejderne pusten og troen på det. Så det projekt lykkedes ikke.

Det viser jo også meget klart at topledelsen har en væsentlig del af ansvaret for at det skal lykkes.

Det skal det, for medarbejderne kan jo ikke bare gøre et eller andet på trods af eller imod deres leder. Sådan er det jo, og sådan er alle organisationer. Det som lederen beder om er det der bliver gjort, så længe lederen sidder der, i hvert fald. Derfor bliver lederen nødt til at forstå, at de signaler og prioriteringer og handlinger som han eller hun gør, de smitter af hele vejen ned igennem organisationen. Og hvis ikke det er stemt af med det man forsøger at gøre i et Lean initiativ, så modarbejder man det.

I forhold til styring og de vanskeligheder der kan være ved at implementere Lean, mener du det kan hænge sammen med at den danske hierarkiske struktur tit er ret flad, dvs. at man har en tendens til at hvis man siger " nu skal I lave tingene målbare, og I skal følge op, og I skal rapportere", at det går lidt imod den danske virksomhedskultur?

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Det tror jeg faktisk du har ret i. For det første er der mange virksomheder hvor der etableret en konsensuskultur, hvor man først gør noget når alle er enige. Det er ikke lige så udbredt i Danmark som det er i Sverige, hvor det næsten er en Grundlov – det kan vi også se på de projekter vi laver i Sverige, hvor de bruger længere tid på at træffe beslutninger, men ja det tror jeg at det har. Der er mange ledere som føler sig lidt ubekvemme med det her, fordi de føler at de træder ind i en mere autoritær rolle, og på mange af de lederkurser de har været på har de lært noget andet. Der har de lært meget omkring empowement, altså uddelegering, og frihed under ansvar og sådan nogle ting, og meget om at skabe motivation, som alle sammen er rigtige og positive ting, men de kan ikke finde ud af at få det koblet sammen med at nogle gange så skal lederen også ære leder og sige "nu træffer jeg en beslutning og nu går vi den vej, og vi har aftalt for 2 uger siden at nu skulle du gøre det, og nu kommer jeg og følger op for at sikre mig at vi overholder den aftale vi traf for 2 uger siden". Det er der nogen der synes er kontrol og micro-management, og det har de det ikke godt med, og det tror jeg har noget at gøre med denne "vi er alle en lille smule lige"-tankegang i Danmark.

Tror du at det kan skyldes at når folk udefra hører, at nu kommer der altså et Lean projekt, at de primært har kendskab til de hårde Lean værktøjer såsom kontrol, systemer og standarder, i forhold til de mere bløde ting, såsom at have en motiverende ledelsesstil, skabe engagement og sådan nogen ting. Kan det være en mangel på balance? Som jeg ser ledelse vs. management, så er management mere værktøjsdelen, og ledelse det er inspirationen, engagementet osv. Som jeg forstår Lean teori, så er det vigtigt at man balancerer tingene.

Jamen absolut, det er ekstremt vigtigt, og jeg synes også at man bliver nødt til at være ærlig og sige at Lean er også management-delen. Det er at sætte ting i system, at styre og følge op og i nogen grad kontrollere. Stille krav. At kommunikere klart og tydeligt til en medarbejder "hvad er det jeg forventer af dig" er tit noget vi ender med at diskutere med de her leder i projekterne, noget de skal blive bedre til. Så kan man diskutere om det er leadership eller management at udøve lige den del. Jeg tror at det er lidt mere ovre i management.
Nu tabte jeg lige tråden, hvad var spørgsmålet igen?

Det var egentlig om der var en tendens til at Lean blev opfattet som værende mange hårde værktøjer, altså standarder osv., og måske også at lederne nogle gange glemmer den motiverende og engagerende del, og at vise sit engagement til det her. En del af dette, som jeg

også kommer ind på senere når vi snakker om management fashions, det er at der er mange virksomheder hvor medarbejderne har oplevet det ene initiativ efter det andet, og de tænker "ja, der går ½ år og så er det overstået igen".

Kan det måske også være noget af det der er svært ved Lean, som det har været med andre koncepter?

Det er ikke min oplevelse når vi kommer ud og laver Lean første gang, at medarbejderne har det billede inde i hovedet af Lean som værende noget meget hårdt. I ligeså høj grad oplever de det som et tilbud og en mulighed for at blive involveret, og det er det jo også stadigvæk, det skal vi jo huske. Der er mange medarbejdere der blomstrer op af det. Jeg plejer at sige at Lean skal være på både medarbejdernes og ledernes initiativ. Du bliver nødt til at have begge dimensioner med. Så nej, det er ikke mit indtryk, men det handler jo meget om hvordan det bliver italesat i hver enkelt organisation når man starter sådan et initiativ op. Vi ligger meget vægt på, at når vi starter de her projekter op, så skal det kommunikeres til organisationen hvad det er man sætter i gang nu. Vi har en dialog med ledelsen om, hvad det egentlig er vi vil, og så er det ledelsen der skal gå ud og fortælle det til organisationen, det er ikke os der skal ud og fortælle det. Det er langt mere troværdigt frem for der kommer en eller anden fremmed ind ad døren og fortæller hvad de skal gøre.

Der er da nok mange virksomheder der som følge af finanskrisen ønsker at bruge Lean til at spare omkostninger, det ser vi jo i nogle projekter. Og der er mange topledere der går lidt rundt om den varme grød i den måde de kommunikerer på.

Det kan vel også skabe en usikkerhed. Det du siger, er, at I mener at de klart skal kommunikere ud, hvad målet med Lean projektet er. Jeg talte med en der arbejder i Personalestyrelsen om mit speciale som handlede om Lean, og han sagde med det samme "Lean is mean". Der er jo nogen der har den opfattelse at Lean bare er endnu en måde at skære ind til benet på og fyre medarbejdere, og det er vel også en af udfordringerne ved at indføre Lean, da det jo ikke ligefrem skaber engagement hvis medarbejderne ved, at om ½ år, så er der kun 50 % af arbejdsstyrken tilbage?

Ja, og der kan man jo sige at det behøver du jo ikke at bruge mange penge på at hyre eksterne konsulenter til, hvis du vil fyre 10 %. Det kan du jo bare gøre.

Ja, men der er det jo også en velkendt arbejdsgivertaktik at hyre eksterne konsulenter, og så sige "jamen, det var altså konsulenterne der sagde at det var det der var nødvendigt" for ligesom at bevare forholdet til de resterende medarbejdere.

Ja. Den slags opgaver løser vi ikke, dem siger vi nej til. Det gider vi simpelthen ikke. Vi kan ikke se at vi skaber værdi i den proces.

For mange medarbejdere kan det godt være svært at acceptere, at de skal være 10 % mere effektive, for hvad vil det sige at man skal være 10 % mere effektiv? Jamen, det betyder jo at hvis der er 20 medarbejdere i en afdeling og de kan løse et antal opgaver, en opgavemængde der er nogenlunde konstant, ja så betyder det at når vi er færdige med projektet, så skal vi være 18. Og hvis det skal give mening ud fra et Lean perspektiv, så skal det jo være fordi vi kan fjerne noget spild, og at man derfor i princippet med de samme indsatser kan nå det med de 18. Det er sådan set sagen i en nøddeskal, og ellers har du jo ikke lavet en produktivitetsstigning. Men det er jo tit det der motiverer at man sætter projekter i gang og bruger penge på det, det er jo at der skal være en effekt på det.

Det kan godt være svært for medarbejdere at acceptere, "at nu er vi 18 tilbage, og vi er ligeså godt kørende som før, vi er ikke mere stressede end før over at skulle løse opgaverne uden de 2 kolleger, fordi der er nogle ting vi laver smartere". Og det kalder jo igen på noget ledelse, simpelthen at sige til sine medarbejdere:" vi er ikke en ombudsmandsinstitution i denne styrelse, vi laver juridisk sagsbehandling og vi skal kun løse opgaverne dertil, og ikke de her fem ekstra skridt. Hvis I holder op med det og vi siger at hertil er kvalitetsmålet, så kan vi faktisk lave mange flere sager, så kan vi være de her færre personer ".

Men det handler om at nogle gange er det hele organisationens selvforståelse man skal ind og arbejde med, og det er jo en oplagt lederopgave. Hvis du har læst vores nye bog (Den Gode Leanleder, 2009), så er det i høj grad det med at sætte retning og skabe mening, det er i høj grad det vi går ind og arbejder med i sådan et lederteam. Det handler om at forstå hvordan vi skal opfatte os selv, hvad er det egentlig vi skal ud og sige til vores medarbejdere for at få dette her til at synke ned. For ellers så ser de det bare som en devaluering af hele organisationens virke, hvis ikke man får sat på spidsen, eller rettere forklaret, at verden har ændret sig, rammevilkårene er nu sådan og sådan, og vi skal være den og den type virksomhed. Det betyder ikke nødvendigvis at vi leverer dårlig kvalitet, men det betyder at vi har præciseret præcis hvad det er vi skal levere.

Nu vil jeg gerne spørge lidt ind til kultur. Altså ikke så meget virksomhedskultur, men mere om hvordan Lean passer til danske virksomheder, fordi jeg som nævnt tager udgangspunkt i, at Lean er et Japansk management koncept, som på en eller anden måde så er blevet fortolket så det passer til de lande det bliver applikeret i.

Det er måske lidt op i forhold til hvordan det passer til mentaliteten i Danmark. Der synes jeg vi fandt ud af, at Lean egentlig passer meget godt, det med at der er noget uddelegering af lederskab.

Ja, og noget involvering.

Jamen, det synes jeg det gør. Også det med at the span of control, som jo også ligger i Lean, er ikke ret stort. Hellere have 7-8 stykker der rapporterer til dig end at have rigtig mange, så der ikke er så langt fra leder til medarbejder. Altså, du bringer lederen tæt på dig, på der hvor arbejdet bliver udført.

Har du så også deltaget i Lean implementeringer i Sverige, eller var det Valcon generelt der havde det?

Jeg har ikke selv arbejdet med Lean i Sverige.

Så du har ikke nogle erfaringer med hvordan Lean virker i de andre lande hvor I har implementeret Lean, om der f.eks. er nogle specielle udfordringer eller måder hvorpå Lean skal tilpasses den specifikke situation?

Vi har jo arbejdet noget i Sverige, og vi har derfor drøftet erfaringerne, og det der er ret kendetegnende er, at i Sverige skal vi bruge meget mere tid på at snakke om det. Vi skal bruge rigtig meget tid. Der er vi jo meget utålmodige i Danmark. Vi skal bruge rigtig meget tid på at snakke om det i Sverige. Til gengæld så rykker svenskerne, når de først er blevet overbevist, med et helt andet commitment end det vi ser i Danmark. Men hverken danske medarbejdere eller virksomhedsledere har tålmodighed til at bruge, man tror det er løgn, men at bruge et halvt år på at sidde og diskutere nogle bestemte koncepter og tankesæt og tilpasse det den enkelte type af organisation.

Har de (svenskerne) så tålmodighed til at implementere det? Det tager jo noget tid før Lean slår fuldt igennem i hele organisationen.

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Nu er det jo ikke sådan bredt, det af det svenske erhvervsliv jeg kender til, men de kolleger jeg har som har arbejdet i både industrivirksomheder og i offentlige virksomheder i Sverige, altså både Lean produktion og Lean administration, fortæller simpelthen at de rykker på en helt anden måde. Vi har lavet noget i Søder Tälje kommune, som er en slags foregangskommune i Sverige – typisk er det sådan at hvis Søder Tälje kommune gør noget og det virker, så følger de andre kommuner tit efter – og der havde vi den samme oplevelse af, at de brugte ret lang tid, men da de så var over beviste, så rykkede de faktisk ret meget. Konsensuskulturen er mere udbredt på de svenske arbejdspladser end den er på de danske. Der er endnu mere respekt for den enkeltes synspunkt. Jeg har også oplevet det mens jeg som konsulent i andre sammenhænge har implementeret ERP systemer. I Sverige der implementerer du ikke noget ved at gå ud og sige: "vi skal implementere dette system fordi manageren der sidder på toppen af organisationen har besluttet det". Det gør du bare ikke. Så kommer det ikke til at ske. Du skal ud og overbevise de enkelte medarbejdere om at det er en god idé. Der er en forskel på Danmark og Sverige på det punkt der. Så der passer Lean måske på en anden måde i Sverige, det skal i hvert fald vinkles lidt anderledes fordi der er en kulturforskel.

I forhold til at Lean er født ud af TPS og den Japanske kultur, vi benytter bl.a. en term der hedder "legal ecology", som bygger på eksempelvis lovgivningsmæssige forskelle de forskellige arbejdskulturer imellem. Japanerne har jo, eller havde i hvert fald før i tiden livslang ansættelse i deres job. Hvordan holder man ved at Lean fortsætter i organisationen, når man nu har en forholdsvis høj udskiftning af medarbejdere og ledelse osv. Kan det ikke være en udfordring nogle gange? Der er de japanske organisationer jo meget mere stabile, kan man sige.

Det har vi måske i virkeligheden ikke så mange eksempler på endnu, fordi det jo stadigvæk er nyt (i Danmark). Vi har desværre mange eksempler på at det ikke er rodfæstet godt nok i nogle af de organisationer hvor vi har været først. Når der så har været nogle lederudskiftninger, så er det efterhånden sandet til. Der har så været nogle ildsjæle blandt medarbejderne der har forsøgt at holde det levende, men så kan der komme nogle nye ledere eller medarbejdere der aldrig nogensinde har hørt om Lean og derfor sætter nogle helt andre prioriteringer. Så jeg tror at hvis Lean virkelig skal holde ved, så skal virksomheden virkelig ville det og implementere det på virksomhedsniveau.

Meget af det der er foregået i den der Lean-bølge der startede omkring 2003/4, har jo været i udvalgte områder i organisationer, altså en afdeling her og en afdeling der. Og det er sådan set

først når du får det bredt ud som et virksomhedssystem at det virkelig begynder at rodfæste sig. Det bliver indlejret i nogle andre strukturer i den måde du driver dine ledelsesprocesser på, måden du tænker rapporteringsopfølgning og mødestruktur på, måden du tænker og taler om ledelse på i virksomheden. Og jeg tror at det er der virksomhederne skal hen for at det for alvor begynder at sidder fast. Og der er der kun få offentlige virksomheder som er ved at komme til. Nogle private virksomheder er nået langt, eks. Novo Nordisk er nået langt, men kun i produktionen. Radiometer, fordi de er blevet købt af Danaher som har udrullet deres Lean forretningssystem. Danfoss er også nået langt, men dem ved jeg ikke så meget om. Men der er altså nogle der virkelig er nået langt. Mange virksomheder er lige præcis på det sted, hvor der er i gang med det strategiske skifte fra at de har kørt en masse Lean projekter der har været en succes til at konvertere det til en grundpille i den måde de driver virksomhed på. Det er jo det der har kendetegnet Toyota, og jeg tror man skal derhen før man virkelig får det til at leve på den lange bane.

Der er det vel også vigtigt at det så bliver implementeret i den afdeling eller det projekt. Der bliver vel ofte lavet en form for pilotprojekt, hvorfra man så efterfølgende kan sprede det og få lavet det til et system i virksomheden hvis det fungerer på sigt?

Jo. Lige nu laver vi noget for en anden stor dansk industrivirksomhed hvor vi har kørt tonsvis af projekter, som i virkeligheden alle sammen har været piloter. Det vi forsøger at få bundet sammen nu, er et projekt hvor vi udruller en ny ledelsespraksis i hele strukturen fra top til bund, for at se hvordan virksomheden egentlig udfører opfølgningspraksis og møder og rutiner, og hvad møder skal indeholde og hvordan de skal planlægges. Det tror jeg er et bud på hvordan man får forandret den måde man driver virksomheden på, sådan at det kan leve mere selvstændigt. Men selv Danaher – som ligger på niveau 4/5 ift. Valcons Lean modenheds model - siger jo, at hvis ikke der er nogle interne konsulenter, nogle ildsjæle der kommer og bidder ledelsen i haserne engang imellem for at holde det ved lige, så lykkes det ikke. Det overrasker mig egentlig at de siger at det er nødvendigt, men det er nok for at blive ved med at lave løbende forbedringer. Og så vil jeg også sige at det nok i høj grad handler om hvordan du bygger det ind i den måde du sætter mål fra toppen af virksomheden. Hvis du forestiller dig at du har en organisation, hvor du har salg, marketing, finans og produktion, og du sætter nogle forbedringsmål ind på hvert af de her funktionelle områder som så bliver drillet ind hele vejen gennem organisationen og bliver brudt ned til nogle mål. Og hvis der fra toppen er nogle forbedringsmål som man år efter år skal leve op til, så skaber det jo en efterspørgsel

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efter at der bliver skabt forbedringer ved hjælp af Lean værktøjer. Og det er netop det – hvis toppen i organisationen skaber efterspørgslen, så begynder det at komme. Så det er igen et spørgsmål om ledelse, og det er i høj grad leadership og ikke management-delen af det, fordi det handler om at sætte retningen.

Nu vil jeg gerne komme lidt ind på hvordan Lean spreder sig. I begyndte at arbejde med Lean i Valcon i 2003/4, synes jeg du sagde?

Altså, Valcon startede for præcis 10 år siden, og fra begyndelsen arbejdede Valcon med Lean Manufacturing. Vi havde så det første Lean administrations projekt i Danmark, hvor der var nogle Lean produktionsfolk, som tog Lean principper og værktøjer, og oversatte dem til et administrativt miljø. De tog de værktøjer med der kunne bruges og udviklede nogle andre. Og vi kørte så dette projekt i PFA Pension, som både vandt priser og blev meget berømt, i 2002 og 2003. Projektet skabte meget markante forbedringer i PFA dengang.
Det vil jeg godt vove at påstå var begyndelsen på Lean administration i Danmark.

Ved du så hvordan Lean kom til Valcon?

Nej, det ved jeg faktisk ikke.

Ok. Det er også det jeg er interesseret i at finde ud af, nemlig hvordan disse koncepter (management fashions) spreder sig fra Toyota til Michigan og videre til Europa osv. Selvfølgelig foregår det over en lang årrække, men der er alligevel en tendens til at der kommer mange nye til. Bain & Co. har en hjemmeside hvor de offentliggør de 10 mest populære management koncepter hvert år, og selv om der er enorm stor udskiftning, så kan man når man kigger på dem konstatere, at mange af dem har man hørt om i en eller anden sammenhæng.
Men du ved altså ikke hvordan det kan være at Lean er blevet Valcons spidskompetence, hvis man kan sige det sådan?

Der har jo været nogle af de ledende figurer i Valcon som har interesseret sig for det, men hvordan de lige har fået det ind under huden ved jeg ikke. Jeg har hørt nogle historier om, at helt tilbage i 1970erne hjalp nogle af dem der er konsulenter i Valcon i dag, som havde deres virke i nogle andre sammenhænge, de hjalp virksomheder som B&O og andre ud fra noget Lean inspireret tankegods. Men jeg kender dem ikke. Du skal nok snakke med en der hedder

Knud Sant som er vores bestyrelsesformand og en af dem der var med til at starte Valcon. Han er en af de allermest velrenommerede konsulenter i dansk erhvervsliv. Han har arbejdet med udvikling af produktionsvirksomheder de sidste 30 år eller mere, og han kan formentlig fortælle en del af den historie.

Det sidste jeg gerne vil tale med dig om er management fashions. Kender du begrebet management fashions, ud over det vi har korresponderet om?

Du må godt lige genopfriske det for mig.

Ok. Ham der primært har skrevet om management fashions i den teori jeg har haft fat i hedder Eric Abrahamsson. Det handler groft sagt om, at managers har behov for at vise overfor deres stakeholders, at de er rationelle, og at de driver forretning efter fremskridt hele tiden. Abrahamsson går tilbage til scientific management i starten af 1900 tallet og beskriver hvordan det var en management fashion. Der har så været forskellige udviklinger i tidens løb, og alt efter hvem man spørger kan der være flere hundrede koncepter som kan betegnes som management fashions. Min tilgang til dette her er, at "Lean er meget oppe i tiden nu og er meget populært, men hvad er der om 10 år?". Hvordan kan man f.eks. fastholde interessen for Lean i fremtiden, og ser du eventuelt at Valcon stadig arbejder med Lean om 10 år?

Det er jo vanskeligt at svare på…

Ja, det er det!

Jeg synes jo at meget af det der ligger i Lean i den måde vi arbejder med det på, det er jo rigtig sund fornuft. Så jeg synes jo det er langtidsholdbart. Jeg kan ikke rigtig se at mange af de ting der ligger i at arbejde med Lean skulle have en udløbsdato, at det skulle blive uaktuelt. Men det kan da godt være at man om 10 år siger at vi tog fejl, eller at perspektivet lå helt forkert og at vi skal ligge snittet et andet sted. Det er klart at pendulet jo svinger, for man ligger jo et fokus, og lige nu ligger vi jo et meget stort fokus på spildeliminering og optimering og den slags. Og det kan da godt være at pendulet svinger over i nærheden af noget mere empowerment, altså dyrke det anarkistiske og være mere freerider og sådan noget. For at være innovativ, kunne man sige. Men selv Lean Innovation tror vi jo på, og det er virkelig i sin spæde begyndelse nu. I forskning og udvikling skulle man jo om nogen synes, at der skulle

man ikke sætte tingene for meget i system og sådan noget, men Lean tankegangen virker jo også der. Det største spild er jo spild af viden, som simpelthen ikke bliver udnyttet fordi man ikke har styr på bl.a. måden man arbejder med synlighed på og har en vis grad af styring af prioriteringer og lignende ting.

Jeg mener heller ikke at det skal forstås sådan at man forkaster Lean og siger at det var noget lort og at vi må helt væk fra det. Sådan som jeg ser mange af de forskellige management fashions der har været – fashion lyder måske ikke så godt, men det skal ikke forstås på en nedsættende måde – de bliver måske mere en del af fundamentet i virksomhedernes måde at gøre ting på. Og så kommer der noget nyt som bliver moderne. Og det er jo i høj grad noget som management guruer lever på, og konsulentfirmaer skal jo også have nogle nye koncepter i deres pipeline. Hvis man arbejder med det samme koncept i 50 år, så kan det måske være lidt svært at blive taget alvorligt som konsulent.

Ja, det er rigtigt. Og man kan sige, at f.eks. var det for 10 år siden meget populært at tale om Balanced Scorecard, og der er mange Balanced Scorecard implementeringer der ikke er blevet lavet godt, og derfor er det måske sådan lidt ildeset i dag. Når vi går ud og implementerer Lean i ledelsessystemer, så er det tit sådan at det vi implementerer i virkeligheden skal erstatte sådan et Balanced Scorecard system, og der er jo nogle af de kvikke ledere som siger "mange af elementerne i det er jo det samme", målopfølgningsdelen af det er jo beslægtet med Balanced Scorecard, og det er jo rigtigt. Meget af tankegodset er det samme i det.

Så jo dygtigere det bliver implementeret og fastholdt, jo mere vil det jo nok også kunne leve på den der modebølge. Men jeg tror faktisk at det er rigtigt at vi som konsulenter også skal have noget andet at sælge. Ledere i virksomheder synes at nu har de hørt om det (eksempelvis Lean), uagtet at man af dem ikke rigtig har taget medicinen ordentligt. De tror det er en pille, og de har ikke forstået at de selv skal lave alt benarbejdet for at få effekten ud af det. Og vi kan da også godt mærke – vi har haft et meget stort fokus på den værktøjsmæssige del af det, og nu ligger vi et meget stort fokus på den ledelsesmæssige del af det – og det gør vi dels fordi vi tror på det og kan se behovet, men også fordi at hvis vi skal blive ved med at skabe interesse, så skal vi starte med at snakke om Lean ledelse. Uagtet at vi så skal ud med kost og spand som vi siger, rydde lidt op og få skabt nogle strukturer og systematikker. Så det er nok rigtigt at der er den der udskiftning.

Ja, og en anden ting som jeg har fået interesse for i den forbindelse er, at efter at have læst en artikel om Lean fra Tyskland, som de kalder "schlank", at det viste sig at mange af de virksomheder som påstod at de brugte Lean, de gjorde det faktisk ikke. Altså hvis du følger Lean principperne. Men det at man siger til sine aktionærer og til sin omverden at man bruger Lean, det giver en form for legitimitet. Og der kom jeg til at tænke på brugen af begreber. I det materiale om Lean fra Valcon jeg har set benytter I ikke så meget japansk, bortset fra Gemba, Kaizen og Kaikaku, men nogle de såkaldte Lean guruer bruger jo nærmest flydende japansk i deres beskrivelse af hvordan Lean skal foregå. Jeg tænkte at det måske kunne være en måde at skabe legitimitet på, ved at sige "vi bruger også det her", uagtet at man måske ikke rigtig gør det. At man ikke har taget medicinen ordentligt.

Ja, jeg har set at nogle virksomhedsledere skriver i deres årsberetning at de bruger Lean, og nogle gange tilskriver de nogle bedre resultater til Lean, og det kan også godt være at de mener at det ser bedre ud på den måde.

Har du et bud på hvorfor man for eksempel holder fast på at bruge den japanske terminologi?

Vi forsøger faktisk at tale så meget dansk som muligt og at bruge danske ord for det simpelthen fordi japansk skaber en afstand til det. Jeg tror der er nogle konsulentvirksomheder der synes at det er mere autentisk at kalde det det (altså japansk), og så tror jeg også at de synes at det virker en lille smule smart, og det virker som noget nyt og noget andet. Men man skal alligevel forklare det på dansk, så jeg synes det giver bedst mening at oversætte det.
Vi forsøger at være meget tro mod selve tankegodset i Lean.
Men det er da rigtigt at enormt mange virksomheder der har kørt et par Lean projekter, i bedste fald har de implementeret det i en tredjedel af virksomheden og har brugt et lille udvalg af værktøjskassen, og så synes de at nu er de Lean. Og det er de jo i virkeligheden langtfra, det er jo rigtigt. Svarede jeg på dit spørgsmål?

Ja, jeg spørger egentlig bare til din mening om brugen af begreberne. Man kunne jo sige, at når nu I er de første til at implementere Lean i administration og service, så kunne I måske have kaldt det noget andet. Men det at det stadigvæk hedder Lean, det vækker genklang og leder tankerne hos dem der skal købe jeres ydelser hen på noget effektivitet og nogle resultater, som de bedre kan forlige sig med end hvis I nu havde kaldt det noget andet.

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Ja, det er rigtigt, men det er også noget med at skabe noget genkendelighed for det. Vi startede Valcon i Sverige for 3½ år siden, og der hev vi 3-4 gode konsulenter ind fra andre konsulentvirksomheder. Det de sagde, var, at på det tidspunkt i begyndelsen af 2007, der var Lean jo hype i Danmark, aviserne var fulde af historier og det var måske der at det var på sit højeste. I Sverige kendte man dårligt nok begrebet Lean, og hvis man kendte det så var det som Toyota-metoden. Vi har i Valcon Sverige gjort enormt meget ud af at få trykt case historier i relevante tidsskrifter, fagskrifter og aviser, sådan at man egentlig kan sige at vi har fået åbnet markedet op og skabt en bevidsthed om at der er noget der hedder Lean.

Det er jo management konsulenternes måde at klare sig på, men det handler også om at skabe et fælles sprog. Så ved man hvad det er ved at kalde det Lean.

Lean er i øvrigt ikke Toyotas ord, men Womack og Jones'.

Appendix B – Interview with Jan Christian Rasmussen (JCR)
__Interview with Jan Christian Rasmussen, June 18th, 2010__

What is your role in Valcon?

In relevance to this – I have worked for Valcon as a process consultant for five years, and I came from a position as a manager in a call-center where I was for seven years – so a lot of my first assignments in Valcon were about Lean in customer service environments: how do you implement Lean in the administrative and service domains. When I think about it, if you want to talk to someone who has experience from production and plant, we have some guys who cover those areas as well. Both Peter and I are covering the service and administration domains. So if you are interested in talking to consultants working with Lean in production environments, more similar to the original Toyota concept, we have them as well.

I may be interested in that, because there might be some differences in how you implement Lean in production, and how you do it in service and administration.

Exactly. From what I've learned from my colleagues in production, it is easier because a lot of the people, a lot of the managers working in production areas are trained and educated as production engineers, so a lot of the disciplines on measuring and following up and being very meticulous about how we do things, are very common sense in the production areas, while it is a radical change in many ways in admin and service areas.

So, talking about the cultural differences, there might actually be greater difference between the environment within a company from production to admin and service than from Japan to Denmark.

That is an interesting point.

I don't know that much about Japanese culture, but that might be the case.

I'll return to that later in the interview, but there are some differences that made me interested in how you can take a concept from one culture and then applying it in a Danish context.

I think that is a very relevant question.

We'll return to that later on.

You said that you've worked as a process consultant before, but have you eve worked with other management concepts such as BPR or TQM?

No. In the sense that you use management fashion, Lean is the only concept I've worked with, so that is the only area I can contribute to.

Ok. Peter gave me a reference to Knud Sant and said that I could talk him about the history. The reason why I ask this question is that if you had worked with any of these other concepts – I know the term fashion may sound a bit derogatory, but that is not the way it is supposed to be understood – you might have seen some similarities and differences. Because what I've read regarding TQM seems to me to be continuing in Lean.

I think that if you speak with some of the people working with Lean in production such as Knud Sant, who actually comes from DTU (the Danish Technological University) and acts as a professor or sort of lecturer within engineering, he and a lot of our other colleagues have worked with TQM, for instance. And BPR and other process improvement initiatives within production. It's not that common within the admin and services areas yet.

It might also be that the thesis will turn out to show that Lean in admin and services is something different from the other range of management concepts, because it is a totally radical change concerning these points (meaning that the main focus is not on production/manufacturing in Valcon).
So, I won't go into asking what distinguishes Lean from other management fashions, but could you say why you reject Lean as being a management fad?

My point is that Lean is perceived by many, and taken and implemented, as just the latest fad. And I think that is disrespectful to the origin of Lean. As far as I've read about the way it originated from Toyota, they didn't put the label Lean on the concept. American scientists did it a long time after. Toyota developed a philosophy on how to work continuously with improvements. As you write in the outline I've received from you mentioning something about driving down costs, well that was not their intention. Their intention was "how do we improve quality, and how do we avoid making the same mistakes twice", which I also believe

is very cleaver, to put it into structure and systematize. (Toyota) having worked with it for 50 years or more, I don't think it is a fad. It's a philosophy of how they work and how they run their business. They haven't tried to export it.

And then other people have tried to implement what Toyota has done. Danaher, a big American corporation who among others own Radiometer in Denmark, have succeeded a long way because they have taken on the philosophy from the top, the CEO or president, and down the organization, saying "It's not something that we just do as a toolbox – trying to implement it to save costs or whatever – but it is a philosophy that has to run through our DNA".

And if you go that way, Simon, it becomes more than a fad. It is not a quick fix, it is not like Blue Ocean Strategy or ABC on cost accounting or Beyond Budgeting or whatever, it's not just the new kid on the block.

Lean, originally, is more than a management fad in perspective.

I can agree to a certain extent on that, but the reason why I take this perspective on Lean is that I try to move out of Lean and looking at it from a larger perspective. And in that sense, for instance what I write about cost savings I think a lot of CEOs might pay lip service and say "Oh yeah, it is a philosophy", but their underlying thoughts are that they can save costs.

Spot on. Spot on. 95 % are buying the cost savings but not the philosophy.

But if we look at other management concepts or fashions or whatever we call them, and that's what I've been doing, I can see that Deming when introducing TQM, he also intended it to be a philosophy, saying that you should drive out fear of the organization and so on. A lot of things that weren't meant to be quick fixes. But now no one would say that they use TQM, they would rather say that they've incorporated it in their culture. There is a continuous need, and that is also one of my main arguments in my thesis, for new and progressive management concepts. Also for the consultants, so that they are able to provide their services.

Now I would like to talk about implementing Lean. In your experience, where do you find the most difficulties in implementing Lean – is it related to organizational leaders, employees, changing the systems or doing standaridization?

In my experience it is actually middle management. In the projects that I've run so far, top management is compelled by the cost savings and the potential business case. Yes they say

they want the philosophy, and mostly they don't, they just want the savings. And the man on the floor, the lower level workers, they actually appreciate being involved. Suddenly their opinion counts and they are involved in developments and improvements; they are made responsible for changing their working environment, and their opinion is important because it is not like we in this ivory tower have developed some changes, it is not like in BPR where there are solutions that employees have to implement. We go the other way around and ask people who work with it every day and ask "if you could change something for the better, what would it be and how would you do it". And then we do it.

And then we ask middle management to become coaches for their staff as well as relay station for information up and down in the hierarchy. And that is a complete change of role, because suddenly they have lost their power and many of them can see that they are loosing their authority. They struggle with no longer being the ones delegating and distributing tasks and giving answers, not being on top of everything. So that's where I've experienced the most difficulties. And it might be the way that I do it as a consultant where I, of course, align myself with top management and I work a lot in workshops with shop floor employees, and I pay less interest to middle management. That has resulted in people being squeezed, and I have reflected on it and tried to come up with ways on how to improve the way we work with middle management. But middle management has the biggest problems.

Can you elaborate on what you said about the employees' stake, for instance them feeling that thy get empowered. I guess it means that they are more positive towards a Lean implementation?

Generally, all of us are against the changes that are imposed on us, we like the changes that we control or initiate ourselves. So in my experience, I always have a hurdle to get over in terms of changing and explaining why we need to change, but once that is done it is quite easy to get most employees on board. Some will always be fence-sitters and say "no, it doesn't work here", or "I don't want to participate", or "bend over, here it comes again", "it will be out again next week" or something like that, and mostly they are right. Mostly they don't have to do anything because it will go over, as a management fashion it will be out of the door again after six months because middle management is not on board, and top management has moved its focus to other areas half a year down the road.

But a lot of people actually get quite energetic about it and say "finally we have a way of structuring" It's not only like a box of suggestions where you put in your suggestions and we

will look at it and implement what we believe is right, because we make it very visible. We put all the suggestions for improvements, and we work with people in problem-solving, instead of saying "as managers, we have figured out how to solve a problem". We actually ask employees what they suggest based on the problem. And some are scared of suddenly being involved, because suddenly they have an arm in it and if it doesn't work they can't point and blame others, because they are part of the solution.

But most people are actually quite positive once they get over the change hurdle. Everybody, you and I as well, goes through a hurdle of change imposed on us. We don't like it. And some go through it faster than others, but we go through it.

So as soon as you tell the employees that you're not there to reduce the labor force by half, then you get a good sense of buy-in?

In Valcon there is a strong belief that if you use Lean to reduce manning, you should be very explicit about it. We do not want to be part of a political agenda which is not explicit at the beginning. So if you intend to reduce labor, say it.

The best projects resulting in reduction of labor that I've worked in actually begin by saying "this project is intended to reduce staff by 10 %, and we do it now". So we begin the project working with 90 % of the staff,, the people who are on board when we begin the project know that they will have to stay, because we have taken the reduction already.

It actually also often creates the burning platform that we need, because they are less people than they believe they should be. Otherwise, to say that we will reduce the staff by 10 % once we are done creates a lot of uncertainty, and it is not a pleasant environment to work in. But it is better than not saying anything, because otherwise people will begin to speculate and rumors will spread around, and that is even worse than working in an uncertain environment. Generally, if at all possible we try to work by saying "by the resources we free up, how can you redistribute them and use them for adding more value to your business or the organization as such". Can they take on other jobs, can they do other stuff, can they take up other tasks or whatever. Meaningful tasks. We don't want people just archiving papers all over again, because that is dumb work. So asking how the resources that we free up can contribute to clever, value-adding work. Perhaps even going in to quality, how do we add more people to quality so we can improve on quality and at the same time reduce costs. It is always a game that we get in to, that it is either or. "You either get lower costs or better quality". No it is not.

You can get lower costs and better quality by working smart. By reducing the people on production and adding them to quality, for instance.

But if you don't have clever answers to what you should do once the need for labor has been reduced, then it is up hill all the way, because people will speculate and create rumors.

And resistance?

Definitely. They expect answers from their management.

When do you consider a Lean implementation to have been successful? Is it in terms of increase in productivity or quality, or is it within a certain financial spectrum?

Personally, I am very broad in my value creation spectrum. Because it might be improved customer service or satisfaction, staff satisfaction and a lot of other non-financial metrics work well for me as well. I am not the odd one in this house. Generally there is a perception that financial metrics are better because they are measureable, hard facts that you can see on the bottom line, and I don't want to go in to the "play" of trying to convert customer satisfaction in to financial metrics. You can work with churn of remuneration and people staying longer and learning curves and reduced training costs etc., but in my perspective that is taking it a bit too long. If you are happy with an improved staff satisfaction, then you are happy with the staff satisfaction going up, for instance, as a metric for a successful implementation. My point about when an implementation is successful is when we've met the value we intended to create when we started the project. So we should be very explicit when saying in which areas we are looking for improvements in and it should be measured a long time after I am gone. I am not looking for the output, which is the output at the time when I sign off. We can measure a number of deliverables, but that is not interesting because deliverables are not equal to value. You create value and effect after a long period. So if you take a glass of water and I take out my finger from the glass and you can't see I've been there that is not value. It has to be sustained, meaning that the staff, middle management and top management continue to do what we have agreed to do.

So when you make the contracts to undertake a Lean project or process, do you make some kind of follow-up in say a year or two years after the initiative started? Because when it is a process it does take some time.

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I would love to. I am not doing it for free, and a lot of customers – i.e. all of them – don't want to pay me for coming back one year after to make kind of value estimation. So, unfortunately not. I have a habit of returning to customers after 3, 6 and 12 months, and that's a commercial interest as well. I want to maintain the relationship so there will be extra business, and then it also gives me the opportunity to follow up on the projects that I have ended for the customer. And I know for a fact that if it was a failure, I would not get more money or extra jobs with that customer. So it is like a two way street: if I am successful and come back after 6 and 12 months and they still have the benefits from the project, there is a much higher likelihood of getting another project than if it was a complete disaster.

How do you train staff or managers to be able to maintain this Lean change? Because if it is a philosophy then it requires a lot of training and it won't be enough with a couple of weeks or months. Do you choose change agents or Lean sensei's or something like that?

 Personally I work with what I normally call Lean agents, and they typically sit within a department, they are taken out of the staff so they are kept locally. Sometimes we even establish a corporate Lean office with people with a consultant-like profile having a lot of Lean experience, but if we are in smaller units they have their own Lean agents. We do a lot of work with middle managers about how work should go forward and how they should introduce new people.

So training for us is a very separate important area of activity in any Lean project to make sure that we boost the competences in Lean. Respecting that it takes time to get people on board and train them and get competences so they can perform without us being there. I haven't been part of a Lean project for less than six months and some of them for three years. We don't do Lean in five days, because then it's tools and cost cutting, and then let's call it that. Then let us look down in to the Lean toolbox and say "there might be some tools that are very adequate for cost savings in this area and then let us use them. But don't tell ourselves that we have implemented Lean". You can't do that in five days.

Have you ever experienced that a Lean implementation that you were involved with failed?

Yes. Yes, yes, yes. Based on my success criteria I can name a number of projects that failed. That might be in relation to whether we created the value we set out to create, or it might

even be that the customer says "these are the effects against which we want to measure our success" and I sometimes say "I don't think they are good enough. You should be more ambitious than this, this is not effect". But if the customer decides to go with that, I still might feel afterwards that even though they gained 25 % cost reduction and staff satisfaction was improved because people were relocated, they didn't take on the philosophy.

So they only took the tools, but forgot about the other part of Lean?

Exactly. Because then I talk to them and say "then let's call it something else". I am not sitting on my high horse in terms of principles and words but still I believe that words have a meaning, so if you use a word like Lean to many people Lean creates a lot of reflections and they get certain reactions about it. So it doesn't work for me if you use the word Lean and then only take a part of it. It is like cherry picking where you only take a part of it. Then let's call it something else, process improvement or whatever we can call it. Some of my failed projects have been where I have thought that we were not ambitious enough. Customers might be happy and I might get continuous business with the customer – or not – but I wasn't happy, I wasn't satisfied with what we delivered.

I've also had failures where I failed as a consultant. I didn't connect with the customers or I didn't connect with the staff. Especially during the first Lean projects it was very important for me that we did everything by the book, and by my book. And I was more or less closed for any inputs or any directions along the way because I knew the way to do it and this is the way it works.

Would you say that that was because you were following the Lean principles very strictly and felt that the principles might say something different from what the client wanted?

Yes and it was very rigid and very much by the book. We have a methodology in Valcon for how we work with Lean. There are eight elements and I went through all eight of them in a row, and some of them a customer didn't like, saying "we don't need that" and I was saying "yes you do!". I was a little bit too much by the book, because I thought that it had to be in this order, and when the customer then rejected it, it often ended out bad.

If should relate these failed projects to others than yourself, would you say that it was mainly due to leaders not going all the way in because they did not realize how big a change it was, or was it

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because of employee or middle management resistance? Can you point to some more general explanations for these failures?

It is not the staff. I have never experienced that management was completely on board and we then couldn't go through with it at the staff level. On the contrary I have experienced, as you mentioned earlier, that management paid lip service and said "yes, we want this", but when the consequences suddenly dawned on them or a new management fashion such as Blue Ocean Strategy came along, they lost interest in Lean and then they moved on. And the second that they by their behavior display that this is no longer the most important it goes all the way in the organization. Everybody in the organization will say "I told you so, it will go over". And that is actually a reinforcing nature in organizations, because the fence-sitters and those saying "bend over, here it comes again", they become reinforced in their opinion and prove that they are right: "yes, it will go over and it is a management fashion and something else will come up in five weeks". It is the most difficult areas to work with when management is not genuinely in it.

That is interesting. When reading a lot of cases on Lean, it appears that what you are saying is correct: when management loses interest or commitment, then it goes off. But my initial thoughts were that it would be employees that would resist for a long time.

No.

Ok.

I would like to move in to the area of leadership issues. We have briefly talked about it earlier.

First of all, do you personally, or do you in Valcon as such distinguish between leadership and management? In a Danish context I often find that it is very mixed, the notion of what is leadership and what is management. The way I work with these terms is that leadership is more about motivating, inspiring, providing legitimacy and mobilizing action, whereas management is more related to controls and rewards and punishments and the like. As I see Lean there must be a mix between these elements. Do you work with the same distinctions?

Personally, I am very observant of the difference between management and leadership. Management is always described negatively, as the policing or controlling function, as a kind of supervision, and typically it is traits that you can be taught. Whereas leadership is like something natural, a kind of behavior, "either you are a great leader or you're not", you can't

learn to be a great leader it is something you are born with. It is something that runs in your genes. And I think that is too black and white.

I do believe between management and leadership, and so do we in Valcon. We actually call it "Lean Leadership", not Lean management.

And we use the English words, even when we communicate to Danish customers we use the phrases leadership and management. And some of our colleagues have just written a book about Lean leadership (Den Gode Leanleder, 2009), where we spend some time explaining the difference between the way leaders act in a Lean environment compared to other environments, and how you go about being a successful leader in a Lean environment versus other environments. So yes, we do distinguish between leadership and management.

You may already have answered this, but just to get it straight: you see Lean as being a mix of applying leadership as well as management tools, because I suppose that you do acknowledge that there are a lot of tools in Lean, with standards and systems and so on?

Yes. I am not sure that I agree that it naturally that becomes management because we have tools and standards. But of course, if you work towards another set of definitions, yes Lean is tools and standards. But it is as much about empowerment, leading by example, setting frameworks and directions rather than rules and punishments. So I see that following your definitions and the way that you interpret it, you do have part management part leadership.

That is also the way that I view Lean and also a lot of other management fashions, and I will in my thesis also try to focus on how Lean management, or Lean leadership, or Lean production – I use an encompassing term, Lean Management, building on the Toyota Production System – can act as a substitute for leadership. That means that it can provide energy for employees, new spirit or commitment that might have been absent, so that managers can choose a different kind of management concept that fits their organization, in order to provide leadership to their organization.

So would you agree that if you use that interpretation of leadership – inspiring commitment and mobilizing action – that something like Lean can act as a substitute for real organizational leadership?

No... Because... I have difficulties in understanding why you say that Lean acts as a substitute for leadership.

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Well, what I mean is that different management concepts carry leadership dynamics in them, such as inspiring commitment and getting an organization to move in a certain direction. That is why I say that Lean can be used as a tool for doing that, but also as a way of providing this sense of leadership in an organization.

The word I am struggling with is substitute. I would rather say that Lean is complementing leadership. I see Lean as a part of leadership rather than a substitution for leadership. Just as budgets, structures and rewards are part of leadership in my perspective. These are elements that you can work with as a leader or as a manager. So if I as a manager work with principles from Lean, I cannot separate them from being who I am as a manager, and being who I am as a manager also is my management/leadership style. And then I may use different tools, maybe being inspired from directions, and Lean being one of them.

If we go in to the area of leadership style, do you see any leadership style that seems to fit Lean better than others?

I think where it works is where you have... Actually, that is a very good question. Where it works is where I have a determined manager or leader, determined in the sense that they say "This is what I want, and I will stick to this come rain or come shine. It is not something I'll only do when I have tailwind, I will also do it when the going gets tough". So you need to be determined. You also have to lead by example, you need to do it yourself and do as you preach, you need to be empowering and trusting, and you need to be able to let go. And some of these characteristics are probably in the leadership arena. At the same time you need to follow up and follow through, you need to be very interested in the details and understand the processes; even at a high level such as CEO you need to understand the core processes of your business. So when problems show up, you understand whether they are addressed properly. Even though you have empowered your people, you need to understand what you are being told, and if you put out questions and decisions, you need to understand the implications for the organization. And part of that is properly more in to the management arena in my definition at least.

I see Lean as fitting well with a so-called distributed leadership style.

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Yes, I noticed that you mentioned it, but I don't know what that is.

Briefly explained, it relates to the style of leadership where you distribute leadership, accountability and responsibility to other organizational levels instead of being only located with top or middle management.
I find that the construction of functional teams, allowing employees the responsibility for working with the core processes and value creation, in the sense that they get more responsibility when working Lean than they were given before.
But at the same time Lean as you said also requires a CEO and top management team that who know what's going on in the organization, without doing micro management.

Exactly. When you talk about substitutes for leadership… You know, I talk a lot about empowerment, empowering people to take decisions and to act without having to go up and down the hierarchy to get permissions. To me that is empowerment. And it sounds as if that is what you are talking about when you talk about distributed leadership.

Well, I can't remember an exact definition of it, but that is what I mean about saying distributed leadership. When talking about substitutes for leadership, I am referring actually to the scholar Karl Weick, who described something called substitutes for strategy. He more or less stated that you might not need to have a plan that shows exactly where you are going, as long as you have a plan. What I mean is that if you introduce a management concept in an organization – maybe you don't have a grand plan or vision for the organization – but as long as you introduce something, you mobilize action, get inspired employees and commitment, and provide legitimacy for achieving organizational goals. So I am trying link the concepts of substitutes for strategy with substitutes for leadership.

I would like to move on to talk about the cultural differences that exist between working with Lean in the original, Japanese sense and then in Denmark. First of all, how tight do you stick with the original Lean concepts?

I don't know. Basically, since we have adapted the TPS principles and the Lean principles that we have adapted into a framework that we are using in Valcon. I have read about TPS and Lean, and I see a high level of compliance or compliance between the way we work and the principles described. I have only worked with our own concept, and I practically haven't tried

to make any comparison. So in that sense I cannot give you a straight answer on how rigid we are towards the original principles. But we are quite rigid towards our own concept. However, having worked with it as a company for ten years, we have learned that we should probably round some corners of the concept to get it through. In the beginning we very set on saying "this is the way it works". We found that it worked but it could be improved by being more flexible.

Do you think that Lean fits well to the Danish work mentality, that working Lean is something that goes well with the Danish way of working?

I think that done properly, it works perfectly in a Danish setup. Done erroneously, it doesn't work and it wouldn't work anywhere.

Basically, if you believe that your staff is monkeys, no brainers, and that you should describe everything by standards and procedures, and that they should just stick to the book, and whatever opinion they have they should just keep to themselves because you are not paying them to think, if that is the perception you have about Lean, then you've misunderstood Lean and you definitely misunderstood your staff as well.

If you believe in empowerment as I call it, and you believe that standards are good as long as they agreed upon – it is actually better that we work in a common best way rather than you're working in your way and I'm working in my way. That removes erratic output, because otherwise it is never possible to say which way is the best way to work, and for one thing, it is not the same way.

I often say that I'm sorry that I didn't know about Lean when I was the manager at a call centers customer service department. There were no standards, and customers would get completely different responses depending on who they spoke to and what time of day and what day of the week they contacted us. From a staff perspective, from the inside perspective, people often say "we are adults, we know how to work and therefore we should be allowed to work in our own ways".

From a customer perspective, that doesn't work. Customers suddenly become hostages in a situation where it is more important that staff has freedom, than customers getting the proper service. As a principle that is not OK. If your staff believes that it is more important that they can do what they feel like rather than having a consistent delivery of service to your customers or a consistent output of parts in whatever you are doing, then you need to have a talk with those people about what it means to go to work.

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But isn't it sometimes the case in Denmark that people expect that as long as they provide X, they can do it in whatever way they want? That is also why I ask the question about fit with the mentality. Because if I've been used to doing my own thing for five years and suddenly I have to change the way I did it, maybe I had to read up the same sentence in a call center saying "Hello, how may I help you?", that it might be seen as a violation of my rights as an individual, whereas in Japan they are more used to this kind of structure, and you just do as you are old.

I only know Japanese culture from a distance, having read and watched movies about it. I have never worked in a Japanese organization or met Japanese people. But what I understand is that they do follow orders and they do what they're told, and in many ways they are treated as doers, not thinkers. At least some people want to describe the Japanese culture as such. If that in any way is true, it is like night and day compared to the Danish mentality.

My personal opinion is that we (the Danes) need to change. The perception that we as a people have towards the way we work – in many ways we act as spoiled children: "we are present and the workplace should be happy that we want to show up every day around 9-ish and stay for approximately 35 hours a week – with paid lunch. We are actually doing the corporation a favor". I am making a parody of it, but some people in Denmark work from that perspective. I think it is changing, but it is no secret that if we look at the global setup, Denmark and the Nordic area is where you find the lousiest service. People are generally not service-minded and I personally believe that it comes from our belief in equality - no one is worth more than others: "even though I am paid to serve you don't expect me to be friendly or service-minded, because you are not worth more than I am". Kind of like that. It may not be consciously or made explicitly, but it runs in our genes and in our culture. And I believe that it is wrong.

I've been to the States, and I love it. Sometimes it is fake, sometimes they overdo it, and sometimes I don't even recognize it as fake, because I'm just happy to be served. We have this idea in Denmark that as long as it is fake or not genuine, why do it? Well if the customer doesn't know it, fake it.

So yes, there are cultural differences and one of the biggest hurdles I have in introducing Lean as a consultant, people say "we are not a car company. We are a hospital, a law office or a customer service center. We don't produce cars, so we cannot use Lean in this environment". When we start talking about what we want to achieve and how bright the future might be, then people come over the fence and say, "if that's it, then we want to be part of it".

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That is interesting.

The perspective I have on Japanese culture – I also know about it from books and from what we've learned at CBS – is that, and that is why it is interesting that Lean as a Japanese concept actually works in Denmark; they have a very group oriented culture whereas we have an individualistic culture. The Japanese at the time of TPS' origin in the 1950s had lifetime employment, so there was a lot more stability and sense of family in organizations in Japan than we have had at any point in Denmark. But still Lean appears to fit in Denmark. I guess that must be due to the distributed nature of Lean, and that the Danes – as soon as they understand that they actually get more responsibility – that that's where it works and fits well with the Danish way of working?

Yes. And generally, when we use words about waste, standards, measuring people initially respond by saying "it is never going to fly here", but when we get down to it and talk and get people to understand what it means to measure and to talk with data and facts and say "now you will no longer get evaluated on subjective feelings by your manager, but you as an individual and as a team will actually be measured on data". And whenever we come up with an improvement, it is not like we are saying "let's hope it works", we follow up on it and if it doesn't work as we planned, we will course correct until we get the results that we intended. And then people say "that sounds fair".

When we talk about standards that doesn't mean finding the lowest denominator, we actually go the other way and try to find the best way of working. And then we want everybody to work towards that standard. And it may not be the standard that you were working towards today, but wouldn't you agree that if your colleague had a better way of doing it, you could probably gain something out of working towards a better standard even though it was not your own? That is a difficult one: "I like all standards, as long as they're mine". And that goes for all people. You have to take the time to explain people about standards.

When we talk about waste: I've worked in a claims department, and basically the entire department is waste. There only is a claims department because something isn't working. Then you should optimize the claims department and make it more streamlined, but let's just agree that it is waste from the beginning. The best for a company would be not to have a claims department. But it is difficult for people to understand that every day they work, they work 40 hours a week, and it is just waste. That is a tough pill to swallow.

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In the sense of customer service, we talk about the difference between value demand and failure demand, because if we open the box and look into the inquiries and customer contacts that you have in a customer service department, some of them are actually adding value to the customer. Most of them are failure demands simply because something is not working. But there are actually some value demands and that is not waste, neither for the business nor for the customer. If it adds value we should have more resources or make it more efficient, and all the other processes should be eliminated at the root cause, and that typically isn't in customer service.

So that might be in the production department?

Exactly. If for instance invoicing is part of customer service it can be fixed in the customer service area, but a lot of it comes from product development, it may be technical issues, it may be sales not setting expectations right or marketing material being incorrect and thereby setting expectations at the wrong level.

I noticed that you in Valcon aren't using a lot of the Japanese Lean terms such as poka-yoke and whatever, but you still use "go to gemba" and other terms such as Lean. Can you explain why you haven't just translated all of the concepts in to Danish?

I think... it is a funny question, in the sense that it is a good question. Lean was label that was put on it something like 40 years after (the TPS' invention) and it has become sort of a label for this piece of work. It makes it like a white label, so it is easier to use Lean than to talk about the TPS, because a long way we could talk about TPS but then it becomes related to car manufacturing and to Japan. So it is not to hide anything but to say that this (concept) applies across cultures, across nations and across industries. To use Lean.

Then why not translate it in to "trim" (Danish for Lean)? I don't think it would work as translating a message about this concept. The only Japanese concept that I personally use, and that I think we generally use in Valcon is "gemba", because that would probably be translated into something like "the place where value is created". It is easier just to say gemba. And then we'll have to explain to people what it means.

The other one is "kaizen" and we most often just use continuous improvement in Danish. But sometimes we use kaizen, and I think that depends on the individual person.

In the production areas they are more using the Japanese terms than we do.

The reason why I said it was a funny question is that... We typically write it (Lean) with capital letters to illustrate that this is a concept more than a word. And people ask what is abbreviated from. "What does LEAN stand for?". So they think that it is an abbreviation of something.

One might also hypothesize that by using the term Lean and the original Japanese terms, it could also serve to provide some legitimacy. As consultants you are working with a well-renowned concept. If you had called it "trim" or "slank" in Danish, then it might not have the same value for your customers. How do you look at a statement like that?

I don't think it is legitimacy. I think actually that it is marketing. It would be up hill trying to promote something called "slank" or "trim" it would be very provincial, very hill-billy, to say you are working with some concept of your own. It is much easier to market Lean because most people have an idea of what it is.

And in terms of being consultants and management fashions, of course it flies better because people understand immediately what we are talking about. We have more or less translated kaizen, and gemba is not typically used in marketing or the initial work – it typically comes down the road when we talk to managers about going to gemba and about problem solving: "if you want to find the reason for a problem, go to gemba".

Now, you have been working with Lean for a long time. What do you think that could be the next big thing for Valcon to take up? As a consultancy you would need to have a continuous flow of new concepts to work with. That is also why I try to put it in a larger context, because there may be some traits showing that there may be a change in the ways you work with these concepts. Do you see Lean as being part of a development that may go into the foundation of another concept, or do you think that you will continue to work with Lean in ten years' time?

It is true that as consultants we often live off new ideas. There is a pull from the market towards new ideas, which has given us a lot of business over the last ten years, and when that well dries out there will not be as big a pull on Lean. I think we will continue with it. Some of my colleagues have worked with Lean for many years before joining Valcon and they will continue with it. That is mostly within production and manufacturing.

And I think it is here to stay even in the admin and service areas. But it will not be the big blockbuster and the big train pulling a lot of business, simply because market demand will move to the next management fashion.

We don't invent the management fashions, we try to spot them and grow them early to get a head start towards competitors. I can't tell you what the next will be.

The book we have written about Lean leadership introduces something called Lean version 2.0, saying that there is something after the basic Lean and that we need to move on. And the aspect is very much leadership rather than toolbox, because Lean version 1.0 was very much toolbox and now we are moving in to leadership and management behavior.

And why should that be in the realm of Lean? Well, it doesn't have to but we are using Lean as an umbrella for that as well.

And as a selling point?

Yes, and you might say that five years from now Lean might not be that big a door opener. I think that we will still use the term Lean even though it isn't opening any doors, because we are quite true to the concept. We have some basic beliefs in part of it.

When you mention that you don't develop concepts but rather spot and try to grow them, how do you do that? Do you read a lot of management books or? Do you know how Valcon started to work with Lean and who introduced it to Valcon?

Lean in production was actually taken in by some of the founders of Valcon. We like to say that Lean in admin and service in Denmark was invented by us. We got a contact from the pension company PFA who had a visionary director who said that what he had understood about Lean – he probably read the books – if that couldn't be applied to his admin and service areas. Then some of the guys from the production area set up a project in PFA and said "let's try to apply the principles from the production area to admin and service", and that was actually how it began in 2002/3.

OK. So Lean and possibly also other management concepts are consultant-driven? The consultants drive them out to the market that is in demand for new ideas. The consultants sell these ideas that are based on...? Management gurus? Or academics?

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In the PFA situation it was based on a pull from the customer who said "I've read about this Lean working in production areas. I have 500 people sitting in an office working like production, even though they are sitting on carpets and chairs, it is basically production. Let's try to apply that". We had the knowledge of Lean in production so we applied it in another environment, but it was pulled by the customer demand.

We did the first project and then conceptualized and said "it worked in this environment, let's see if it doesn't work in other areas of admin and services as well". And then we created our concept about it and tried to leverage it in other areas.

We haven't worked very much with Blue Ocean Strategy, for example. That is very much created by management gurus or academics writing a book based on some examples. And, working as consultants, if we were to go in to that area, we would probably say "how can we make a concept of this?", and then try to find our first customer and ask "how can we make this work with you?", and then we would create a case if it was successful, try to conceptualize it and say "OK, this is how we have done it in this organization, this is how it works, these are the general learning points that we can take out of it" – some may be very specific to the customer, while others may be more general – and then we will try to conceptualize based on the general areas from having worked with one or two customers.

Do you think that is why managers at the moment are demanding Lean as opposed to something else, maybe that they heard about it in their business circle or from other CEOs that Lean has worked well for them? Or is it also driven by consultants?

Both. Not as much now as two years ago during the boom in the Danish economy, where we had people calling in and saying "I've heard about this in Rotary, let's try it in my place", and when we then talked about what are the targets, the values and the benefits, they responded by saying "I don't know, I've heard about it in Rotary, let's try it". Those were the bad projects, because there were no burning platforms, no specific purpose. It was more just to try it out because they had heard about it.

The other side of that might be when the customer comes and says "I'm running an unprofitable business with big problems in quality and service, what can we do about it?", and as you know, for a hammer every problem looks like a nail, and since we are very much into Lean, we just say "let's just use Lean".

Ok.

If you were in my shoes, which questions would you ask to find out more about Lean?

Well, it may be outside this paper, but the whole business case. You know, has it paid off? That in my mind is very interesting. And that might be on a company or organizational level, saying "OK, we did it in this department, did it pay off?" With facts! Some say "yes it did", but they can't substantiate it. It is just a feeling.

So I think that the whole follow-up on the outcome, the effect, and the value generation is very poorly described. And so many resources have been poured in to Lean projects. Not only in Valcon or in Denmark, but all over. Have they really gained the benefits? I think that is a very interesting area.

From having read your methodology I would also advise you to speak with organizations who have implemented Lean.

(...)

Be aware that most people are only interested in talking about their successes, so that is a bias that you have to work with.

In production, Danfoss and Coloplast are organizations who have worked with Lean, and who are quite open about it. We haven't worked with any of these businesses, so it is not Valcon businesses. Copenhagen Energy have worked with Lean, we have worked with them in implementing Lean and they even have a Lean office, so they might also be interesting to talk to.

Because that is what I would add to this (the methodology from the thesis outline), seeing the customer's perspective.

Appendix C – Interview with Malek Maalouf (MM)
Interview with Malek Maalouf, Ph.D. Student at CBS – Teaches "Lean Implementation – a Change Management Perspective".

What is your research interest in Lean?

My research is about implementation of Lean and knowledge creation, the learning that takes place associated with Lean. And it is Lean in general, including production, manufacturing, services and administration. My personal experience was mainly with Lean in services. And in terms of implementation, it is also dealing with what the best approach is, what kind of management action and leadership action you have to take for it to be a success.

In the "real world", how long have you been working with Lean and in which areas?

I worked with Lean for almost ten years. I have worked in the banking industry in Brazil and USA, and I have worked in the industry in Denmark, in Novo Nordisk. But mostly in the service industry.

Have you worked with other management concepts such as TQM or BPR?

I worked with BPR. In the start you didn't have Lean, it was more about reengineering. When I started working with these management concepts, it first was about TQM, then BPR and then came Lean and Six Sigma.

Do you see any resemblances with Lean? A focus on quality for instance?
Yes. Lean as we know is more focused on waste and flow, which is very clear and defined in processes. BPR has a strong focus on process but without any direction about what kind of process you want. Lean gives you direction by focusing on flow. BPR is radical, but sometimes it doesn't define what is radical about it. And BPR is also less worried about the human side of the implementation, it is more like "this is a good process, so implement it" and then everybody has to adapt to this. Lean has more human orientation.

In relation to the other concepts you have worked with, do you see Lean as being better than others?

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I think that well implemented Lean is better. If you balance the things in the implementation.

Is that because it has a more human side?

Yes. As I've mentioned in my course (Malek teaches a course named "Lean Implementation – a Change Management Perspective" at CBS), there is a balance between stretch and discipline, and motivation and trust.

When have you experienced the most difficulties when implementing Lean?

Most difficulties come when some managers implement a lot of stretch, a lot of discipline, but they forgot the support, the change management initiative. So they forgot to combine the right mix, and they just say "Lean is just about eliminating waste and getting results". This is one example. Other failures arise when you do the opposite, when you train and train, but without direction and stretch. The difficult thing for me was to find a management that combined both in the right time and continuously.

So you mean the hard and soft tools of Lean?

Yes. The right combination was difficult to find, and this in my opinion was one of the reason for why projects failed and why it was difficult to sustain Lean.

I work with leadership and management in different ways, saying that management is more about control and leadership is about motivation and vision building.

That depends on how you define it. In the literature, leadership is often dependent on leadership style, personal traits and the like. Leadership is often linked to the transformational side, and management with the transactional side, top management that is.

(...)

Do you see the need for a mix between leadership and management when implementing Lean?

Yes, because the management is the action as I understand it, it is what you do on a daily basis. Leadership is leadership style in one person. So some people believe that control is the best way, and then that is their leadership style.

In my definition, that would be a manager, someone who works mainly with control.

(…)
If we talk about leadership it is best to have both leadership skills, the transactional and the transformational skills. Both are needed and both make a difference. And the combination of both is a challenge.

How is Lean generally received by leaders, managers and employees? Are they enthusiastic?

It depends. Sometimes people are suspicious, because they have tried something else. As you write, it is just another fashion. But when the right change management is done – containing context, content and process – and you present Lean as a change management tool, then it increases your chance of success. But some people are always more suspicious, and some are more believers, so you need to transform the suspicious. This is the motivational side of leadership that you work with. You need to have those leadership skills.

Have you experienced failure in a Lean implementation in any of the organizations you have worked in?

Yes. Relating to stretch and control in the banking industry, where the interest was on the financial results. That was the only thing they cared about.

And then what happened?

When you don't find financial results using Lean, then you abandon them. In the bank I was working in, they were focused on results every quarter. And even though the manager was saying that Lean was important, all his focus was on getting the results. Or else you might be fired. So the mix (of hard and soft tools) was not consistent.

So there is a need to have a longer perspective?

Yes, and a more consistent look on Lean and what it can and can't do. You have to be clear about what Lean can give you. What situation are you in, what are your wastes.

Can it sometimes be difficult to show managers that by reducing waste, they can get financial results?

Yes, it is difficult to show this, it is one of the difficult things to do because waste is not always seen in service organizations, and it is difficult to find and show what waste is.

And what it is worth?

Yes.
You need commitment and someone who believes that Lean is a good thing. Management is also about commitment and vision, and you can't always put a number on it. You need to have a visionary leader who believes in such an initiative.

Would you say that leadership – understood as motivating and inspiring people - is important?

It is important, and as I said it has to be combined with stretch and control. It has to be combined, and this is a challenge.

Which factors do you see as being the most important in a Lean implementation? Is it leader buy-in, willingness to changes, employee buy-in or …?

I would say that you can find more of the transactional people implementing Lean, because it is easy. The difficult thing is to find people who can combine leadership skills with the more transactional elements. In the cases I have been involved in it was more the visionary lacking than the controlling leadership skills and the lack of combination of skills. To implement the controlling leader is easy, focusing on numbers and results, but to sustain it is difficult.

In your opinion, which leadership style fits best with Lean?

Again, it is a combination of both (transactional and transformational leadership). You have to combine.

How about the distributed leadership style, where you have authority at the top, but also delegate responsibility to the lower levels?

This for me has to do with motivational leadership, that people become able to take over more responsibilities etc. If you train your people this way, they are able to take over more responsibility, as opposed to transactional leadership where you will be in control.

So the relationship between Lean and leadership is still the balancing act?
Yes, exploitation and exploration. Successful companies have to combine both.

Let's move on to the area of cultural differences. How much do you believe that Lean has to stick with its original Japanese – as described by Womack and Jones – content? If we think about control, loyalty from workers etc.

If you look at the five principles of Lean, they require some change of culture as well. Not only looking at you own department and thinking in terms of cooperation and such things. I think you need to adapt your business. You don't have to make it Japanese style, but it should have some features of that culture in order to sustain Lean.

But I would argue that the specificities of Japan after WWII, with lifetime employment etc., is different from Denmark, most of Europe and the US, where many people only work for 2, 3 or 4 years and then they leave the company. In order to sustain a Lean initiative, that must be different from the original Japanese way.

Yes, the environment is different so you have to adapt Lean to this reality. How you best combine the soft and hard tools of Lean will depend on your environment. If people normally stay 20 or 30 years with the company it will be different. The relationship, the motivation will be different and you can use more discipline and stretch: "I give you lifetime employment, so you give me loyalty. I can push you". As opposed to a Western company where you might need less discipline to increase the loyalty for those five years that they'll stay in your company. So again you have to adjust to this.

So would you say that Lean fits better with some cultures than with others?

I don't believe so. Even in Japan and in Toyota they don't know Lean as Lean Thinking. They just adapted some tools to their company and now they are succeeding. And after that Westerners such as Womack and Jones translated that into the Lean concepts.

But many scholars have argued that these Japanese management concepts are difficult to implement because of differences in employment relations, or Legal Ecology as it has also been called?

You have to balance the discipline and vision. They have both in Japan. The Western companies also need both, but in a different balance. You cannot train and train and forget about the stretch, the flow and processes.

So if I understand you correctly, then a Western company wanting to implement Lean should say "Ok, our workers are used to be highly motivated, so we should have less focus on the stretch and more on the motivational side", and in other cultures where they are more "lazy", you need more control?

Yes, this is a change management initiative, where you evaluate your process, your context and you content and then decide upon the change initiative. Lean is a change initiative. So you have to decide which balance you need to have with these kinds of things. And it increases your chance of success if you do that.

The move from Lean in production to services and administration, as well as the course you taught and the consultants that I've interviewed all signify a shift away from the pure Lean principles. I am trying to look at Lean in a larger perspective. Do you have thoughts about when it stops being Lean and changes into something else, a new management concept?

I am more pragmatic. You need some direction to implement Lean and you need some principles to follow, in order to decide whether you are going in the right direction. I use the five Lean principles to see whether I have a more consistent definition of value creation, value, waste, flow and perfection. So it depends on how you define it. But I use the five principles like this.

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So that is Lean to you?

Yes. You might use some other things, but if you don't use some flow and value stream and pull, use these concepts and translate them, you might be doing anything and nothing matters anymore. It might be TQM, BPR or anything else. I think that the strength of Lean is that you have some focus on flow, on value, and the challenge is how you translate this in your reality. But if it is too open, then it is confusing to everybody.

Do you think that consultants and CEOs sometimes say that they use Lean, because it provides legitimacy to external audiences, and relating to that, the use of Japanese words as providing legitimacy as well? My supervisor noticed that the literature says "poka-yoke" and generally use Japanese terms instead of using English words for it. His argument was that by using the Japanese words, it lends legitimacy to the terms, thereby saying "this is the original concept". What are your thoughts about that?

It is more an identity and psychological issue. I think... If poka-yoke is known around the world and everybody understands the word, then it is good to use it. If nobody knows then you would need to explain it or use easier words to explain what it means. It is more of a communication strategy, the more international you are the better.

So you don't think it is about getting legitimacy from an outside context?

It can be so as well. I haven't thought much about the use of terms, but lots of people use them. Also to illustrate "I have read some books", and not just Lean. You use some jargon that illustrates that you are "in". If you look at communication with Japanese companies, it makes sense to use poka-yoke, because they know what it means.

But most Danish consultants have no contact with Japan whatsoever.

If it has no meaning to people you have to adapt it, because communication is important.

But why do you think they don't? Because they don't.

They don't realize the importance of identifying the company with these words and communication, and they think that everybody have read the books and understand what it is. Communication is crucial for Lean's success as well.

If we move on to the diffusion of Lean in international settings, do you have any explanation for why Lean has suddenly become so popular throughout the world?

In the course I have given my version, namely that Lean combines the flow and stretch, something you can see. If I say I will use flow, I can show people what the result will be. The more one piece you are the better. So you have some clear and observable results on the process on the shop floor. At the same time, Lean talks about team-work, cross-functionality and multi skilling, so the Lean principles have combined these things, at least in principle. The challenge is how you translate this to your reality.

And you don't find this is TQM or BPR. They don't have this concept of stretch. So I think that one of the reasons is this combination of these things.

In terms of the diffusion, how Lean travels from one country to the next, do you think that it is due to business gurus writing books, or due to consultants, or is Lean diffused in the business community, where companies that have good results are mimicked by others? How does it move from Japan through the US and now it's all over?

In "The Machine That Changed the World" you can find lots of insight about what happened. They made the most complete benchmarking of the production and could thereby prove that the Japanese were twice as productive as others.

But that book is quite old, and it isn't until recently that Lean has become popular in services and administration, maybe only in the last 10 years.

In the article "The genealogy of Lean" it is mentioned that it isn't easy to answer this question of why. There are thousands of factors. But you had American companies loosing markets to the Japanese and you had this book showing that they were less productive than the Japanese and what they could do about that. This book was the first step. So they started to implement it in other car factories and in industry in the US.

After that it has become much about the change in the world of knowledge, and the service industry has grown while industrial production has decreased in size. The success GE had with Lean and Six Sigma in services – at that time I was working for Citibank – and they

copied this from GE and said "why don't we try this Lean Six Sigma", and then it started to move in to more and more services.

So I think that it starts with one company with success and one book about it, and then it accumulates. But I don't have a theoretical foundation for saying this, maybe you can find something about it in sociology.

It could be related to the sudden rise in mergers and acquisitions: why is everybody suddenly doing that?

Any social phenomenon is very complex.

I will look into social movement theory to try to explain how organizations can be seen as social movements that changes and that have coalitions. And maybe on a larger level also seeing the business community as a network or movement as well.

You can use this, but it may take you in another direction. You will have a lot to do with this thesis, and you have to focus. Be careful not to put too much extra in it.

But I find it very interesting that everybody is using Lean, but nobody can explain why they are using it.

But this "why" is huge. You can write ten Ph.D.'s about that, ha ha!

It is a very huge "why".

In one of my interviews with a Lean consultant I asked him what question he would ask if he were in my shoes and wanted to know more about Lean. And he said that the business case for Lean would be very interesting! And when a guy who lives off selling Lean proposes that doing the business case would be interesting, that surprised me. Because tons of money are being poured into Lean.

Yes, but all companies want a business case and there is no business case in Lean. The business case should be in the head of the president of the company, you cannot put a motivational factor in a business case. It doesn't work like this, and it means that you are not committed when you focus on the business case.

But a business case would just show what the ROI of a Lean implementation should be?

But you don't consider the other factors that are more important. This is the challenge of management. When you say that you want a business case, then you are telling the company "the money is my interest and forget the other things". That is your implicit message to the company.

But wouldn't you agree that for a lot of managers, it is necessary that you have a profit?

Yes, but don't use Lean as the subject for this. Lean is more motivation, more change and things like that. Use your financial report or product revenue, but don't use Lean for this. I think you are destroying Lean if you use it for this.

But in either "The Machine..." or "Lean Thinking", I don't remember right now, it says that you can do everything with half the people, half the costs and so on. That must mean that you can save a lot of money, and it must be one of the things that attract managers to using Lean.

Of course, but it depends on when you do this. You haven't invested in Lean, you haven't spent the time on it, but you want to measure now.

So the key is to understand that it is a long perspective initiative?

Yes, you have to define the time horizon and what you have invested in Lean and how long you are willing to wait. It is difficult to measure the costs and benefits, but it is a starting point. It also requires a lot of training to tell people the benefit of Lean and show how to measure Lean, and how you translate and train people with skills in to money. Because Lean is also about teamwork and skills and capabilities, and these things are difficult to measure. You can have some indications that you have a teamwork culture in your company, but to measure this is not easy. It is not like measuring a new product.

Have you ever heard about management fashions before?
It depends on what you call fashion.

I use the definition proposed by Eric Abrahamsson, saying that managers have a continual need to show that they are progressive and rational. A management fashion is a phenomenon that

shows that managers are that, but it has nothing to do with clothing fashion or whatever. As an example, BPR was huge years ago, and now nobody mentions it anymore.

This is also about social theory if you define it like this. How it socially evolves.

That is why I see the link: management fashions don't just change in an instant, they change for a reason. I would like to find out why and when and where it starts.

I think that is an interesting thing to investigate, but it is a big thing to investigate. Answering the why is a huge area.

(...)

Do you believe that Lean will be as big in ten years as it is now, or do you think that something will replace it?

As we see now with LeanAgility and Lean Innovation, it has been a challenge to Lean. Some articles will tell you that Lean can accommodate this, but it is reaching a point where the argument that Lean can accommodate some many things is no longer sustainable.

And then it stops being Lean at some point, doesn't it?

Yes, then it becomes something else. But the Lean principles can support many forms of value – there is not a lot of theory in Lean Thinking. There are other theories that define value in more scientific and abstract ways.
But you reach a point where it becomes difficult for Lean to accommodate all this.

In the longer perspective the consultants will also have to...
Sell something new, yes. But there are two levels, the academic/scientific field and the commercial field such as consultants. In the academic field you have to scientifically justify why it doesn't make sense to use Lean as a concept anymore.
Unless there comes a book where somebody explains that Lean can still accommodate those changes, and I haven't seen that until now.

All the changes you have seen so far, the service and administration sectors, innovation, the failure of Toyota, I have theories for that and Lean theory can still explain this. Lean has been changed I think, changed by service, by innovation, by product development where Lean has been unsuccessful, and so it is at the limit at explaining that it is sustainable to use Lean and the focus on waste and all these things. The heart of Lean still focuses on waste.

My experience so far is that the academics dealing with Lean are a lot more critical to the concept because it doesn't hold much theoretical water so to say, whereas the consultants are much more excited because they live off selling Lean. Sometimes it seems that you have this opposition between the academic world on one hand and the practitioners on the other.

Yes, sometimes the academic world will be ahead and sometimes the consultants will be ahead. I will say that Lean was more practice than theory, and the practice pushed the theory. And there is still this disassociation between the two. For somebody Lean is nothing new, the efficiency etc., the scientific people can't see that this is something new. But if you use motivation theory, then maybe you can find something in Lean that is different from the others. For instance that Lean motivates intrinsically and extrinsically, more than the others. For the consultants it is more like you said, more commercial, and they are not always "synchronized" with the scientific theories. I think that Lean was much like this before Toyota made the practice into theory and made Lean theory. And then the academics came and built theory on the existing theory – you don't find a theory of Lean itself, but you find motivation theory, control/effect theory on performance, ambidexterity theory and these theories, but you don't find a theory of Lean. It is still practice, and the book on Lean Thinking is completely practice.

Well, I guess that you could call the five principles somewhat of a theory, since if you use the five principles you should have some kind of causal effect from that.

Then define what a theory is in the scientific thought.

A causal relationship between two or more variables.

But then the variables have to be defined: what is value in Lean? What is flow? Flow can be many things. There is not one theory to define flow and value. And value to whom, to the

customer, the employees, to the CEO? You can challenge this theory in so many ways, and the scientific, academic world doesn't accept that you challenge so much.

The practice gives you results, but it doesn't follow the academic research as well as I told you. You can have some management concepts that give results, but you can't explain why they give results.

So how do you work with Lean in your research?

I am using existing theory about ambidexterity and knowledge creation, and I am trying to see how the success and failure of Lean is explained. And I use empirical data to verify this. One of my research interests is that the creation of knowledge is context dependent on the culture you create in the company. If you create more discipline, people will be more efficient because everybody will be compensated for this, and because the boss can see what you are doing. If they dedicate a lot of time to experiment, the result is not guaranteed and the boss may not see this.

People normally tend to do what they have learned to do.

But if you look into organizational culture, then empirical data will tell you that it is very, very difficult, if even possible, to change organizational culture.

That is a challenge – how you can be innovative and radical, how you can build your own capability for surviving now as a company, but also looking at the long term and being open to new radical products. This is the challenge of ambidexterity, how you combine both. It is what you call a competency trap.

The last question: if you were me, which questions would you answer to learn more?

I think you asked all the right questions. Just beware of the scope of the thesis. And keep in mind that every theory has its limitations.

Appendix D – Interview with Peter Bagger (PB)
Interview with Peter Bagger, Lean Manager at Carlsberg A/S, Group Supply Chain.

What is your role in Carlsberg related to Lean?

My position is as Lean manager, meaning that I am responsible for the startup of Lean in three countries, Norway, Sweden and France. I am the primary contact to these countries, and Norway and Sweden are pretty much self-moving so here it is mostly about keeping the contact and ensuring knowledge sharing. France is very pretty new, they haven't really started up yet, so right now I'm responsible for doing some management training and making sure that we get everybody involved, and then planning the start of the first Lean implementation. So that is the country responsibility.

Then I am also responsible for the Lean Academy, which was developed last year. We have now tested it with the first 23 participants through the Academy this spring. In the beginning it was more of a development project, and now it's more about keeping the Academy running, making sure that we get people through and ensuring that we produce the material. So that is the overall responsibilities, then there is also smaller projects that might not be so relevant right now.

How are you qualified in working with Lean? Do you have some education or Lean training?

I am qualified for this position in Carlsberg because I've worked with Lean in other companies. I've worked with Lean in Danfoss and Novo Nordisk. I don't have a formal Lean education, my background is that I am a production engineer, so I've learned something about Lean and Japanese management styles. So I knew a little about beforehand but I don't have any formal Lean education. When Danfoss started up their Lean journey, I went on an internal Lean course which was in 2004, and then I've participated in a 20 week implementation project in Vejle, and I have participated in a Lean project in Germany. Since then I have been more or less self-going.

So you have worked with Lean since 2004?
Yes.

Ok. Is Lean in Carlsberg mainly in the production area, or is it also in administration? Where do you implement it?

We started in production. The Lean team is placed in Group Supply Chain which is production and logistics. So the organizational scope has been production and logistics. Now we are slowly moving outside our own function, and in three countries we have started a Lean initiative called "Lean across the Business", where it is Lean in all functions. This is very new, and in each country they have done it in different ways, where it is driven by the local people, a local Lean organization, and we are now trying to make a concept of what they have done so we'll have a product we can take down from the shelf. So when other countries want to implement it, it has been well-documented.

I have noticed that Carlsberg uses a c in front of Lean. Is it a special kind of Lean or a special version?

CLean means Carlsberg Lean. I think it is a way of saying that we adjust the concept so it fits us. I think that all companies, whether they want it or not, they customize the concept.

I will also look into this in my thesis – when is it Lean, and when does it become something else. I'll return to this late when talking about how much you stay within the "original" concept.
But when you are implementing Lean, is it only your group internally, or do you sometimes use external consultants such as Valcon or Implement?

It is actually a funny story. When Lean started up at Carlsberg, there was no local Lean organization here, and we hadn't even hired the first person. So it was driven by consultants, and it didn't go that well. Shortly after hiring the first person to this department – a McKinsey consultant also working with the Lean implementation at Carlsberg – we kicked out McKinsey, and we haven't used consultants since. So it was initiated by consultants, but now it is 100% Carlsberg people driving it.

Was this episode with the consultants before you started here? And do you know what went wrong – what was the problem with the McKinsey consultants?

Yes it was before I started. I wouldn't say that something was wrong with the consultants. We made two pilot projects, one in Sweden and one in England, and the Swedish organization felt that the consultants were pushing it too much, and the consultants were frustrated with the lack of execution. I think that the Swedish organization wanted it to go at a slower pace, whereas the consultants were eager to show how much Lean could deliver and they saw it as a business opportunity with the rest of the Carlsberg family.

Ok. If we move to the area of implementing Lean: In your experience, where do you see the most difficulties in implementing Lean?

I would say that each implementation is different. If you ask what the most difficult part is, I would say it is to get started. In the beginning people think they know what Lean is, but if you have 10 people, they will have 10 opinions about what Lean is. And it takes time to having these people understand it from the same point, and it takes more time than the decision-makers think it should take. Once management has decided that they want it to start up, they want it to be the day after. But if you want to get people on board, you have to invest in showing them what Lean is, visiting other companies. So until people have seen it (what Lean is and how it works), that is the most difficult phase. It can difficult to arrange for those things, either because we don't have the money for it or because people want to get started.

Both the Ph.D.-student and the consultants I have talked to so far said that sometimes the problem was that the managers who decide to use Lean, they want results very fast. And that is not really possible with Lean, since it takes a while to do it. Do you think that is the case, where managers are eager to implement it and that they take it seriously, but with this kind of hidden agenda focusing primarily on results?

I often see that some managers see Lean as another way to reduce costs. If you treat it that way it can be useful for you, but only in the short run where you get some quick benefits by making some improvements, but making improvements that really stick with an organization and creating an organization that makes these continuous improvements, you will not see that. So I very much agree with them.

Do you see Lean as something being perceived positively or negatively by the employees that have to work with it?

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I think we've worked around these problems. Maybe not in a perfect manner but we have managed it to a certain extent. Employees also think it is great when they can see that something is a success, and to be successful with it, we need to have some early successes. So making quick wins as we do with Lean is perceived positively, as long as were aren't firing people. We are very focused on creating improvements that are helpful to the employees, especially operators on the filling lines. They experience a lot of small stops that no one really focuses on, but that makes them run back and forth all the time to make sure the machines are running, even though the machines are supposed to run all the time by themselves. By reducing these small stops, employees experience the effect in a positive way.

So you haven't experienced employees saying "here we go again, it is something new which is probably going to make my life a lot more difficult"?

No. In the beginning before they have seen what it is, they think "oh another corporate project" – we have had a lot of corporate projects at Carlsberg, but this is the first that is really being perceived as something positive – and now that people are aware of what is going on in other breweries, it is easier to come in to a new place (in Carlsberg with Lean). It is also a great opportunity to see Lean applied in the brewery industry, and we now have so many good examples that makes it easier to overcome all these challenges.

So regarding the implementation of Lean in Carlsberg, you are more or less saying that it is a success. But how do you measure that? Is it related to employee satisfaction or improved run-through or reduction of costs? How do you define a success?

You are touching upon a weak point. We have three success criteria which are prioritized. The first one is that we want to create a continuous improvement culture. But we are not measuring it yet; that is however our mission. To justify that we do this and spend the time and resources, we need to create some beneficial financial impact, so we have a target called 3-5 % of our non-material cost base. So there are clear expectations for each brewery when we start up relating to how much impact it should entail. But we have made a vision regarding these impacts, so that they are not only coming from cost reductions, but also from better quality and better delivery to our customers, the cost part of it of course, and since we do it through people, we also invest in people. That was the second criterion, measuring everything

related to our cost base. The third one is that we do as we have planned to do. We have a computer system where we can follow up on milestones for each implementation, and to be successful we believe that we should do what we agreed to do. We don't want to disappoint people who have been involved in this, especially not the operators, because they are used to a lot of big plans filled with good visions but with little execution afterwards. So we don't want to disappoint the people we are working with.

Do you know who first had the idea of implementing Lean in Carlsberg?

It was the management team in Group Supply Chain who decided to do this. The history is that we have done a lot of Excellence projects, which were cost-cutting projects, and they were very successful since we have taken a lot of costs out of production, so financially they were a great success, but reducing costs also means that you get rid of a lot of employees. And we did a benchmark that showed that we still needed to reduce costs, but we didn't believe that we could continue to do it the way we had done previously. We wanted to do something that was more people-oriented. And then they decided to go for Lean. I think it was a consultant that presented them with this decision, but the management team considered it to be the right way to do it.

Has Carlsberg earlier on worked with BPR or TQM or other related concepts?

I have never heard those names used in Carlsberg before, at least not as a corporate initiative. We had the Excellence programs, and before that it was mainly local initiatives or initiatives to improve the quality of our beer. So we only had the Excellence programs where McKinsey helped us with these concepts and then implemented them.

Ok, because I am wondering that if you have a difficult time measuring what you get from Lean, then setting up a Lean office and hiring employees etc. must be something of a bet to go off with.

We do measure impact from each implementation and we spend a lot of time making the calculations to estimate how much we will save from this. But one thing is having a financial impact; another thing is being successful with implementing Lean. Does money mean that you also are successful in creating this continuous improvement culture? And that is where I see the weakness in the way we measure.

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What do you see as the biggest weakness of Lean as a concept?

In Carlsberg?

No, in general, it might be in Carlsberg as well or with the concept in general.

That is a difficult one. I think the problem is that it is being interpreted in many different ways. Many people in Denmark think they know what Lean is, and it is being applied in many companies, but you see it done in so many ways that whenever you come and say that "we are going to start something new", people already think they know what it is. And then it takes some more time. I don't know whether that is a weakness, but it is something we have to deal with. Sometimes you think that it should make it easier that everybody knows what it is, and then suddenly people perceive it to be something else or they are doing something else than you were expecting them to do. Because you thought that you both knew what you were talking about, but you were talking about two different things.

What do you see as the biggest strength of Lean?

I think that the way we apply it, at least in Carlsberg, involves a lot of people, and you don't have to be an expert to get started with it. It isn't rocket science, and you don't have to be an expert in statistics or something like that. It is quite easy to apply many of the tools.

My understanding from reading about Lean is also that it seems quite logical – it makes sense. The idea about value stream mapping and flow creation, it appears to make sense. That's also the argument from people who use it.

Yes, but it is sometimes difficult to convince people that we should have flow instead of large batches. We do have some tools that can help us show the power of implementing flow.

If we go to leadership and Lean, then how big a role does leadership – understood as management's commitment to Lean implementation and the guidance towards employees – how big a role do you think that plays?

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Leadership is very important, no matter what you are doing. With Lean we have traditionally ensured that we have a committed top management team before we start up, and then we start up and quickly get the employees on board. What we have seen is that we tend to forget middle management and first-line leaders.

In terms of having success or not, I believe that the place where we have success is where we have leaders who already beforehand had a positive attitude towards Lean and who saw this as something that could be helpful for them. The places where we did not have success is where we didn't manage to get these people on board. So the managers play a very important role in terms of having success with Lean, so I do consider leadership very important.

And leadership plays a role in getting the employees to go for Lean as well?

To some extent, yes. In the very beginning, if people know that the manager is very fond of this, then of course they have to get started. And when they see what it is, they normally like it. If managers are not fond of it and it is something they have to do because Peter from Corporate tells them that they have to, then getting started takes a little more time! But often, as soon as you start with the implementation, people realize that this is helpful to them, and I would say that as soon as you get started, then employees quickly come on board.

The biggest problem as I see it is that the employees often know more about Lean than the managers do, because they are the ones working with it. Managers, even though they made the decision and may have participated in some communication and some training, they are often not that involved in the implementation, and in some areas that is becoming an issue.

Ok. In which areas?

It has been difficult for some managers to really drive these Lean initiatives, because some managers want to be the smartest guy who knows how to do things. And if it is the employees who know better, then it can sometimes be difficult for them.

But wouldn't you then say that they misunderstood Lean? Because Lean is focused on the fact that the people who do the daily work are supposed to know more about it and the managers are supposed to be a kind of guide?

To me it is not a matter of who is right or wrong. If people are uncomfortable with the changes that have taken place, and it is therefore difficult for them to continue the Lean journey, then we have a problem. Some managers are really happy about that a lot of things are going on with the shop-floor people, while others feel that they are no longer in control. And that is something that we need to take serious. And we as a corporate team are doing this, having established this Lean Academy, and some of the people that we would very much like to take part in this is managers and shift-leaders who have been a part of a Lean journey, but who now feel that suddenly their employees know more about it than they do themselves. So they want to get some more theoretical background and some hands-on experience, and that is what we try to give them.

So you act like internal consultants as well?

We are internal consultants even though we are called managers.

Ok. If we talk about Lean in terms of management tools or leadership tools meaning inspiring and creating vision, how do you apply a mix of these things? Is that something you think about? In some companies it seems that Lean is applied just as a toolbox, whereas others focus on Lean as change management where you have to change not only small parts of the system, but more or less the whole system. How do you deal with that?

We have a holistic approach as we call it, which consists of three prongs: one is the toolbox, which we call the operating system. Then there is the management infrastructure, which is very much about the tools we give the managers to run the business. And then we have a third one called mindsets and behaviors, which encompasses all the things we do to try to get the people on board. So whenever we start up with a Lean implementation, we are not only thinking about which tools we should apply to have an impact, but also how we can ensure that the management team can follow up on these things afterwards, and how we can make sure that we get people on board from the very beginning - how do we handle the change management process?

So we ask people to have a balanced approach to it – and as a corporate Lean manager that is part of my role – to ensure that they not only focus on either the tools or only focus on the culture.

Do you see any difference between implementing Lean in France and Norway and Sweden? Culturally, I mean?

There are cultural differences. The way we handle this is by saying that we want to have the local organization implementing Lean. So we make sure that they hire a Lean manager from an external company, who knows the language and the culture very well – and knows Lean of course – and then we send them to another country for 20 weeks to learn how we work with Lean in Carlsberg. Then we want this person to this in his or her own country, but maybe with some small changes because of the culture or because of the history of the company, maybe they have started up with Lean before or maybe they did something similar such as total production maintenance. We do try to adjust it, but we also have a concept that we want to apply. We try to make sure that it is not just a corporate project, Maybe we are the ones taking the initiative – or we did, now we see more pull than push – but we want it to be driven locally, so we make sure there is a local organization in place. And I do not go to France before there is such an organization in place.

What leadership style fits best with Lean?

I haven't been giving it much thought whether there is a specific leadership style, but if it is difficult for you to involve employees in decision-making or in brainstorming on issues, then it becomes difficult. The managers who are used to make the decisions themselves and who are not that good at listening to their employees, they have big difficulties. And maybe they aren't the right people to have in this company either. I think that if you like to involve people and you like to listen to them, then you'll have benefits from applying Lean.

I will also try to investigate whether Lean fits better with some cultures and thereby some leadership styles than others. One example for why Lean is so perfect in Japan is this group-orientation in their culture, whereas a reason for why it could be successful in Denmark is that we have a lot of autonomy and delegation of responsibility which is also a big part of Lean. But it may be, to use a mock example, that in countries where you have to tell employees word by word what to do, that in such a situation it would be very difficult to use Lean or you would at least have to focus a lot on control and discipline rather than on the more soft areas such as inspiration.

We see that for instance when we run daily board-meetings. It can be used as control, but it can also be used as a way of involving people. So we see the same tools being applied with different leadership styles that can be effective with relation to create impact, but it doesn't necessarily mean that you get that more involvement if it is more about control.

If we go into talking about the original Lean definition as proposed by Womack and Jones who wrote these books that became very popular, how close do you stick with the original concepts?

The Lean concepts we have here is really something we bought from McKinsey, and you can say that it is more an approach to operating excellence. So you can say that we are cherry-picking in the sense that we do a lot of Lean things which is mainly focused on reducing waste, and we are also looking into theory of constraints, and we also use some tools from Six Sigma to reduce variation. So it is not like our program is purely Lean – we are picking what we believe is suitable for the company.

Ok. Do you use the Japanese terms such as "poka-yoke" or "kanban"?

To some extent, yes. We use kanban, but not poka-yoke which we rather call idiot-proof, and we use the word kaizen. In some countries we try to avoid all Japanese and English terms so that they are translated to local languages.
It was important in Denmark, for instance, that we didn't use too many consulting words. And other places they just adopted the words. Since we are a corporate function we are very much in control about what we call the different things, because we are responsible for all the material available to people on the Internet and whatever we bring when we start up in countries. So unless there are some words that are very difficult to understand, we don't change them. We do use English and Japanese words.

Have you any thoughts about why you use Japanese words, and maybe even Lean when it might not be Lean that you use? The reason I ask is that I discussed with my supervisor if it might be a way of getting external legitimacy by referring to the original term, and by saying "we use the original terms, this isn't just something we came up with, but something that has been proved and tested in this arena". And maybe it also provides an exotic aura to it, saying that you use kaizen instead of improvement for example?

Well that could be the positive way of describing it. You could also say that it is a way of creating more distance between those who come and introduce it and those who have to work with it afterwards. I actually have seen it as more of a negative thing that we use words which people have difficulties in understanding. So we try to use more daily-life words or words that people can easily understand than using these exotic words. Maybe, if you are new in this area and just learned about Lean and you want to demonstrate to people that you know what it is, then maybe you spend a lot of these words. Sometimes when we are recruiting people in this office, some people are very good at namedropping. What I am looking for is to hear if people can describe what Lean is, because one thing is the names, but another thing is really understanding it. To us it is important that people can communicate what it is, because if they cannot, who can we then believe that we can be successful in what we are doing? And since it is not just a matter of having some experts coming in and fixing some things, we need to be able to communicate with people at all levels in the organization.

One of the consultants, when I asked him why they called it Lean instead of something else, something that might fit better in a Danish context, said that it sounds more hill-billy-like if you come with your own internally developed concept. Of course, they see it from a seller's point of view in relation to customers. But that is also why I wondered about this use of concepts that are very far from a Danish understanding.

I know some companies, when they hire in consultants and they heard about some of these fancy concepts and say "we need to implement Lean", then when the consultants come and they start setting it up, then the companies realize that it is something else that they want. The consultants customize Lean anyways to fit with the needs their customers might have. But sometimes it's a matter of some people in the organization getting an idea that "we need to implement this or that" because they read about it in a management book or they heard that this is the new mega-trend.

Do you think that's how Lean is diffused? That is another thing that I am interested in, how it suddenly becomes very popular. In production, Lean has been popular for a long while, but in services and administration now everybody is talking about Lean, even in the national defense. Do you think that is because people hear or read about it and that it is a success, and then they try it in their own industry?

I think it is because some of the big companies have applied it and then you have a lot of followers. And there has also been done some work within DI (the Confederation of Danish Industries) to spread the word. I think that once you have a critical mass of people who do this and then get the first signs of success, then they have some followers.

So in business networks, that's one way it spreads? Business leaders telling each other that they did it?

I know that in IDA (the Danish Society for Engineers), all the courses they have regarding production is about Lean. Every time they put Lean on the agenda a lot of people are coming to hear about it, while when they put something else on the agenda they have a hard time getting enough to come. So it is something that is really hot. And when you open a newspaper you can always find something about a new seminar on Lean or how it is applied in this or that company.

It often seems that the people who think about introducing Lean do it because of the potential cost reduction and not as much as a change initiative or a way of working. Do you see that as a problem for Lean?

Yes. I think that - at least in the last few years – people in Denmark is more getting the impression that the reason for why we do it is to implement a continuous improvement culture, where it previously was more about reducing costs. The focus is slowly changing from purely cost reduction. But some of the consultancies come in and say "we have now looked into three of your factories and in these areas you can increase productivity by 33%", and that is what the managers hear and the reason for why they start doing it.

So they actually buy something else? They buy the cost reduction even though they need to implement the whole system, so to speak?

Yes.

Do you think that Lean present some cultural challenges to Carlsberg's employees, for instance regarding the group mentality, the transparency needed between the different departments, the holistic view of business?

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Yes. There are two things in this. One thing is the transparency. I don't know how much transparency we have yet but I think that we now have the same definitions of certain measurements and people can compare across countries. The way we have used these surveys of benchmarks before was to say "You are not the best in class – find out how to close the gap". So transparency is not necessarily the best thing, if you ask locally. We always have some fights about people not adhering to the definition of one KPI or the other, and that is a problem.

Another thing you can say is that Lean in Carlsberg started as a corporate initiative, and in this function we are good at implementing projects in the organization. But Lean isn't really a project any longer, and it is difficult in this department to understand that we should treat Lean in a different way than all the other projects we are doing. Because we don't want to make so close a follow-up on things that we are not really driving any longer, but some of my colleagues and some of my bosses feel that we should be following them closely about everything that they do to justify how much impact is coming from Lean. We would like to say that we now believe that we have local ownership and we also see that we have the drive and competences there, so we want people to continue on their own so we can focus on other things. So there is a little conflict there.

So in your interpretation Lean is no longer a project, but a way of working?

It is becoming a way of working. It isn't so that we are a fully Lean company if you go to one of our breweries, but we see that where it was previously completely driven by the corporate team, supported by the local Lean team and to some extent also the local Lean organization, it is now becoming driven by the local Lean team or local management, and they are doing a lot of good improvements, whether we have initiated it or not. So it is more and more becoming the way that we do things and a natural part of the business, and not just a new corporate initiative.

I see that as being something very positive, and I think that we are using to many resources to follow up on milestones, KPIs and administration, instead of letting people do the improvements they know how to do.

In your mind, then what should the role of the corporate Lean department be? Should it be the role of implementing it in all the areas where you haven't implemented it yet?

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That could be one important role to look into, how we can get new functions to do the same. Another role could be that now that we have many initiatives in place, we can now benefit from learning from each other. It is not the same learning they have in all countries. They work in different areas and apply Lean in different ways or come up with new ideas themselves, so I think that we should facilitate the knowledge sharing across the breweries and across the countries. So it is a matter of making sure that people go on visits, that we arrange things for the Lean managers, and that we also try to find best practices and document them and share them with the group so it isn't just about making business, but also ensuring that you can access it by going to the Internet or receiving a newsletter.

Ok. We may have talked about this, but if you say that Lean changes and it is different versions from company to company, when does it stop being Lean and turns into something else?

I don't know. We would very much like that this becomes the way we do business around here. So at some point in time, it doesn't make sense to call it Lean any more. When that happens, I don't know. It is not like you are going to fire everybody who is dedicated to Lean or are Lean consultants or managers or agents or whatever we call them. I think that you'll always have some people who train other people in the tools and how to apply them, and who continue to build competences in the whole company, because we always have new people coming in, and sometimes we also find out that we want to do new things. So we will always know the tools as being Lean tools, even though we don't really distinguish between working with Lean or working with something else. It becomes more about making improvements in the whole organization.

Yet another angle I have in my thesis is about management fashions. How managers always have to be seen as being progressive and rational in their behavior to improve business. In that sense, I have tried to put Lean in a long line of management fashions going all the way back to scientific management, and through BPR, Excellence, TQM, Theory X and Y and whatever, and to see that in the larger perspective Lean will stop being this hype and become something else.
So I am trying to imagine that in 10 or 20 years' time, do you think that you will still have a Lean section in Carlsberg? Or will it be something else?

It will definitely be something else. I see that we have changed a lot in the few years that I've been here. What it will be depends very much on which challenges our managers want us to support them with. We see that, because Lean has had so much success in Carlsberg, we get a lot of other initiatives that are really not linked to Lean, or at least not to the traditional way of thinking about Lean. We get that because we are successful, because we have people in the breweries that can implement and follow up, so a lot of new things are coming in to our team. I don't consider this as much as being a Lean team any longer, but more a corporate team helping out with a lot of different things.

You have been very involved in Lean and have worked with it for a long time. Can you see the link I'm trying to make between Lean as a management fashion – that it is something transient – but that it doesn't mean that it therefore is something bad?
The consultants I have talked to don't like the word fashion, they think it sounds...

If your question is whether I believe that it is a fashion, I would say yes, because there are a lot of followers. I also believe that there are some companies that do it because they really want to do it, and that may not jump on the next fashion when that comes up.
You see a lot of companies now who are trying to apply Six Sigma or Lean Sigma or whatever they call it, maybe because it is a fashion or maybe because they believe that now, having reduced a lot of waste, the next logical tools for us to use requires more statistical use to support. I don't know, but I do believe that to some extent it is a fashion. But I also think that that way of working will continue whether we call it Lean or not.

Yes, I agree. A lot of the things that went all the way back to scientific management are still being used, now we just don't call it that any more. Now we take it as a given that measuring is necessary for production facilities.

But you can also say: when did Lean start? Some people claim that Taylor was one of the first people to work with Lean, and that Henry Ford was the first one to apply it in 1908 with his Ford T model, and then he made the moving line, and I think it went from 950$ to 280$ just because he created flow through the company within five years. And you can say that Toyota started in the 1940's, so maybe we call it a fashion, but is has been around, at least in some companies or some parts of the world, for a long time.

But it being a fashion means that it can be wrapped again, changed a little bit, and then sold as something new.

That will happen all the time, I believe.

The last question I have is what kind of question you would pose if you were in my shoes and tried to answer how you lead Lean?

I would probably have asked something about program management. Because this is a rather big company and we have a lot of business units so, since we are not hired locally, how do we manage things through other people locally to implement this?

And from a business perspective, how do you see the documentation of effect from Lean? Do you think that there has been shed enough light on the business case for Lean?

In Carlsberg we spend a lot of time calculating the impact. We have a separate tool just for Lean where we try to justify what we do, and it seems like we are having a lot of success. The question is then if we also can see it on the bottom line? To some extent yes, we also see improvements there, but there is always a fight about determining which of the different initiatives are delivering the impact.
I believe that it is worth doing and I also believe that we can justify that we are here.
Was that the answer to your question?

Yes, it was. Thank you very much.

Appendix E – Interview Method

I have used Kvale's book "*InterViews – An Introduction to the Qualitative Research Interview*" to provide me with a method for conducting the interviews, as it specifically deals with the semi-structured research interview method.

In the professional interview, "*there is often an asymmetrical power balance, where the interviewer directs the questioning of the interviewee, which acts as a more or less voluntary and naïve interview subject*".[190] In this sense, it differs from a "normal" conversation, where each participant has the possibility of directing the conversation. As opposed to a philosophical conversation, where one party tries to prove his point before his opponent through logical argumentation and rhetorical ability[191], the research interview aims at getting an understanding about some specific knowledge possessed by the interviewee, which acts as an informant.[192]

Kvale (2000) denotes twelve aspects of the qualitative research interview as being of importance for understanding and interpreting the meaning behind the interviewee's statements.[193] The interview aims at understanding:

1. **Lifeworld**: the world in which the interviewee lives and how he/she makes sense of it.

2. **Meaning**: Interpreting not only what is being said, but also how it is being said.

3. **Qualitative**: The interview seeks knowledge expressed in normal terms, and does not aim to develop quantifiable knowledge.

4. **Descriptive**: The interview seeks to reveal open, nuanced descriptions of different aspects of the interviewee's lifeworld.

5. **Specificity**: The information being sought is of specific events and situations, not general perceptions.

6. **Conscious naivety**: The interviewer exhibits openness towards new and unexpected phenomena rather than having fixed categories and interpretation forms.

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[190] Kvale, S. (2000):"*InterViews – an Introduction to the Qualitative Research Interview*", Hans Reitzels Forlag, Denmark, p. 32.

[191] Kvale, S. (2000):"*InterViews – an Introduction to the Qualitative Research Interview*", Hans Reitzels Forlag, Denmark, p. 35.

[192]Kvale, S. (2000):"*InterViews – an Introduction to the Qualitative Research Interview*", Hans Reitzels Forlag, Denmark, p. 35.
[193] Kvale, S. (2000):"*InterViews – an Introduction to the Qualitative Research Interview*", Hans Reitzels Forlag, Denmark, pp. 40-45.

7. **Focus**: The interview focuses on certain themes; it is neither tightly structured nor totally uncontrolled.

8. **Ambiguity**: Statements can sometimes be ambiguous and thereby reflect contradictions in the interviewee's lifeworld.

9. **Change**: Being interviewed can create new insights and consciousness, and the interviewee can change his/her opinions and descriptions of a theme accordingly.

10. **Sensitivity**: Different interviewers can induce different statements about the same theme, depending on their knowledge of and sensitivity towards the topic.

11. **Interpersonal relation**: The acquired knowledge is produced through the interpersonal interaction in the interview.

12. **Positive experience**: A successful qualitative interview can be a rare and enriching experience for the interviewee, who can gain new insights about their own life situation.

Structuring the interview

Preparation-phase: The interview will center on what, why, and how. The level of structure, openness regarding questions and purpose, the weight given to either exploration or hypothesis testing, and whether the interview is more descriptive versus exploratory must be defined in this phase.

Framing the interview: The interviewer must set the scene with a short briefing of the interviewee. Here it is important to make rapport with the interviewee and ensure a good dialogue. Debrief after the interview, stating what the interview has taught you, and ask if the interviewee has any comments to the feedback.

Interview-guide: In the semi-structured interview, it is common to list the topics that need to be covered, and propose some questions that relate to each question.

I will use Kvale's seven stages of conducting research interviews:

1. Themes – questions will revolve around themes which are designed to reveal as much information as possible about the chosen areas.

2. Design – the design will be constructed so that all seven stages are considered before commencing the interviews.

3. Interview – the interviews will be performed according to the interview guide with an eye to the information which is being sought.

4. Transcribe the interviews – as a preparation for the analysis.

5. Analyze – the analyses will be based on the purpose of the research and the appropriate choice of analysis method.

6. Verification – will include some thoughts on generalizeability, reliability and validity of the findings in the analyses.

7. Report the findings – writing up the results and methods used in the research interviews.[194]

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[194] Kvale, S. (2000):"*InterViews – an Introduction to the Qualitative Research Interview*", pp. 40-45,Hans Reitzels Forlag, Copenhagen, Denmark