LEAN means 'less employees are needed'

By Rey Elbo | May 29, 2018 | Beyond Buzzwords

INDEED, that's a controversial definition. That is, if you take it literally. It's not the real definition within the context of Kaizen (for the Japanese), or Lean (for the Americans), and its branded equivalent called the Toyota Production System.

Still, there are people who may ask: "If you use that definition, how will you be able to convince the workers to support a Lean program?"

I got three answers: **One**, promote job security for all workers before embarking and maintaining a quality and productivity program. If not, it would be difficult to secure their full cooperation.

Two, empower and engage the workers under the principle of co-ownership of ideas so they could help identify and eliminate operational wastes. And reward them for it.

And **three**, make waste elimination as part of everyone's key performance index and as part of a corporate-wide culture.

"Less employees are needed" is not the politically correct definition of Lean. It's only being used to exaggerate one basic rule of labor productivity improvement. If you'll take it seriously, then conversely, you'll be bound to support the idiocy of overstaffing.

Recently, I showed to some friends from the airline industry a photo of three idle workers waiting behind a ticket counter. "What are they doing?" I asked a veteran airline manager. He said their job was to ensure the smooth flow of checked-in baggage that might get stuck in the conveyor belt. The workers were required to stand patiently waiting for trapped bags so they could untangle them.

It sounds like an age-old excuse and not a potent solution. His reply raises more questions than enlightenment: Why don't you simply remove the root cause or causes of why some bags continue to get stuck in the conveyor belt? If not corrected, can you imagine the enormous cost of all of this in hundreds of domestic and international airline counters around the country?

More than that, is that acceptable in the eyes of customers (passengers)? Do you think your passengers would agree to pay for the salaries of these workers, if they knew what they're

doing? Why hire additional workers and spend money for that? I suppose, they're from a manpower agency tasked to help the organic workers of the airline company.

This brings us to the issue of outsourcing. Some people are saying that outsourcing can help organizations
minimize costs. Is that the case? What if outsourcing only gives you reason to ignore the invisibility of a problem?

Worse, you're only transferring a problem to another company, which will be delighted to work on it and receive payment for it. If you retain the process in-house and make it visible for everyone to appreciate the value or non-value of your systems, then all workers will even be motivated to do something about it.

That's assuming that the organization has an empowering and engaging culture.

Takehiko Harada, author of "Management Lessons" from Taiichi Ohno: What Every Leader Can Learn from the Man Who Invented the Toyota Production System" (2015), says "(t)he danger is that if something is difficult, it is outsourced; this then makes the engineering weaker and in the end reduces its competitiveness."

The term "engineering" here means the capacity of all workers to identify and solve operational problems. If the solution is to outsource 4D jobs (difficult, dirty, dangerous and demeaning) to a third-party, then it follows the principal organization is willing to perpetuate such practice, instead of eliminating these 4D jobs. That also makes a third-party provider happy and profitable.

Peter Drucker (1909-2005) was right: "Most of what we call management consists of making it difficult for people to get their work done."

Going back to our main theme: "Less employees are needed" means rationalizing the workforce, so that highly-paid workers are assigned to perform more important tasks. Ohno was right when he said: "If they can do it with three workers, we'll do it with one." In my Kaizen Blitz program, I would normally use the "Egg Hunt" simulation activity to stress this point.

Four teams with five to six members each are tasked to produce and deliver a set of 15 eggs, including three variants in a prescribed box to customers. Group members are composed of one supervisor, one quality inspector, one delivery driver and two workers. They are required to produce and deliver the eggs in not more 100 seconds to a customer (with a stopwatch) who is seated in another table 10 feet away from the "production area."

The activity is completed in five rounds. Each round, the team must remove one worker from the activity, until the team is reduced only to two workers. Always, the result can be amazing. The teams would continue to improve their production and delivery time record to an average of 46 seconds with only two workers in the last round.

The lessons are clear: Why allow over-staffing to prosper? The quality inspector can be made irrelevant because the two workers know the target and standards of the task. Likewise, the supervisor is removed from the process so that he can do more important things elsewhere. And probably, the delivery of the eggs can be outsourced elsewhere.

Harada, who is the former president of Toyota Taiwan says, "Making an improvement that can take one person out results in just one person's cost being saved. If you take that person and have her make improvements, you start getting savings of two, three, four and five people and so forth."

In closing, beware of managers who insist on perpetuating a costly work process and those who think of expensive solutions to problems. I'm telling you, they don't know what they're doing.

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