A Study of Executive Resistance to Lean

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Abstract

As we approach the 30th anniversary of Lean, we see that Lean is both everywhere and nowhere. It is seemingly everywhere in terms of its tools and methods, but virtually nowhere in terms of its use as a comprehensive system of management in large corporations. The question is why, despite decades of effort? While myriad explanations have been offered, none have considered the role of executive culture in any detail. This paper seeks to correct that by examining executive culture and showing how numerous elements of executive culture combine to create a nearly impenetrable bulwark against the intrusion of Lean as a replacement for classical management practice. While the findings offer no easy solution to this difficult problem, they illustrate the perils of assuming one knows an audience and how best to influence that audience. Specifically, by using various logical and rational means to persuade a prominent class of wealthy and influential people whose interests are far more complex, nuanced, and interdependent than is immediately visible or which they are willing to voluntarily reveal or perhaps even realize. Exposing the complexity and interdependent features of executive culture illuminates the challenge ahead for those who still hope to gain widespread acceptance of Lean management by the corporate executive class.

Introduction

Thirty years ago, John Krafcik (Krafcik, 1988) brought the words “Lean production” into public awareness as a generic term to describe Toyota’s production system (TPS). Soon thereafter, James P. Womack and Daniel T. Jones assumed the role of Lean movement leaders (Womack and Jones, 1990, 1996) and served as its leading advocates and promoters through today. From the start, there were substantial differences between TPS (Monden, 1983; Ohno, 1988) and Lean. Over time, these two production methods further diverged from one another, as shown in Figure 1, in an apparent effort to make Lean more attractive to the top executives of large corporations. This effort continues today and now includes a closer alignment to TPS and the claim that Lean is a corporate strategy (Byrne, 2012; Ballé et al., 2017).

Method	Toyota Production System (1947→)	Lean Production (1988-1995)	Lean Production (1996-2006)	Lean Management (2007-2016)	Lean Strategy (2017→)
Designer	Industrial Engineers[1]	Mechanical Engineer[2]	Social Scientists[3]	Social Scientists[3]	Businessperson[4]
Goal	Cost Reduction Productivity Improvement	Quality Productivity	Customer Value	Maximize Customer Value	Deliver More Value to Customers
Principles	Continuous Improvement Respect for People	Continuous Improvement	Specify Value Identify the Value Stream Flow Pull Perfection	Purpose Process People	Improve Customer Satisfaction Improve the Flow of Work Make it Easier to Get Tasks Done Right the First Time Improve Relationships
Normal Condition	Flow	Flow	Perfect Processes	Perfect Processes	Think Differently
Focus of Improvement	Human	Technical	Technical	Technical / Human	Human
Primary Teaching Method	Genba Kaizen	Team Leader	Classroom	Classroom / Gemba	Gemba Kaizen
Object of Interest	Waste, Unevenness, Unreasonableness	Inventories	Value Creating Activities	Value Creating Activities	Learning
Desired Outcome	Customer Satisfaction Survival	High Plant Performance	Wealth Creation	Perfect Value	Winning

1 Taiichi Ohno, *Toyota Production System* (1988), *Workplace Management* (1988), *Just-in-Time for Today and Tomorrow* (1988), and Ohno’s team
2 John Krafcik, “Triumph of the Lean Production System” (*Sloan Management Review*, Fall 1988) https://www.lean.org/downloads/MITSloan.pdf
3 James P. Womack and Daniel T. Jones, *Lean Thinking* (1996) and http://www.lean.org/WhatsLean/ (accessed 22 August 2017)
4 Art Byrne by way of M. Ballé et al., *Lean Strategy* (2017), https://www.lean.org/LeanPost/Posting.cfm?LeanPostId=770, and http://theleanstrategy.com/

Figure 1. Some of the primary differences between the Toyota Production System and its generic analogue, Lean, as Lean has evolved since its inception in 1988.

Despite a persistent and gallant effort over three decades, Womack and Jones have been unsuccessful in gaining interest in Lean among the chief executive officers of large corporations. CEOs, as a group, have been particularly resistant to Lean as a management system and the process necessary to transform a business from classical (viz., antiquated, archaic) management and leadership practice to modern Lean management and leadership practice. The precise reasons for executive resistance to Lean have long been poorly understood. They are typically attributed to diffuse personality traits such as “command-and-control” (Byrne, 2012), hubris, impatience, closed-mindedness, or other characteristics such as an inability to change or intolerance to criticism. Not understanding the precise sources of resistance is a fundamental barrier to the advancement of Lean management and to broaden its base of adoption across all industries.

In a recent article, James P. Womack recounted the struggles that he experienced and admits that Lean has proven to be unacceptable to the leaders of large corporations (Womack, 2017):

> **"With regards to denial, we need to acknowledge that our efforts to dramatically transform large, mature organizations haven't worked and aren't going to work, even when these organizations encounter crises.** I spent several years recently with CEOs of large enterprises and got them to sanction model lines for value streams to demonstrate what was possible. The results were strikingly positive, but the organizational immune reaction was immediate and crushing. Little lasting was achieved and I've moved on. I no longer expect 'another Toyota' to emerge in every mature industry." (Bold in original)

This recognition is not unique to Womack and Jones. The few CEOs who led what are widely considered to be successful Lean transformation processes, most notably Arthur Byrne (Byrne, 2012), in addition to a small group of other CEOs, readily admit that they too have had little success in influencing their peer CEOs. Whether one is a movement leader or a successful CEO, the outcome remains the same: Little appetite for Lean among the leaders of large corporations despite decades of effort. As will be shown later, Lean CEOs are seen by their peers as deviants or abnormalities in an otherwise uniform and well-behaved executive class in command of the classical means and mechanisms used to achieve favorable business results.

More generally, it is widely acknowledged within the Lean community that there has been far less recognition and acceptance of Lean as a more effective system of management than was originally imagined. CEOs have proven themselves to be highly resistant to Lean management. The question is why? Why have four or five generations of CEOs across every industry sector largely dismissed Lean in favor of maintaining classical management practices? Why has the evidence of better management practice and superior business results been ignored? And why have shareholders and other stakeholders accepted management's decision to forego Lean?

Over the years, there has been much speculation as to the causes of the observed effect – which, simply put, is the "failure to establish Lean as a management system in large corporations" (see Appendix for a formal failure analysis). This includes factors such as:

- The failure of business schools to teach Lean
- Poor quality Lean training courses, programs, and workshops
- Consultants who are unqualified to teach Lean
- Confusion about what Lean is and is not
- Variations and derivatives of Lean
- Changing definitions of Lean
- No discernable business results from Lean practice

- Slow accumulation of business results
- Absence of executive engagement in Lean
- Absence of executive support for Lean
- Absence of leadership by executives

There is no doubt that these and other causes have had a deleterious effect on the acceptance of Lean among top executives. Being a difficult, interconnected problem, with abundant reinforcing and restraining loops, there are numerous causes that contribute to the observed effect. When faced with such a problem, there is a tendency to ignore simple answers in favor of more complex ones. But, is there one simple cause that influences many, even perhaps most, of the other easily identifiable causes? In other words, is there a cause, hiding in plain sight, that influences most of the other causes? If a such a cause exists, will understanding it help Lean advocates devise new strategies and tactics to gain acceptance for Lean among CEOs and establish Lean as the dominant system of management practice in large corporations in the future?

The promotion of Lean moved forward three decades ago under numerous bedrock assumptions that were untested and therefore taken to be true, and which, in turn, makes the adoption of Lean by executives seem to be a *fait accompli*. The bedrock assumptions include:

- People want to learn and improve
- People are not afraid of change
- Managers like to experiment and try new things
- Managers are willing to change
- Managers are willing to think differently
- Managers are willing to lead major change
- Managers are receptive to a better system of management
- Managers can be persuaded by rational/logical arguments
- Being shown better ways will be enthusiastically accepted
- Personal success/pride will be subjugated to pursue new opportunities
- Workers don't like to be told what to do
- Workers want to be free to think, create, and innovate
- Teamwork is more desirable than individualism
- Organizational hierarchies pose no limitations/barriers
- Strong organizations want to become stronger
- Weak organizations want to become stronger with Lean
- The executive culture is understood

Assumptions taken to be true blind people to other possible causal relationships. Incorrect assumptions lead to mistakes due to an inability to see what is in plain sight. The present study is focused on the last assumption listed, that the executive culture was understood by Womack, Jones, as well as most others, at the start in 1988 and remained understood for three decades thereafter. In retrospect, it seems clear that this assumption was incorrect, especially given that business leaders in the Progressive Era also shunned the then-form of progressive management known as "Scientific management" (Taylor, 1911), as exemplified by these words written by one of Taylor's close associates (Person, 1947):

> "In the course of his [1912] testimony before the House committee [to Investigate the Taylor and Other Systems of Shop Management], Taylor was asked how many concerns used his system in its entirety. His reply was: 'In its entirety – none; not one.' Then, in response to another question he went on to say that a great many used it substantially, to a greater or less degree. Were Mr. Taylor alive to respond to the same question in 1947 – thirty-five years later – his reply would have to be essentially the same."

By the early 1930s, the leaders of Scientific management were consonant in their discouragement. They could not understand why CEOs of large companies ignored the evidence of better management practice and superior business performance that they discovered and developed over time. Some 90 years ago, they gave up their quest for the answer and declared that psychology and the emerging field of leadership studies would one day provide the answer. Since then, these fields of study blossomed and produced mountains of useful information, but no answer to the basic question: Why do generations of CEOs across every industry sector strenuously maintain classical management practices and, by extension, shun new systems of progressive management with such great vigor?

The answer to this question is of great practical importance because of its relationship to economic system strength, the business cycle, societal wealth (especially middle-class wealth) and well-being, resource consumption, international competitiveness, and national security. Few questions have an answer as consequential as this.

This study seeks to understand the present problem, executive resistance to Lean, through the lens of past studies of socioeconomic phenomena. In particular, wealth and the culture and characteristics of the people who possess it (Veblen, 1899). This Veblenesque socioeconomic interpretation (see Note 1) offers a plausible and detailed understanding of the culture and causal relationships that delineate executive resistance to Lean. This perspective will be useful to others in their efforts to promote Lean management or a future version of progressive management that may one day replace Lean.

Finally, readers should carefully note the aim of this paper, which is nothing more than a narrow interest to dispassionately discover, understand, and describe a curious phenomenon in business as it relates to wealth, economics, labor, and human relations. In that process, executive culture reveals itself to be a formidable and complex combination of interwoven characteristics that cannot be easily disentangled, thus making it difficult for Lean to gain entry and acceptance.

Division of Labor

Division of labor creates division of occupation. Occupation is a useful proxy for class, given that large numbers of occupations can be grouped into a few discrete social classes. The classes, in turn, embody differences in culture. What is culture? Schein (1996) defined culture as:

> "A culture is a set of basic tacit assumptions about how the world is and ought to be that a group of people share and that determines their perceptions, thoughts, feelings, and, to some degree, their overt behavior. Culture manifests itself at three levels: the level of deep tacit assumptions that are the essence of the culture, the level of espoused values that often reflect what a group wishes ideally to be and the way it wants to present itself publicly, and the day-to-day behavior that represents a complex compromise among the espoused values, the deeper assumptions, and the immediate requirements of the situation."

Importantly, culture may not be precisely what it seems, and therefore must be carefully deconstructed and decoded (Schein, 1996):

> "Overt behavior alone cannot be used to decipher culture because situational contingencies often make us behave in a manner that is inconsistent with our deeper values and assumptions. For this reason, one often sees 'inconsistencies' or 'conflicts' in overt behavior or between behavior and espoused values. To discover the basic elements of a culture, one must either observe behavior for a very long time or get directly at the underlying values and assumptions that drive the perceptions and thoughts of the group members."

Hence, what one might logically or rationally expect from a set of behaviors is often contradicted. This is especially true where one has the means to sustain "inconsistencies or conflicts" with few or no consequences to one's self. In other words, wealthy business persons suffer little from "inconsistencies or conflicts" (Parker and Rucker, 2017), while manual laborers suffer greatly, as it typically results in employment setbacks, wage setbacks, or job loss.

Within each different type of divided labor lies a different culture. The workers who tan leather hides have a different culture than the workers who make shoes. People who work in finance have a different culture than those who work in accounting. The same is true for mechanical and civil or electrical engineers. And, as people change positions or rise with a hierarchy, they assume the culture of the occupation. For example, a laborer who becomes an engineer, then a manager, and then an executive will adopt the culture at each level to be effective in the job and to survive.

Inhomogeneities in culture can be small but still significant, such as between corporate and public accounting. Culture can also be largely homogeneous, as in the case of hierarchies wherein subordinates are in direct and frequent contact with their leader, such as a president and their vice presidents, each of whom represents a different functional area with its own unique sub-culture. This accounts for the common difficulty that executives experience when seeking to align an organization to a unified direction as defined by strategy, goals, and objectives.

What is the executive culture and what is the evidence that describes it? Executive culture can be characterized by evidence of its preoccupations and evidence of class distinctions. First is the evidence of its preoccupations using Veblen's taxonomy (Veblen, 1899), which recalls the interests of tribal chieftains or monarchs, transposed into the affairs of business and business persons (see Note 2). They are:

War

- Competition in the marketplace
- Control of the marketplace
- Conflict between management and labor
- Conflict between company and suppliers

Hunting

- Mergers and acquisitions
- Hostile takeovers
- Seizure of assets
- New customers

Sports

- Negotiations (duels)
- Mock and ridicule others
- Boast of one's prowess
- Political attacks on rivals

Devout Observances

- Etiquette and decorum
- Executive offsite meetings
- Earnings reports and conference calls
- Shareholder meetings
- Scapegoat (sacrifice)

Executive preoccupation is with matters related to property and property rights (ownership): fighting, displays of strength and prowess, seizure, and conquest. For any win there must be a loser. Unambiguous zero-sum outcomes are required to clearly signal the superior class and the inferior class, and to serve notice of the expected outcome should future conflicts arise. Executive preoccupation is also with matters related to personal relationships between subordinates, peers, and superiors. These four preoccupations are the viewpoint from which facts and events in business are comprehended and acted upon. Importantly, they form the basis for defining one's honor and the conduct of acts which are perceived as honorific by the executive class.

Next comes the evidence of class distinctions. Such distinctions are apparent to anyone who has worked in a corporation, especially those who have successfully advanced in the hierarchy. These include:

Superior Status:

- Physical separation from workers
- Limited contact with workers
- Rank and grade level
- Reviews and approvals (gatekeeper role)
- Remuneration
- Style of dress (uniform)
- Corporate perks (dining, travel)
- Exclusive business gatherings
- Exclusive social gatherings

Wealth:

- Remuneration
- Style of dress (uniform)
- Adornments (watches and jewelry)
- Automobile, home, and hobbies
- Patron of luxury goods and services

Invidiousness:

- Organizational politics
- Size of department, budget, etc.
- Gossip and innuendo
- Humiliation and put-downs
- "Shoot the messenger"

Non-Productive Consumption of Time:

- Meetings
- Indecision
- Delays
- Bureaucracy
- Conservatism (status quo)
- Corporate-speak (speak but not say anything, produce "noble gases")
- Organizational politics

These provide a general outline of the executive culture. It forms a habit of mind, one of predation and hostility towards others, which perpetually reinforces classifications of people and the type of work that they do, such that status is clearly separable and easily identifiable, and to thwart others who seek to gain at the expense of the executive class. Any loss by the executive class is perceived, most importantly, as a loss of honor, followed by a loss of wealth and a loss of power and influence.

It is notable that this culture survives from ancient times, not by chance, but by intention. Preservation of the executive culture is an honorific act that members of the class seek to perpetuate. Progressive management in general, and Lean in particular, is pernicious and has the power to rapidly undermine the executive culture. It requires intolerable losses of honor and diminution of wealth, property, power, and influence. In the limit, Lean is perceived as having the ability to render many major elements of executive class culture obsolete (Table I). As a result, executives allow only certain minor elements of Lean to be adopted – those related to aesthetics and thrift – to appear current and in good fashion, while fully avoiding any harm to their valuable executive culture. Should any peril arise, the minor elements of Lean will be quickly subsumed into a bureaucracy controllable by the executives – though often at significant expense. One can easily imagine modest executive distemper towards Womack and Jones for having created Lean, which was far more difficult for them to ignore than Toyota's production method.

Property, Wealth, and Honor

What is it that helps the executive culture survive and prosper? Is it limited to the four preoccupations and actuating class differences in day-today business activities? Or, do they use leverage to maintain and expand their class and their culture? If so, what is that leverage? The leverage is classical political economy.

Historically, business owners as a class are wealthy, while the agents (managers) that owners hired to administrate the business day-to-day were far less wealthy. That is until the late 1970s, when stock options began to form ever-larger portions of remuneration for agents to more closely align their interests to the interests of owners (Jensen and Meckling, 1976). The conversion of agents into owners, and concomitant wealth accretion, greatly expanded the size of the executive class and further separated management from workers. Remuneration via stock options led to a much stronger financial focus, and, coupled with many new business performance metrics, resulted in more forceful downward control and direction, and concomitantly less upward communication and reduced employee engagement. Overall, executives grew less interested in what workers had to say, and the relationship between management and labor became ever-more servile. This created conditions that were the opposite of what is required for Lean – no doubt a fortuitous development for executives and an unfortunate circumstance for workers, as it became much more difficult for workers to be heard and to advance their ideas or economic interests, singly or in unison.

Table I – Some Differences in Corporate Executive Culture

Attribute	Classical	Lean
Dominant Cultural Characteristic	War, Fighting	Peace, Communication
Relationship	Predatory, Opportunistic, Promiscuous	Symbiotic, Humanitarian, Faithful
Business Design	Feudal	Co-Op
Governing Authority	Invisible Hand	Self-Help
Key Leader Characteristic	Hubris	Humility
Relationships	Value Defined by Class	Value Defined by Need
Hierarchical Affection	High	Low
Dominant Concern	Investors	Customers
Decision-Making Inputs	Few	Many
Level of Commitment	Transient (dating)	Long-Term (marriage)
Honorific Outcome	Winning	Mutual Prosperity
Control Ethos	Regulate, Stagnate	Innovate, Evolve
Level of Involvement	Low, Detached	High, Engaged
Character Trait	Greed	Sharing
Remuneration	Lavish	Balanced
Point of View	Served by Others	Service to Others
Respect	Abuse Others	Help Others
Beauty	Expensive, Complex	Low Cost, Simple
Work (labor)	Taboo	Get Hands Dirty
Problem-Solving	Ad Hoc	Structured
Value of Etiquette	High	Low
Value of Privilege	High	Low
Personal Success Recognition	Conspicuous, Loud	Enigmatic, Quiet
Point of Equilibrium	Year-Over-Year Increase in Growth and Profits	Continuous Improvement and Respect for People
Unit of Performance	Individual	Team
Formal Education	End of Learning	Beginning of Learning
Value of Human	High for Executives (peers)	High for Workers
Economic Basis for Business	Classical Political Economy	German Historical School

To get managers at each level of a hierarchy to accept a suggestion or new idea, workers must "pay" managers (owners) through subservience: acts of fealty, manners, decorum, verification, and certification, all displayed in good form at the requisite times. What develops is a quasi-merit-based system exclusive to owners (executives) but a dense, difficult, time-consuming, and irritating political system that non-owners (workers) are forced to navigate. Thus, the merits of Lean, however numerous or potent they may be, are quickly and easily extinguished by owners' distinctive or shared prerogatives at every level of the management hierarchy. Characteristically, management may allow selected tools and methods of Lean to be used in the furtherance of owners' interests or to mollify workers or other interested parties. But Lean, as a system to replace classical management practice, is terminated through owners' well-established forceful mechanisms of control designed to perpetuate their preferred traditions and benefits.

Classical political economy plays a central role in the mechanism of control to maintain and expand the executive class and its culture.

Certain core economic ideas developed in 19th century England quickly became fixed in the minds of business owners as morally superior and have remained intact to this day, as economic theory has steadily built upon these foundational ideas. Key concepts in classical political economy were eagerly accepted by owners because they confirmed their biases and legitimized their interests (war, hunting, sports, and devout observances). The key concepts and criticisms of the concepts are as follows (Wayland, 1885; Ingram, 1888; Veblen, 1904):

Economic Man: This fictitious abstraction of mankind removes all other human variables to simplify investigation and analysis of economic phenomena. However, critics contend that because God did not create such a man, none can actually exist, thereby negating economics as a true science. Nevertheless, economic man was successfully established as an exemplary model for business owners to emulate.

Self-Interest: The pursuit of self-interest and personal (material) gain were seen as secondary motives to one's work. The prime motive for one's work is service, self-sacrifice, to fellow human beings and the community – this is the sole characteristic that constitutes a "noble" or "great profession." Self-sacrifice must be embedded in business, not "economic man," whose self-interested quest for gain is happily pursued in zero-sum fashion.

Profit-Seeking: This was seen as a base motive, one that grossly conflicted with the virtue of self-sacrifice. Money-gain was not viewed as true gain. The number of happy human beings was seen as the measure of richness. Profit-seeking brought wealth to owners and poverty to workers, and made it difficult for workers to feel affiliated with an organization knowing that owners may cast them aside at any moment, thereby fracturing human and community relations.

Laissez-Faire: The concept of "let it go," self-regulation, was seen by critics as "the devil's philosophy," an excuse for leaders to avoid their responsibilities to lead, to avoid work, and to avoid providing for the community to sustain life. Relatedly, there was strong moral disagreement with the idea that wealth unjustly derived is economically equivalent to wealth justly derived, the latter resulting in great disparities in wealth that disadvantaged workers and community interests.

Natural Rights: Human being's intrinsic or natural rights to life, liberty, and property, where ownership is given by one's own work or by trade or by inheritance. Particularly, freedom by an owner to do as he wishes with his property, the business, and all material and human resources contained within it – often to the detriment of the community.

Early critics of political economy – those who were closer in time to its creation – grounded their criticism in facets of daily living with reference to the virtuous characteristics of mankind created by God and as informed by religious writings and human survival. They were deeply skeptical of these five elements of political economy, and questioned claims made as to its standing as a science, likening it instead to astrology. It is noteworthy that pioneers of political economy lacked scientific training and were held in open contempt by actual scientists.

The critics viewed science as something that helps people labor for that which supports or improves life. Political economy, with its acceptance of zero-sum outcomes did the opposite and therefore resulted in destruction. The religious overtones of the critiques clearly indicate that such outcomes were new and unwelcome additions to human existence. Thus, ideas central to political economy were lacking in the moral dimensions integral to human ideals and human existence as bestowed by God.

In different ways and to varying degrees, the five concepts were seen as anti-human, un-human, or working against human interests given by God; e.g. of cooperation, community, work, livelihood, and life. Respect and service, self-sacrifice (unselfishness), are intertwined. Remove self-sacrifice, and one removes respect. Thus, the foundation is laid for trickery and deceit in pursuit of one's own interests, which leads straight to destruction: "The motive of self-interest leads men to wrong-doing more often than to right-doing, and should therefore be replaced by the motive of public interest" (Cooke-Taylor, 1891).

The critics decried people who accepted these five economic ideas with no critical thought, particularly those that exempted humanity from money-making. They viewed elements of classical economics as deeply disrespectful of people. It corrupts and compromises the virtuous gifts that God gave to humans, and reduces God's influence and lowers His rank. People were the true source of wealth, and service the true purpose of one's work.

Unable to objectively judge the value of the human or his work, businessmen found it easier to judge all matters in relation to money – "pecuniary interests" (Veblen, 1904). These five economic ideas soon became a habit of mind at scale and became immune to criticism or re-consideration. They became entrenched for nearly two centuries and could not be controverted no matter how cogent the argument.

Work, enmeshed with economics, must develop one's humanity, not remove it. The political economy concepts coupled with complex machinery were a detriment to the further development of workers' humanity, impairing their ability to absorb the world around them and bring forth imagination and creativity to their work, and was, therefore, soul-destroying. Borrowing from Veblen (1904), one can sum up by saying: "[Economics], their master, is no respecter of persons and knows neither morality nor dignity nor prescriptive rights, divine or human."

Stock options and executive pay some 200 to 300 times the earnings of workers are a post-modern creation based on 19th century political economy, and which reinforces the superior rank of the owner-executive class and diminishes the work, honor, and respectability of laborers (wage and salary earners). Political economy profoundly reinforces the tradition of tying wealth to honor and rank, and therefore anyone who does not possess wealth lacks honor and rank. As wealth confers superior rank, it also confers a superior mind, and superior moral character in business and in life. Lean, utilizing the brainpower of workers and requiring productive engagement by executives, interferes with the habits and techniques of superior minds. Workers using their brainpower – to think about their work and improve it – unnecessarily diminish respected totems of executive class honor and rank such as fealty, decorum, etiquette, etc.

The economic basis under which Toyota's production system developed and evolved over time can be summarized simply as relieving the suffering of the people in a society, regardless of class, and striving to achieve balance and social harmony (Morris-Suziki, 1989). It is just and moral to join both society and wealth. In contrast, it should be obvious that classical political economy has, as a common practical outcome, to create suffering through wealth disparity and is apathetic to balance and social harmony. The separation of society and wealth are recognized as beneficial features, not as flaws. The practice of Lean management, injected into businesses whose executives are anchored in classical political economy, is destined to struggle for years if not quickly fail, regardless of whether Lean is practiced in partial or full form. Successful adoption of Lean in its full form requires executives to modify their understanding of classical political economy – something that few executives realize they need to do or are willing to do.

Essential Learning

Advancing within a hierarchy towards inclusion in the executive class requires learning and mastering three subjects, not all of which are equal in importance. The subjects are: technical job requirements, class-related protocols, and, at the highest levels of the hierarchy, the Wealth Creation Playbook (Table II).

Failure to master the class-related protocols is a far more serious problem than failure to master the technical aspects of administrative work or the Wealth Creation Playbook, the latter of which is essentially trivial and executed by subordinates and proficient subcontractors. Nevertheless, the Wealth Creation Playbook is a relevant subject in this study because its use is invariably said by CEOs to result in improved business performance (see Note 3). Furthermore, the Wealth Creation Playbook clearly shows executives are far more concerned with financial efficiency than they are with process efficiency, and that they view the two as incompatible. First, we begin with class-related protocols.

The many professional and personal benefits of hierarchical advancement create a powerful incentive to master all class-related protocols – particularly Devout Observances – which is nearly an all-consuming education that usually begins at the mid-level manager position and continues up to the CEO and Chairman of the Board. Being an all-consuming education, there can never be any time to learn Lean. What must instead be learned to survive and prosper?

Table II – CEOs Wealth Creation Playbook

Method for Improving Business Results	**Degree of Difficulty (10 = highest)**	**Time to Execute (years)**
Layoffs	1	<1
Hire New Managers	1	<<1
Close Facilities	1	<1
Stock Buy-Backs	1	1-3
Acquisition	2	1-2
Merger	2	1-2
Divestiture / Spinoff	2	1
Change Incentive Compensation	1	<1
Develop New Products	2	1-2
Develop New Markets	3	1-3
Discontinue Products / Services	1	<<1
Reduce / Increase Debt	1	<1
Change Accounting Method	2	1
Incorporate Offshore (inversion)	2	1
Consolidate Operations	2	1-2
Technology / Automation / Digitization	1	1-2
Outsource	2	1-2
Squeeze Suppliers on Prices	1	<1
Price Cuts / Price Increases	1	<<1
Sales Promotions	2	1
Patent Term Extension	2	1-2
Budget Cuts	1	<1
Seek Lower Taxes and Less Regulation	2	1-3

Those who are one level above in status and wealth are the models that those who are one level below must emulate if they hope to advance. The next higher level becomes the target condition to strive for. Upon careful observation, the class-related protocols become clear, as does the mindset and canon of morals and honorifics associated with the executive class. The essential learnings begin with these:

- Exemption from manual (productive/useful) labor
- Earn respect by using and abusing others
- Unambiguous treatment of workers as subordinates
- Give orders and assure their faithful execution
- Swift and visible punishment for not following orders or for doing poor work
- Brash self-promotion; attribute the work of others to one's self

The requirement of the higher-level executive is for the next lower level executive to exhibit the requisite subservience. Obtaining subservience from others is honorific, while those who exhibit unquestioning subservience, in good form of course, are considered more reputable and of greater worth than those subordinates who consider themselves equal to the next higher level. Worth is markedly expanded when, in addition to precisely understanding relational status, the subordinate is skilled at inflicting ridicule, pain, or punishment to others on their superior's behalf.

Another essential learning to master at each step up the hierarchy is how to waste time, for in this there is great honor to be had. In addition, the wasting of time favors the interests of the executive class. Wasting time takes on two forms:

- Assuring an increasingly non-productive existence for one's self
- Running out the clock on workers' wants and desires

Non-productive consumption of time is a marker of one's status in the hierarchy. The non-productive use of time, day in and day out, signifies high social standing. As time is money, one's ability to waste time is an expression of one's wealth and ability to freely waste it with impunity. This includes meetings, business travel, delayed action, indecision, and any other tactic that serves the purpose of assuring a non-productive existence.

Running out the clock is a separate but related phenomenon, evidence of which is plainly visible. For example, executives meet periodically with workers, but invariably without pen or paper to record notes or actions to take. To document interactions with workers is a grave mistake for it generates a record of problems in one's area of responsibility.

Further, action items dictated by workers disrupt the executive's efforts to be non-productive. The only disruption in leisure time allowed comes from above, not from below. It is also unwise to delegate action items to an assistant because they may someday work for a rival and expose their former superiors' deficiencies, ineptitudes, and failures. Finally, responding to workers by way of action items represent weakness, drudgery, and otherwise ignoble work.

In the case of words and associated actions, there exists a law of executive decorum pertaining to their relationship with workers which states that an executive must say they will do a lot, but actually do very little. As one rises through the hierarchy, an executive must say ever-more but do ever-less for workers at each step along the way. This informs all workers in a department or functional area that their leader can use words as objects that serve no useful purpose in the workplace. And it makes clear to all, on a continuing basis, who serves whom.

The executive perspective of workers is embodied in the classic phrase: "Don't think, just do what you are told." This perspective has evolved over time and is embodied in a variant the old phrase: "Do your job and improve your job." The expectation is that workers will find and use any tool to help increase the quality of their work and productivity. In contrast, executives' perspective of themselves has remained constant: "Do the job but don't improve the job." Executives, in furtherance of good standing, wealth, and reputation, must do nothing but increase their sacred non-productive time (Figure 2). Inaction is good governance.

Workers' role is to create comfort and idle time for executives. When this does not happen, executives become agitated and upset. They are quick to anger when problems arise because their leisure time has been disrupted, with the potential for loss of honor and status, and political attacks from rivals that threaten one's hegemony and wealth. Blame and other forms of disrespect are the preferred response because they clarify and reinforce the servile basis of the manager-worker relationship.

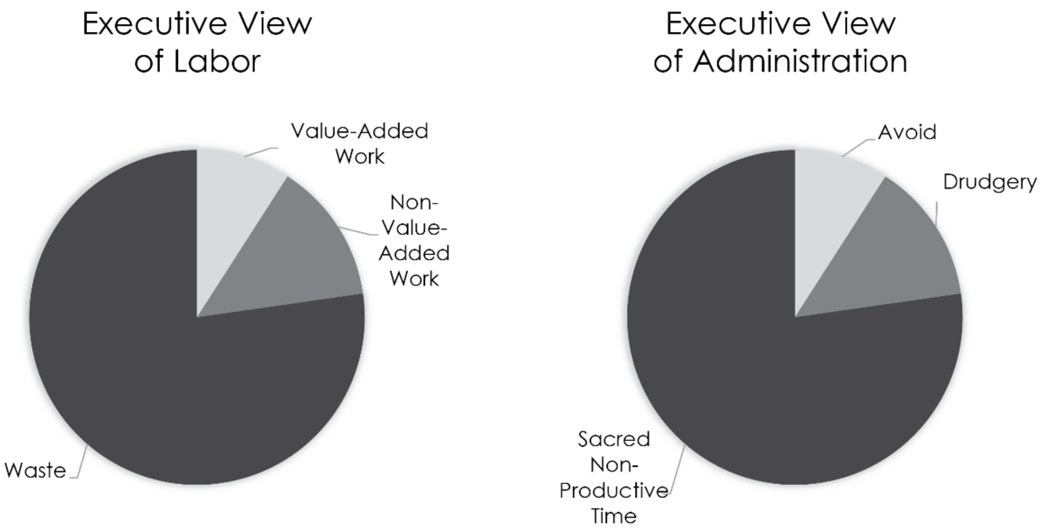

Figure 2. Differences in perspective of the role and contribution of labor (left) [Ohno, 1988]) and executives (right). For labor, waste, activities that add cost but create no value, must be eliminated and value-added work increased. For executives, waste (sacred non-productive time) must be increased.

Development of these essential skills, beginning early in one's management career, create habits of mind and actions that preserve traditions and maintain the present state of affairs. The skills required to do so are highly valued and considered heroic and honorific, and enshrined in the Wealth Creation Playbook. A habit developed early and applied for many years is difficult to break, assuming one would want to do so. Said another way, a habit put into motion tends to stay in motion, following a consistent direction established long ago though education, observation, work experience, mentoring, or combinations thereof. Habits are easy to add and difficult to subtract. Lean requires the subtraction of nearly all habits of executive mind and action.

Superimposed upon these essential learnings is an elaborate system of class-related protocols and rituals pertaining to Devout Observances. Specifically, fealty, manners, etiquette, decorum, emulation, flattery, temperament, demeanor, and so on. In addition, there are matters of erudition pertaining to appearance, taste, style, dress, food, drink, art, decorations, humor and wit, entertainment, and the like. All must be displayed or conducted in good form as determined by the next level in the hierarchy. Fluency in these protocols is the top prerequisite for advancement, as any shortcomings in technical job performance can be rectified by other means. This underscores the significance of personal interaction and subservience as the perpetual test of acceptance among the occupants of each rung of the hierarchy.

It is apparent that there is much new and continuous learning that must occur and which fully occupies one's time as executives advance stepwise through the hierarchy. There is no time to learn Lean, even if the desire to do so existed. That, coupled with management churn – a new boss every few years – places unremitting demands to continue learning in the direction of previously established habits. Further, the accretion of honorable habits that strengthen and perpetuate class-related protocols are revered, while those which conflict with it constitute debasements that are incompatible with one's standing and executive-class interests.

Another essential learning is the Wealth Creation Playbook (Table II) because it is held in high esteem for its ability to provide its practitioners with conspicuous wins, wealth, and social recognition. Lean, on the other hand, is not known by the executive class to do that. Therefore, it is incumbent on those who rise to the top of the hierarchy to use the Wealth Creation Playbook to preserve traditions and lines of authority, and to create wealth for the executive class. To do otherwise is to bring dishonor to one's self and to others in the executive class.

The Wealth Creation Playbook is the accredited source for executive action. Accreditation is conferred through the long heritage of its use by prior generations of executives. To use other methods is to disparage, discredit, and dishonor those prior generations as well as one's self. Furthermore, the use of the Wealth Creation Playbook is ubiquitous, which confirms it as the accredited and dignified source of executive action. It is the truth. Lean, however, is unaccredited in the eyes of executives and it therefore brings dishonor to those who employ it.

The Wealth Creation Playbook reflects the value placed upon action, as expressed in the degree of difficulty to implement (low) and the speed of implementation (fast), that must take place when opportunities arise or when circumstances place the business at risk. Lean has great difficulty competing on the merits of ease and speed because of the slow pace at which new habits of mind and practice are learned. Even if Lean did not suffer such shortcomings, there is no deep record of tradition, honor, and dignity associated with it.

Taboo Learning

Taboo learning is anything perceived by the executive class as being associated with manual labor; activities normally performed by workers. Yet to learn Lean, one must participate in improvement activities. The most potent learning is achieved through participation in shop floor kaizen. This is how Toyota's twin principles, "Continuous Improvement" and "Respect for People" are applied and understood. Knowledge is deepened each time one participates in kaizen, usually 3 to 5 days in duration. Soon, kaizen participants discover a truth: You're never done learning.

Kaizen teams are typically comprised of hourly and salary workers and supervisors from different functional areas. Occasionally, mid-level managers participate, often more to satisfy curiosity than to learn. Shop floor kaizen is mostly manual labor. Kaizen to improve office processes does not dirty hands in the same way as shop floor kaizen, though it remains a type of manual labor and presents other related problems for executives. Specific reasons why kaizen is taboo learning include:

Interaction with Workers

- Executives must personally engage with other kaizen team members for several days as equals, not as executives. It includes taking direction from the kaizen team leader, who is a worker or supervisor.

Manual Labor

- Team members analyze a work process and perform manual labor to improve the process. They move equipment and machines, run machines, make prototypes, test out ideas, and so on. It is hands-on work.

Uniform

- Manual labor requires executives to disrobe; to take off their expensive uniform and jewelry and instead wear clothes that hourly employees wear; i.e. t-shirt and blue jeans.

Learning

- Participation in even one shop floor kaizen normally results in the stark realization that one is not nearly as smart as they thought they were.

Discomfort

- The executive class values comfort and views their pursuit of comfort as honorable. Kaizen causes deep discomfort – mental, physical, and social discomfort.

Participation in kaizen diminishes executive status and authority temporarily and for longer periods – a risk that few are willing to take. That one is never done learning is a truth that the executive class scrupulously avoids because it clouds their thinking and complicates application of the Wealth Creation Playbook. But, most importantly, executives are too busy learning other things to participate in kaizen. Whether in the context of kaizen or not, discomfort instantly materializes when a worker tries to help an executive learn something new or innovative. This is obnoxious and backwards to the established laws of executive prerogative in which executives tell workers what to do.

The performance of manual labor by the executive class is something to abstain from because it is perceived as odious, unclean, menial, and identifiable with debasement, inferiority, weakness, and dishonor. Kaizen is synonymous with discomfort. It is ignoble work unworthy of their personal involvement. Kaizen induces a loss of executive honorifics and is therefore vulgar and undignified. Furthermore, kaizen is offensive to the executive class because it reveals imperfections and defects in that which they admire and regard as a thing of purified beauty: the company.

It is taboo for executives to even know or understand any details associated with manual labor. Mere knowledge of the details of manual work are fully as offensive as having to perform the manual work. Kaizen participation is therefore instinctively and morally objectionable, and participation must be avoided. As a result, the executive class never learns Lean, which is not something they care about anyway. They will, however, rapidly adopt the language of Lean and cheerlead workers in their efforts to learn Lean and improve shop and office processes. Speeches to employees extolling the importance of Lean to the company are firmly in the domain of noble executive work that is entirely theirs to perform. However important Lean may be, all ignoble work must be delegated – even at the risk of hypocrisy, which is an insignificant price to pay to avoid debasement and which bears no consequences anyway.

Under these common conditions, the magnitude of the business results that can be achieved with Lean are severely limited. As the business results fail to accrue, there is no one to blame but the workers; blaming subordinates being among the honorific duties of the superior class. However, poor business results from Lean are far less important than preserving traditions from the ancient past (tribalism, division of labor) and near-past (19th century political economy). And any shortcoming in financial results can be quickly regained though the application of the Wealth Creation Playbook.

It appears that for these reasons, Womack and Jones' Lean has, for decades, de-emphasized dirty-hands kaizen and instead focused on clean-hands improvement methods (Figure 1). But, to no avail, as executives quickly recognized that clean-hands improvement is also grotesque and morally prohibitive, and causes them much discomfort through awareness of the existence of distasteful defects and repugnant manual process details as embodied in value stream maps, A3 reports, gemba walks, and coaching. More generally, Lean fractures executive decorum and compromises executive privilege. So, why do it? In fact, they cannot do it.

Manual labor is what the executive class purchases, it is not what they personally do – especially not in their place of business where a loss in status and authority cannot be tolerated and which is difficult to repair. The few executives who regularly participate in or lead kaizens are naturally perceived by their peers to be deviants within the executive class for having broken sacred covenants. While they may not be banished from the class, they lack influence when it comes to Lean and perhaps other things as well.

Advancement Kata and Wealth Kata

In Lean, structured practice patterns or routines, called "katas," have gained popularity as a method for learning how to think scientifically and how to make iterative progress towards achieving challenging goals (Rother, 2009). There are two types of katas: An "improvement kata" (Figure 3), and a "coaching kata," which is a practice routine for teaching improvement katas.

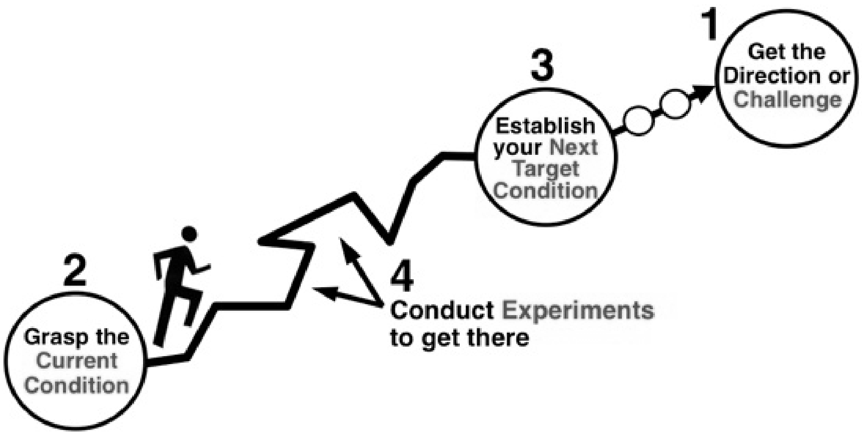

Figure 3. The four-step pattern of the improvement kata (Rother, 2017).
Step 4, experiments, follows the pattern of the Plan-Do-Check-Act cycle.

Learners and coaches interact with one another daily to slowly embed within the organization a scientific way of thinking for recognizing and solving problems. The fundamental idea behind kata is to create a higher performing organization by improving employees' problem-solving capabilities and abilities to attain the challenging goals set by their superiors.

The improvement kata is a method for learning how to learn. All employees, managers, and executives are presumed to have a need to learn. And subordinates at each level of the organization have a direct superior whose role it is, in part, to teach them how to practice their improvement kata through coaching cycles. In its actual practice, however, organizations that adopt kata routines often limit it to just one pairwise relationship closest to the working level: workers (hourly or salary learners) and front-line supervisors (coaches).

The improvement kata consists of four steps (Rother, 2009):

1. Get the direction or challenge
2. Grasp the current situation
3. Establish you next target condition
4. Conduct experiments to get there

The coaching kata asks five questions (Rother, 2009):

1. What is the target condition?
2. What is the actual condition now?
3. What obstacles do you think are preventing you from reaching the target condition?
4. What is your next step?
5. How quickly can we go and see what we have learned from taking that step?

When the improvement and coaching katas are limited to workers and front-line supervisors, one can conclude that mid-level managers up through to the executive level have different learning and coaching interests. The desired learning at higher levels pertain to advancement and wealth, while coaching – mentoring, actually – if done, is highly selective so as not to impinge too much upon one's sacred non-productive time. Thus, the focus of executive's attention is the advancement kata and the wealth kata.

The advancement kata is practiced by managers who seek greater responsibility and advancement. As is clear from the previous sections of this study, the advancement kata does not utilize a scientific approach to learning. Instead, it uses social, political, and economic approaches to learning. Instead of learning based on science, learning is based on people; specifically, the people who ranker higher in the hierarchy. These are two vastly different bases for learning.

The advancement kata consists of only two steps:

1. Get the direction or challenge
2. Get there

The reason there are only two steps is because once the direction or challenge has been given, it is coincident with the target. The current situation is embodied in step 2, "get there." Step four is disallowed because experiments take time and engender the likelihood of multiple failures. So, two steps are all that is required to improve and achieve challenging goals – two steps to win. Admission to the next step in the hierarchy is allowed only after proficiency is demonstrated in steps one and two of the advancement kata.

The wealth kata is practiced by those who have advanced to the CEO, president, and vice-president levels. The word "wealth" principally means monetary wealth, but also includes status, standing, and reputation. The wealth kata also asks five questions:

1. How do we control the market?
2. How do we expand profit margins?
3. How do we increase the stock price?
4. By when do we need to achieve this?
5. Who or what do we need to help us?

Wealth Creation Playbook answers the first four questions, hence its sacred value in executive decision-making and action. Question five normally takes the form of a new executive hire or the engagement of an expensive top-tier consulting firm. Instead of "coaching cycles" there are "wealth cycles" in which the target for wealth must increase inexorably from one period, monthly, quarterly, or annually, to the next. That is continuous wealth improvement. From this we can see that one thing is clear: The goal remains constant – easy work, comfort, and wealth. Even Lean's supposed savior, "the burning platform" – a condition of severe financial distress – has proven to be no match for either the Wealth Creation Playbook or executive culture.

Forever attached to Lean is an unfortunate and weighty attribute: It conflicts with executive's established understanding of hierarchical advancement, wealth creation and wealth accumulation, as well as heroic deeds and honorific attributes. This makes Lean impure and unworthy of executive attention (Table I).

Sanctity of Higher Education

Whether one is a graduate of a prestigious Ivy League institution or a third-tier public institution, the education of the executive class is sacred and must not be disturbed. The education was expensive in money, time, and effort, and it is therefore reputable and trustworthy. If one is taught how to solve a problem in school, then one must solve the problem the same way out of school – at least until shown otherwise.

Once in the workplace, if one sees a higher-level executive solve a problem a certain way, derived from their higher education, then they invariably solve the problem the same way when they become the higher-level executive. That is the standard. One must not question things that have no need to be questioned. These are expressions of good taste, decorum, and Devout Observance.

Higher education is apparel or dress for the intellect. It is internal couture that compliments external couture; a hidden aesthetic that has spiritual energy, practical value, and social worth. Graduating from the best schools drapes ennobling haute couture onto the intellect, which intensifies reputation, honor, success, and superiority. The finely crafted apparel of both mind and body make it impractical for the executive class to engage in productive labor, which itself is further evidence of success and good fortune.

Completion of higher education is the endpoint. The knowledge conveyed by professors who are expert in teaching and in their fields of study establishes worth. The tradition is to use what was learned, and not learned, whether the field of study is business, economics, arts, science, or engineering. It is one's duty to solve a problem as prescribed. Learn only what the professor knows; what the professor knows, you now know. It is a form of property conferred to graduates that, when put into use, enhances one's repute. It soon matures into a habit of mind that is virtually impossible to breach. Because it is honorable, there is a great reluctance to give up the teachings in toto. The Wealth Creation Playbook reflects the teachings, both in higher education and in business practice, incorporating modifications that suit the needs and comfort of the executive class. The Wealth Creation Playbook is recognized as both good and right and accepted as the canon of profitable knowledge.

Because the teachings are both sacred and ubiquitous, there is immense social pressure to conform. There is an equally immense desire to avoid unwanted scrutiny or unfavorable commentary from others in the executive class such as: "Was your Ivy League education not good enough?" or "Don't you think this will hurt your reputation?" Adopting Lean in its full form as a management system calls for elaborate explanation to one's peers, yet Lean is almost impossible to explain because it is something that must be experienced first-hand. Few want to provide detailed rationale or justifications to their peers because failure is all but certain; there is nothing one can say to convince their peers of the merits of Lean. In adopting Lean, there is a risk of falling out of favor with one's peers and alma mater. To adopt Lean is to disrespect one's professors and the body of knowledge meticulously built by countless scholars over time, as well as the school and the university.

In Lean, higher education is seen as only the starting point because one is never done learning. The desire to continue learning that which can only be learned on the shop or office floor is more sacred than knowledge imparted to students by professors; what the professor does not know, you now know. Questioning everything is revered because this continuously feeds the human learning, creativity, and innovation required for prosperity to flourish and long-term business success. Know-how, developed through individual and team efforts, trying new things, using derivatives of the scientific method – kaizen, improvement kata, Plan-Do-Check-Act cycle, A3 reports, etc. – and the ability to simplify processes are truer measures of worth. Yet, to the executive class, the learning that Lean offers comes from unqualified sources. It is a cheapened education that is both unworthy and indigestible (see Note 4). The formal and informal education of the executive class fulfills the need and sets the standard. It conforms to requirements and its survival proves its worth and fitness. There is no need for change.

Lean puts the executive class in numerous difficult binds from nearly every direction. It creates business, professional, and personal problems that they cannot easily manage or control. Hence, they must abstain from a full embrace of Lean management. Any interest in Lean must therefore be limited to selected tools and methods which cause them no difficulties and which could possibly make small positive contributions to business profitability and performance. Full commitment to Lean management is left to the tiny cadre of deviant CEOs who wish to pursue success by a different method.

Protecting and Preserving Institutions

The executive class is more than just a class. It is an institution rich in traditions whose members seek to assure its survival through the perpetuation of its interests. Being an institution rooted in the past, its interests will naturally conflict with the needs and requirements at any point in time which marks the present. As it is slow to adapt, the institution and its members will disfavor the advancement of progressive transformation of businesses that they have authority over. Views and practices that one might perceive as archaic are seen by others as current, providing needed order, and benefitting a large population of society. Progress, it can be argued, is being made, slow though it might seem, or that stasis or even retrogression is a more favorable condition because it benefits society at-large.

As an institution charged with protecting another institution, business, the executive class must insulate itself and business from the forces that would alter either institution. Therefore, they must firmly embrace a world-view that serves its purpose, to preserve the past, which, as time passes, becomes ever-more theoretical in its construction than practical. Unimpeachable evidence of innovation in management thinking and practice must be rejected – not for ill motives, but simply for the preservation of traditions, honor, and respect. Their obligation, conscious or unconscious, is to preserve the past, not to advancement and innovation. Devoutness to traditions assures survival of both self (class) and culture.

Lean, a modern innovation brought to reality by workers in conjunction with productive executive labor, is not something whose merits the executive class want to acknowledge or associate itself with. Lean is of a different, lower class. The few, therefore, disallow advancement of the many. And so, as the executive class views Lean as unacceptable, the classes below absorb their influence and feel likewise, thereby allowing the sacred institutions to remain strong and vibrant.

As the successful Lean CEO Art Byrne has long said, "Everything must change" when it comes to Lean transformation (Byrne, 2012). True as these words are, they are nonetheless thoroughly repulsive and completely distasteful to the executive class. It requires them to do the opposite of what they are obliged to do: protect and preserve their institutions. Changing everything is impractical, painful, bothersome, and rife with complications, discomfort, and objectionable consequences. The mental effort and energy needed is far beyond reason, and it impinges upon their sacred non-productive time and perfected practice of judging all matters in relation to money. Lean is a disturbance that nullifies the established order and habits of mind, and is therefore detrimental to the executive class's interests. One must leave well enough alone as the established order is good and right, and it delivers much-valued clarity and certainty.

Summary

"We've got great ideas but we are still struggling to get the world's managers to adopt them." (Womack, 2017a)

As this study has attempted to show, Womack's struggle is far greater than he apparently realized. Mere changes in strategy and tactics are unlikely to dislodge executives from their view of Lean as antithetical or irrelevant (see Note 5) to their class and cultural interests. It seems that Womack, a political scientist, and his colleague, Dan Jones, an economist, should realize that better than anyone. Perhaps the Womack and Jones team of sociologists comprehend the substance of what this study conveys and chose to not address it, or they were unaware of it and believed that success can be achieved despite it. One wonders how doing so serves the interests of their customers and the Lean community at-large.

The executive class also has "great ideas" – many great ideas that have withstood the test of time to which devotion and sanctity are firmly attached. Far longer in time than progressive management, which comes and goes inconsistently, and which is subject to such large variation in understanding and widespread dilution in practice as to render it deficient if not functionally useless. This too is fortuitous for executives and an unfortunate circumstance for workers and the Lean movement.

The proponents of Lean have long assumed that executives would freely accept Lean though the combined presentation of data, facts, logical arguments, and by showing real-world examples of the magic of Lean. Yet, the Wealth Creation Playbook represents the accredited system that, through its diligent application, produces wealth and honor almost without fail (see Note 6). The executive class rewards one another with honor for adhering to the tenets which uphold the Wealth Creation Playbook and its frequent use as indicators of the application of power and control. The Playbook will remain in force and relevant far into the future (see Note 7), despite its apparent drag on economic and human development.

Progressive Lean management is a populist, quasi-democratic management practice. To adopt Lean means to reverse honored traditions and discard habits of thought that have long yielded favorable business and personal results. It seems impractical to expect that anything more than a small number of wayward CEOs (and their boards of directors) would happily adopt Lean management in its full form and bring dishonor and decay to the executive class. If one wishes to be reputable in the class, then one must be respectful of the established rules and follow them meticulously.

The continued dominance of 19th century political economy in executive thought and action has had a thoroughly stultifying effect on their ability to consider Lean as a management system that is better suited for current and future times. The apparent solution is to replace archaic economic ideas with new ones that are consistent with Lean and the needs of humanity and its communities. But, who would lead such an effort and how much influence could they exert on the executive class? This will take time, perhaps well-spent, but new economic ideas consistent with Lean may arrive after entrenchment of the robotics and artificial intelligence and concomitant displacement of labor – a clear alignment with 19th century classical political economy – when Lean might be, in either fact or perception, no longer relevant to large corporations.

In decades past, labor unions were influential and successful in representing workers' interests. That is not the case today. A resurrection of labor unions, by means unknown, could compel executives to adopt Lean in full form as a management system and practice it to high effect. However, labor unions have a long history of hostility towards progressive management, revealing an abject failure by generations of national and local union leaders to understand Lean's motives and benefits to workers as well as management, much to the satisfaction of the executive class. Labor unions, in their effort to improve workers' lives and livelihoods, have missed what could have been their greatest asset. If resurrected, labor unions would most likely continue in the direction of previously established habits which have been largely defeated.

The present study offers no easy solution to this difficult problem. Yet, it illustrates the perils of preconceptions (assumptions) such as using various logical and rational means to persuade a prominent class of wealthy and influential people whose interests are far more complex and interdependent than is immediately visible or which they are willing to voluntarily reveal. This study has exposed the complexity and interdependent features of executive culture and established the challenge ahead for those who still hope to gain widespread acceptance of Lean management by the corporate executive class. They should keep these words by Taiichi Ohno in mind as they move forward (Ohno and Mito, 1988):

> "...we are doomed to failure if we do not initiate a daily destruction of our various preconceptions."

The context of this quote is process improvement in manufacturing, but these words apply equally to improving the process for gaining wider acceptance of Lean management among the executives of large corporations, which has been clearly burdened by numerous preconceptions.

Finally, the author wishes to again remind readers that the aim of this paper was a Veblenesque socioeconomic interpretation of a curious phenomenon in business as it relates to wealth, economics, labor, and human relations (see Notes 8-12). It exposed the deep conflicts and grinding friction that exists between classical management and modern Lean management, from which will rise new opportunities. *Vivere est cogitare*.

Questions for Lean Promoters and Supporters to Reflect On
• Do you listen to and respect executives who resist the change to Lean? Do you label them as bad leaders for resisting Lean? Does it make sense to do that after reading this paper? • What other bedrock assumptions need to be tested to determine if they are valid? • What can be done to lessen the strong influence of classical political economy? • How can Lean be made to function better within fundamentally inhospitable corporate environments (Table I)? • In what ways can Lean compete better on the basis of ease and speed (Table II)? • What more can be done to close the perception gap among executives that financial efficiency (Table II) and process efficiency are incompatible? • If Lean is fundamentally incompatible with big company executive culture, where should efforts to advance Lean be focused? • What can the successful Lean CEOs do individually or as a team that they have not already done to influence CEOs of large corporations? • Based on what you read in this paper, how would you start a discussion on Lean management with an executive team that is: a) unfamiliar with Lean and b) familiar with Lean (first 10 minutes)? • Referring to Note 7, if questioned by a CEO on these points, how would you respond? • What did you learn from the A4 failure analysis (Appendix)?

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Notes

1. As a Veblenesque socioeconomic interpretation, this paper uses colorful language and strong rhetoric that can easily be misinterpreted as unduly provocative or offensive. That is not the intent of the style of writing. This paper could also be misperceived as class warfare, a strawman argument, a jeremiad, or an opinion piece. It is none of these. Misunderstandings and misinterpretations overshadow the critical thinking, first-hand experience, and empirical evidence that are the foundation of this work. The paper should be carefully read in the context of the problem statement to grasp the sources and consequences of executive's resistance to Lean. And keep in mind the limited claim made in this paper: It "…offers a *plausible* and detailed understanding of the culture and causal relationships that delineate executive resistance to Lean."

2. Veblen's taxonomy reflects the almost entirely male-dominated executive class of the mid- to late 1800s. While the executive class is less male-dominated today, Veblen's taxonomy is retained in this study because it continues to reflect the preoccupations of executive culture today, whether the executive is male or female. In addition, the taxonomy remains valid today and in the future given the continued use of the Wealth Creation Playbook.

3. Institutional shareholders, boards of directors, investment bankers, corporate raiders, and potential acquirers exert strong influences on corporate officers. The fastest and easiest way to satisfy their interests is by using the Wealth Creation Playbook.

4. It is commonly observed that Lean devotees believe they possess superior knowledge of right and wrong ways of thinking and of doing things, and hence fashion themselves as guardians of the Truth (e.g. "the gemba is the truth"). This is perceived unfavorably by the executive class as not knowing one's station in the hierarchy and clear violations of decorum and subservience. Lean thinkers' well-intentioned efforts to help executives is viewed as confrontational and regarded as an affront to their status, knowledge, and experience.

5. Since 1988, Lean production has blossomed into numerous niche applications – e.g. Lean human resources, Lean product development, Lean supply chain, Lean media, Lean IT, Lean maintenance, Lean project management, Lean office, Lean recruitment, Lean startup, Lean sales, Lean customer development, Lean safety, Lean teaching, and so on. To the extent that executives are aware of this atomization of Lean, it cannot be comforting to them because it suggests that an ever-larger larger devotion of corporate resources are required for Lean which, in turn, detracts from wealth and contributes to making Lean vacuous and irrelevant in their eyes. The fundamental executive need is for workers to do their job, and, more recently, to improve their work, regardless of the tools used. Failure to do so is quickly remedied as shown in Table II.

6. For many years, Lean was proffered to executives as new capitalist method for "wealth creation" (Womack and Jones, 1996). To a CEO, methods for creating wealth have long existed in classical management practice. Therefore, they do not have a need for a replacement method to create wealth. Apparently, the two are seen as trading 100 kilograms of gold (classical management practice) for 10,000 kilograms of silver (Lean management system). Their value is equivalent (minus transaction costs), so why bother? Will proffering Lean as a corporate strategy and as a people-centered management system (Ballé et al., 2017) result in a different outcome? Are executives, trained in classical management practice, interested in uniting strategy and execution? Are they interested in a new people-centered management system? It remains to be seen.

7. The Wealth Creation Playbook will remain in force and relevant far into the future because, in its 30 years of existence, Lean transformation has a poor record of success, where success is defined as achieving something close to Toyota's management practice and corporate culture (Byrne, 2012). It also has a terrible record of sustainability due to frequent changes in management and periodic changes in company ownership. The success rate for Lean transformation is widely believed to be just three to five percent for companies of all sizes. CEOs who are aware of this would question why they should invest in Lean transformation (combination of all necessary resources) if it has a greater than 90 percent chance of failure. From the CEOs perspective, the return on investment is likely to be a large negative number. This perspective would likely exist even if the success rate was 50 percent. A 50 percent chance of failure is also unattractive. Alternatively, a very high success rate for Lean transformation could indicate to executives that Lean offers no competitive advantage – everyone is doing it – so they will seek competitive advantage by other means. Finally, the Wealth Creation Playbook is perceived by CEOs and major shareholders as a "sure thing," while Lean transformation is rife with uncertainty – which CEOs detest. Proffering Lean as a corporate strategy (Byrne, 2012; Ballé et al., 2017), does not seem to change these dynamics overall, but it will likely appeal to a small number of CEOs.

8. Whenever one discusses what leaders do or not do, there is a high likelihood of it being interpreted as an "us-versus-them" invective. That would be a misinterpretation of this paper. Occupying a leadership position means one freely accepts responsibility for their thinking and decisions. This paper merely articulates the nature of thinking and decision-making that have been freely accepted by most CEOs, and, at various times, contrasts it to the thinking and decision-making freely accepted by the Lean CEOs. Compare-and-contrast is not equivalent to us-versus-them, nor does examining differences and similarities in methods constitute an ad hominem attack. While this is a serious study, hopefully you could find the humor as well as the diverse sympathies embedded in it.

9. In his book, *The Instinct of Workmanship* (Veblen, 1914), Veblen characterized the mismanagement of industry this way (p. 193):

> "If the 'efficiency engineers' are to be credited, it is probably within the mark to say that the net aggregate gains from industry fall short of what they might be by some fifty per cent, owing to the trained inability of the businessmen in control to appreciate and give effect to the visible technological requirements of the industries from which they draw their gain. To appreciate the kind and degree of this commonplace mismanagement of industry it is only necessary to contrast the facility, circumspection, shrewd strategy and close economy shown by these same businessmen in the organization and management of their pecuniary, fiscal and monetary operations, as against the waste of time, labour and materials that abounds in the industries under their control."

(Not that the "efficiency engineers" of the early 20th century were the same as today's Lean consultants. They were a derivative commercial version of the people who created Scientific management, just as Lean consultants are derivative commercial versions of the people who created the Toyota production system. In the early 1900s, the "efficiency engineers" were seen by the creators and adherents of Scientific management as largely unqualified and opportunistic, in parallel with how many Lean consultants are viewed by the creators and adherents of TPS today).

Veblen continues (p. 222):

> "It is the testimony of these efficiency engineers that relatively few pecuniary captains in command of industrial enterprises have a sufficient comprehension of the technological facts to understand and accept the findings of the technological experts who so argue for the elimination of preventable wastes, even when the issue is presented statistically in terms of price."

Thus, even when waste in presented in financial terms that executives can easily understand, the executives still do not understand the vast opportunities for the improvement that exist in their operations. Veblen attributes this to the wide separation between the management of the enterprise and the management of industrial processes. He contrasts how the top company managers in the earlier days of industry were closer to the technologies of industrial processes than the top company managers in his day due to the focus by the latter on money as the singular measure of efficiency in all processes and all transactions. Veblen said (p. 224):

> "That the business community is so permeated with incapacity and lack of insight in technological matters is doubtless due proximately to the fact that their attention is habitually directed to the pecuniary issue of industrial enterprise; but more fundamentally and unavoidably it is due to the large volume and intricate complications of the current technological scheme, which will not permit any man to become a competent specialist in an alien and exacting field of endeavour, such as business enterprise, and still acquire and maintain an effectual and working acquaintance with the state of the industrial arts."

The obvious solution to this problem – long known to the creators and adherents of Lean and Lean consultants, the creators and adherents of TPS, and the creators and adherents of Scientific management and efficiency engineers before them – is to periodically engage top company leaders in improvement activities so that they may gain sufficient familiarity with industrial processes under their command, witness the vast waste and inefficiency first-hand, and contribute to their elimination. However, as has been previous explained in this paper, a benefit of wealth is the power to control the corporate agenda to suit executives' predilections and thus eliminate or quarantine activities perceived to be of a low priority or simply nonsense in relation to executives' time and interests.

10. In a later work, Veblen (Veblen, 1921) provides an alternative yet complimentary explanation for executive resistance to Lean that, combined with executive culture and their pecuniary interests, adds much greater weight to the likely cause of the observed effect. Veblen attributed executive indifference to process improvements made by production engineers to the "layman" status of the "captains of finance." As the size and scope of industrial enterprises grew, executives' role focused increasingly on financial management of the enterprise, which, in turn, meant that they became increasingly disconnected from the industrial processes. At the same time, the industrial processes became more diversified and complex, requiring staff with greater engineering and technological capabilities. Over time, the industrial processes that produced profit and which provided executives with "free income" became incomprehensible to them, and hence their reduction to layman status. That, in turn, resulted in increased executive conservatism with respect to innovation, experimentation, and change. They were content to "let well enough alone." Thus grew the division in focus and understanding between executives responsible for financial management of the enterprise and those responsible for management of industrial processes. Maintaining or expanding profits by lowering costs through process improvement was perceived by executives as high risk because they were unfamiliar with industrial processes. Other mechanisms, such as those shown in Table II, CEOs Wealth Creation Playbook, were perceived as low risk and therefore more useful. The result of "disjointed one-eyed management" was an inability by executives to see or comprehend the "lag, leak, and friction" (waste, unevenness, and unreasonableness) contained in all industrial processes and which plagued the efficiency and effectiveness of the business throughout.

Veblen characterized the benefit that comes when production experts take over management of the enterprise (p. 68):

> "So that wherever the production experts are now taking over the management, out of the dead hand of the self-made captains, and wherever they have occasions to inquire into the established conditions of production, they find the ground cumbered with all sorts of incredible makeshifts of waste and inefficiency – such makeshifts as would perhaps pass muster with any moderately stupid elderly layman, but which look like blindfold guesswork to these men who know something of advanced technology and its working-out."

Veblen commented on the gain in productive output that is possible if management is left to the production experts (pp. 70-71).

> "And all the while it is an open secret that with a reasonably free hand the production experts would today readily increase the ordinary output of industry by several fold, – variously estimated at some 300 per cent. to 1200 per cent. of the current output. And what stands in the way of so increasing the ordinary output of goods and services is business as usual."

Veblen noted how production experts' presentation of the facts were ignored by top corporate managers (pp. 72-73):

> "During the opening yeas of the new [20th] century a lively interest centered on the views and expositions of these two groups of industrial experts [Scientific management experts and consulting engineers]; and not least was the interest aroused by their exhibits of current facts indicating an all-pervading lag, leak, and friction in the industrial system, due to its disjointed and one-eyed management..."

The logical and consequent result of Veblen's analysis is the outsourcing of non-core competencies by executives. Because the layman does not understand or care about the workings of industrial processes, they outsource it, creating an organization that is ever-more suited to the limited and diminishing capabilities of the layman. The layman executive will become increasingly inexpert in future industrial processes as business becomes even more technologically oriented through digitization and digital transformation, resulting in a continuation of "business as usual" (Table II).

Toyota's consistent success is attributable in large part to a long-standing commitment to the careful and conscientious management of industrial processes, enshrined in their management system, The Toyota Way, thus avoiding the layperson status that befalls the "one-eyed" (financial) managers, as well as avoiding the "lag, leak, and friction" that perpetually plagues business efficiency and effectiveness, to the detriment of all but the executive class.

11. For nearly 30 years, Lean movement leaders tried to make a business case for Lean, one that would appeal to the CEOs of large companies. The first 20 years focused almost exclusively of the technical methods of Lean, while the last 10 years has seen the addition of "Respect for People" and embrace of humans – especially workers. The business case for Lean failed to persuade the CEOs of large corporations. Going forward, the case for Lean will be made using a broader societal context (Womack, 2017b). However, it seems unlikely that executives raised on classical political economy would be interested in a new social approach that features stable employment, comfortable income, and fulfilling work. A rationale for corporations to adopt Lean based on jobs and societal welfare is likely to be even less appealing than the failed business case for Lean that was based on banishing waste. Grand visions of what is best for society (social engineering) are uniquely situational, politically difficult, and quick to generate strong defensive routines among the people who have interests vested in wealth and power. On its face, the pivot to a social context for Lean seems more likely to be a strategy designed to keep Lean alive until such time when jobs and social welfare become appealing objectives to CEOs and their Boards. Lean proffered as a cure for society's ills could inadvertently hasten its demise. Scientific management was also proffered as a cure for society's ills, and is one of the primary reasons why it failed to gain traction in business and elsewhere.

12. Much of what has been said in this paper is substantially true for the executives of smaller corporations as well as the owners of small family-owned businesses.

Appendix

In the summer of 2004, I created a unique graduate course called "Failure Analysis of Management Decisions," in which students formally analyzed various types of business failures using a 4-page worksheet. I created the worksheets to facilitate student's analysis of each week's case and to focus their learning. The worksheets have been refined and improved more than fifteen times since they were first created. The process was eventually named the "A4 Failure Analysis Method," where A4 refers to the number of pages used in the analysis: i.e. **A**nalysis in **4** pages (not the size of the paper).

The A4 Failure Analysis Method has proven itself to be an excellent method. Its great strength is in helping its users to systematically analyze complex failures in detail, including the most critically important human factors. It is far more powerful than a stand-alone 5Whys, A3 Report, or other common method.

Over the years, my graduate students have consistently rated the course as the best they have ever taken because of the enormous amount of learning and useful insights they gain for future use. You can learn more about the A4 Failure Analysis Method here:
http://www.bobemiliani.com/prof-emilianis-a4-failure-analysis-method/

The following pages show the application of the A4 Failure Analysis Method to a failure that is closely related to the subject of this paper, but slightly different in focus. It is an analysis is the activities and actions taken by Lean Enterprise Institute ("the world-recognized, leading source for clear and accurate content about lean thinking and practice" https://www.lean.org/Workshops/WorkshopDescription.cfm?WorkshopId=123) led by the work of James P. Womack, Daniel T. Jones, and their associates, to create, develop, and promote Lean, which failed in its intended purpose to gain the interest of CEOs of large corporations.

The A4 failure analysis complements this study and will help readers understand additional important details that contributed to this complex failure, as well as gain useful insights into what can be done differently in the future should they wish to advance Lean management.

Name: Bob Emiliani | **Case: "Where Lean Has Failed"** Reference: http://planet-lean.com/jim-womack-on-where-lean-has-failed-and-why-not-to-give-up | **Date: October 2017** | **A4 Failure Analysis Worksheet 1**

1-1. Which stakeholder(s) did top managers appear to be most concerned about before and after the problem's emergence?

Stakeholder	Before	Why Concerned (Before)	After
Customers	✓	Need for better leadership and management	✓
Employees	✓	Give employees the tools to lead change (VSM, A3, etc.). "Respect for People" post-2008	✓
Suppliers			
Investors	✓	Wealth creation	
Competition			
Community	✓	Vibrant businesses and economies	✓
Government			
Themselves	✓	Engage others to realize Womack/Jones' vision	✓

1-2. What is the current state (i.e. after the problem emerged)?
- Few brownfield organizations have transformed in the past or will transform in the future
- Most organizations still use only selected Lean tools and stop there
- Execs say Lean is important but do little or nothing to support it
- Execs are not personally engaged with Lean (learning and improvement)
- Execs don't recognize Lean as a better management system
- Execs don't recognize Lean as a strategy
- Methods used to teach Lean have imparted knowledge but failed in application
- Problem emerged 15 or more years ago

1-3. What did the senior managers who owned the problem do to address these problems?
- Authored/promoted a new book titled "Lean Strategy"
- Wrote an article admitting there is a problem, express disappointment, and advise people not to give up
- Tell people that the future plan is to do more of the same: continue to "showcase achievements" and look for "the next remarkable leader"
- Continue doing the same things in the future as were done in the past

1-4. Identify at least three inconsistencies between what managers said and what they actually did (say-do inconsistencies).
- Claiming Lean is the same as TPS, when it is not
- Highlight Lean success stories, ignore failures
- Advocate structured problem-solving (use of scientific method) when problems arise, then ignore widespread problems (lack of CEO interest, Lean failures, etc.)
- Advocate structured problem-solving, but show no evidence of its use for the failure to popularize Lean and other related problems
- Lean initially characterized as "Lean production," then "Lean management" (2007), then "Lean strategy" (2017)
- Changed definition of Lean thinking (from five Lean principles to Purpose, People, and Process)

1-5. Identify untested beliefs or untested assumptions that company senior managers had that contributed to the problem(s)
- Leaders are willing to think differently, change and lead major change
- Logical/rational arguments will convince brownfield business leaders of the merits of Lean and to transform
- Personal success/pride will be subjugated to new opportunities
- Organizational hierarchies pose no limitations/barriers
- Strong organizations want to become stronger; weak organizations want to become stronger
- CEO culture is understood

2-1. EFFECT: Long-term efforts to transform brownfield businesses have been unsuccessful.

A4 Failure Analysis Worksheet 2

2-2. Traditional Cause-Effect Relationships (six types of causes)

Human (human interaction in the failure) • Delayed problem recognition • Delayed problem response • Lack of real-time correction • Ignore inputs from other sources (outsiders)	Machine (equipment or tools pertinent to the failure) • Web sites promoting Lean (lean.org, leanuk.org, planet-lean.com) • • •	Methods (practices prominent in the failure) • Rational/logical arguments • Classroom teaching method • Book/articles teaching method • Conferences and presentations to convey mindset, knowledge, and methods • Co-Learning Partners
Materials (materials pertinent to the failure) • Variation in Lean and TPS literature (e.g. Womack/Jones - Liker, etc.) • • •	Measures (metrics / data used to make decisions) • Number of success stories • Classroom training attendance • Conference attendance • Book sales • Inputs from insiders and other trusted sources	Environment (conditions existing during the failure) • Outsourcing / Offshoring • Cheap money (for acquisitions and mergers) • Shift to digitizing business processes • Declining interest in Lean • Lean in mature or decline phase of life-cycle

2-3. Process-Based Cause-Effect Relationships (six types of process-based causes)

Human Resource Processes • "Boss' way or the highway" • • • •	Engineering / New Product Development Processes • Books and classroom training on Lean tools and methods • Overproduction of books and training classes • •	Finance Processes • ROI on each book and training classes • • • •
Sales & Marketing Processes • Relentlessly promote Lean • Overwhelming focus on success stories • • •	Operations / Supply Processes • Publish new books • Deliver training classes • • •	Information or IT Processes • Keep using the same methods; just do more of it • Listen to insiders / ignore outsiders • • •

2-4. Which <u>one</u> of the above 12 cause categories was the biggest driver of the problem: Methods

5 Whys / Countermeasures Worksheet (Remember, you don't have to stop at why #5)	A4 Failure Analysis Worksheet 3
3-1. Ten Whys Analysis	**3-2. Identify Up to Two Practical Countermeasures**
1. **Why have long-term efforts to transform brownfield businesses been unsuccessful?** *- Because Lean product development and marketing was ineffective.*	
2. **Why was Lean product development and marketing ineffective?** *- Because executives did not see significant value in Lean.*	
3. **Why didn't executives see significant value in Lean?** *- Because other methods were seen by executives to have more value.*	
4. **Why were other methods seen by executives to have more value?** *- Other methods are more widely used.*	
5. **Why are other methods more widely used?** *- Because other methods achieve the desired results faster.*	
6. **Why do other methods achieve the desired results faster?** *- There is an established infrastructure to achieve the desired results faster.*	Develop a method of Lean transformation that is competitive with the established infrastructure.
7. **Why is there an established infrastructure to achieve the desired results faster?** *- Because faster results was what the top executives (customer) demanded.*	
8. **Why did the top executive demand faster results?** *- So the executive can move on to other affairs.*	
9. **Why do executives want to move on to other affairs?** *- To get credit for additional successful achievements.*	
9. **Why do executives want to get credit for additional successful achievements?** *- To gain recognition, expand influence, satisfy ego, make more money, and so on.*	Understand the executive culture to develop improved methods of engagement.

Decision-Making Traps, Illogical Thinking, and Learnings Worksheet	A4 Failure Analysis Worksheet 4
4-1. Identify as many major decision-making traps as you can:	
ANCHORING – Give Disproportionate Weight to the First Info. Received	• Executives showed interest in Lean early-on. Toyota and Wiremold did it, so others can too.
STATUS-QUO – Preference for Solutions that Preserve the Current State	• "Stay on course." Understanding of CEO culture unchanged over time.
SUNK COST – Make Decisions that Support Past Decisions	• Continue using same methods to promote Lean to executives.
CONFIRMING EVIDENCE – Seek Information that Supports Your View	• Executives express interest in Lean.
FRAMING – Making Decision Based on How Question/Problem is Framed	• Lean could be universally applied in every industry in every country.
ESTIMATING/FORECASTING – Making Estimates or Forecasts for Uncertain Events. **Overconfidence** – Believing our Estimates or Forecasts are Accurate. **Prudence** – Adjusting Estimates or Forecasts to "be on the safe side." **Recallability** – Predictions about the Future Based on Memory of Past Events.	• Another Toyota would emerge in every mature industry. • Underestimated/discounted past resistance by CEOs to progressive (scientific) management. • Thought that logical/rational arguments would drive CEOs to adopt Lean.
4-2. Identify as many examples of illogical thinking as you can:	
Denying the Antecedent: If A then B; Not A therefore, Not B. (write as "If-then" statement)	• If execs do Lean math, then Lean is adopted. No Lean math ⊠ no adoption.
Affirming the Consequent: If A then B; B therefore, A. (write as "If-then" statement)	• If execs do Lean math, then Lean is adopted. Do Lean ⊠ did Lean math.
False Assumptions: Knowing or suspecting the assumption is false but using it anyway.	• CEO ("men of affairs") culture was understood.
Using and Abusing Tradition: Using tradition to argue against something.	• Conventional methods to improve business performance are inferior to Lean.
Ad hominem: Attack the person, not the argument.	• Big companies execs can't do simple arithmetic. Quietism in Lean community.
Avoiding the Force of Reason: Make false claims or use power to avoid an argument.	• Lean is the same as TPS. Lean principles superior to TPS/TW principles.
Abuse of Expertise: Using expertise or experts to justify an action.	• Self-identify as "management experts" but no significant Lean experience.
Red Herring: Divert someone's attention from the problem at hand.	• Focus on success stories, ignore failures for 30 years.
Inability to Disprove Does not Prove: No proof against X does not make a favorable argument for X.	• "The world mostly didn't follow our advice."
False Dilemma: Saying there are only two choices when there are many.	• Lean is best, conventional management methods are inferior.
Special Pleading: Omitting key information because it would undermine my position.	• Ignore out-groups and critics; maintain distance from critics.
Expediency: Ignoring the means to achieve a desired end.	• Overemphasis on telling (books, classes), not showing.
4-3. Identify significant learnings: • Act on new information (failures) as it becomes available and quickly make adjustments. • Don't assume you understand the CEO culture (that logical/rational arguments will prevail). • Don't ignore outsider and critics – especially when the mission is so consequential to people's lives and livelihoods. • The past informs the future. Don't ignore the past (executive reaction to progressive management).	

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