

Progressive Management 100 Years of Criticism

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Progressive management, commonly known as Lean management* post-1987, has been the subject of severe criticism for over 100 years by everyone imaginable - workers, managers, suppliers, unions, academics, the press, politicians, shareholders - and from every industry imaginable - automotive, aerospace, healthcare, banking, law, energy, pharmaceuticals, information technology, apparel, printing, and so on. Criticism today is based largely on an outdated 1910 perspective of progressive management, in which the boss (rather than worker) is the expert. Much of the criticism comes from workers, but, like all others, their criticism is both squarely on-target and wildly off the mark. How can that be?

Workers' criticism is squarely on-target because they frequently experience bad outcomes, directly or indirectly, as a result of progressive management. They, or others who they know or have heard of, have been harmed in ways great or small. Yet the criticism is also wildly off target because in most cases managements' understanding and practice of progressive management is largely or wholly defective. It seems to be of little importance to any critic that there are enormous differences between defective, zero-sum (win-lose) progressive management and high-quality, non-zero-sum (win-win) progressive management.

Through trial and error, the pioneers of progressive management, all of whom were managers in industry, learned that it is not enough to practice "continuous improvement." They must also, in equal share, practice "respect for people," where people include key business stakeholders such as employees, suppliers, customers, investors, communities, and even competitors. The two concepts, "continuous improvement" and "respect for people" have long been codified by the pioneers as bedrock principles, both of which must be put into practice in non-zero-sum ways by managers who decide to switch to progressive management. This, as they always pointed out to anyone who would listen, is non-negotiable. Yet senior managers commonly take it upon themselves to decide what is important and what is not important. Most, therefore, ignore the "respect for people" principle or think they know it without ever having practiced it. It is as if the operator of an automobile decided that engine oil is not important. Such a view would soon lead to big problems.

Progressive management must do no harm. It must be led and practiced by senior managers in a non-zero-sum fashion, just as the pioneers said it should. Importantly, an improvement counts as an improvement only when it has a favorable impact on all key business stakeholders. While this is challenging to do, it is not as difficult as it seems. If progressive management is led and practiced by senior managers in a zero-sum way, then people will be harmed. When this happens, an improvement does not actually count as an improvement. Such practice is defective because it is obviously inconsistent with the "respect for people" principle, and explains why progressive management has been criticized to a far greater degree over the years than it has been praised.

Senior managers are generally impatient and want quick results that yield positive bottom-line financial impact. They find progressive management very appealing for what it can do for them in the short-term, even if other people are forced to experience negative outcomes. They feel that because they are well educated and they are leaders they must, by default, understand progressive management. That is a foolish mistake. What they do understand is conventional management, typically practiced in a zero-sum fashion, where they or the company win at some other stakeholder's expense. They carry this long-practiced, deeply embedded perspective over into progressive management. Doing so is nothing more than a shortcut, one that introduces thousands of defects and instantly corrupts their practice of

* Lean is a non-zero-sum principle-based management system focused on creating value for end-use customers and eliminating waste, unevenness, and unreasonableness using the scientific method.

progressive management. Progressive management rightfully becomes a sitting duck for unending severe criticism.

Workers, whether in for-profit or not-for-profit organizations, have always feared management's intentions. Their fears are understandable because senior managers wield great power and can do much harm to people if their power is used in unintelligent ways. Workers commonly fear management's strong focus on financials and worry that they will become the victim of their sometimes psychopathic focus on costs and profits. Costs and profits can be managed in zero-sum or non-zero-sum ways. Senior managers typically deal with costs and profits in zero-sum ways, so aggressive efforts to cut costs and increase profits using progressive management makes workers very uncomfortable. They will look for evidence to discredit progressive management and slow down or stop its advance. As was the case in 1910, workers in 2010 don't have to look hard given the abundant examples of defective progressive management practiced by zero-sum minded executives.

The principal criticisms of progressive management are well known, relatively few in number, and have been constant over time. From workers' perspective, progressive management is undesirable because it will make them work harder, they will have less time to spend with customers, it will burn them out, and, ultimately, cost them their jobs. They feel progressive management takes away worker creativity, while timing how long it takes workers to perform an activity using a stopwatch is de-humanizing. If these are the methods and outcomes of progressive management, then the criticisms by workers, unions, etc., are entirely justified.

However, if instead senior management's practice of progressive management is non-zero-sum, win-win, where both principles, "continuous improvement" and "respect for people," are correctly understood and applied, then we have something entirely different. The differences between zero-sum progressive management and non-zero-sum progressive management are profound, yet the critics have consistently been unwilling to closely examine the differences. In doing so, they forego grand opportunities to hold senior management accountable to superior leadership and participating in the creation of organizations that are truly customer focused. Importantly, they also forego once-in-a-lifetime opportunities to learn, make their work easier, and make their work more meaningful.

Let's look at an example of zero-sum progressive management. The boss, who espouses continuous improvement and teamwork, comes to give you more work, and you say, "What do you not want me to do to get this done?" The boss says, "Nothing; you need to do it all." As any worker knows, the practical, sensible thing to do is to eliminate work that is not important and focus instead on work that is important - the value-creating work that customers pay for. But the boss, unable to distinguish between unimportant work and important work wants you to do it all. So you do it all, again, and again, and again. Under these conditions, it is 100 percent certain that management will burn workers out. The many years of frustration will surely damage worker's health. Management is unaware of or could care less about the "respect for people" principle, and continuous improvement activities quickly die because workers are too busy doing other things.

In non-zero-sum progressive management, both managers and workers engage in process improvement to identify and eliminate activities that waste time and effort, and make room for work that is important. This is not an effort by management to make people work harder or faster. It is *replacing* activities that do not matter with those that do. This fact-based approach to handling an increase in workload is consistent with the "respect for people" principle. In non-zero-sum progressive management, burning people out, damaging their health, or laying people off after process improvement is not acceptable.

A primary objective of progressive management is to improve all business processes in ways that are good for the business as well as its employees, suppliers, customers, investors, and the communities it operates in. The goal is to achieve flow so that materials and information are processed immediately, rather than sitting in queues. Doing this is difficult, but it will surely be the most fun you will ever have at work. People, including senior managers, will need to learn certain methods and tools of continuous

improvement and apply them in a ways that are consistent with the “respect for people” principle. Importantly, people, especially senior managers, will need to practice the “respect for people” principle in order to create an environment where workers are eager to practice continuous improvement every day.

The benefits to all stakeholders are profound. This is what makes non-zero-sum progressive management so different and so worth switching to. Customers are more satisfied because the products and services they buy meet their needs better, at lower prices, with higher quality, and with shorter lead-times (less waiting). The company experiences higher sales, profits, and market share, which pleases investors through increased dividends and higher share prices. Suppliers greatly prefer customers that are non-zero-sum in their dealings, who are reliable, and who know what they want when they want it. Communities greatly enjoy the presence of responsible businesses who do not purposefully seek to externalize their costs and responsibilities. The workers, whose role in progressive management is so important, will experience employment stability, wage growth (and usually profit sharing as well), a much better workplace, and exposure to inspiring, true leadership.

However, none of these benefits will be forthcoming to any stakeholder if the critics do not take the time to understand how dramatically different non-zero-sum (win-win) progressive management is compared to defective zero-sum (win-lose) progressive management. Beyond the practicality and sensibility of good management, superior leadership, and corporate competitiveness, non-zero-sum progressive management has important implications for productivity and competitiveness at state and national levels as well. Continuing to misunderstand capitalist progressive management, to practice it incorrectly, and to be satisfied with poor leadership for another 100 years severely undermines our individual and shared human and economic interests. ♣

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