

GETTING THINGS DONE! A perspective on Leadership in Europe and Japan



Hello and welcome to this presentation on leadership perspectives in Europe and Japan.

My name is Dr. Richard Keegan. For the last 20 years, I have supported the EU-Japan Centre's World-Class activities, helping managers from Europe study [and] understand – to create benefit back in their own organisations – from what we now understand as lean manufacturing, world-class business. The approaches, and the tools, and the techniques and the thinking that Japanese business have employed for the last 30 to 40 years. This symbol comes from judo. It describes maximum benefit for the least effort. And to me it's a fundamental driver for what we're trying to do through the adoption of lean thinking. How can we find ways to achieve the maximum benefit with the least amount of effort, the least amount of resource, the least amount of impact on society? By building the capability of our people and our processes to move [forward].

Dr Richard Keegan

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Maximum Benefit – Least Effort



Basis of Lean

Leadership research that builds the capability and capacity of their people to be able to identify and fix problems – constantly



The basis of lean thinking, what we've studied in Japan for the last 20+ years, is about leadership teams that build the capability and capacity of their people to go, look and find problems – and fix them – constantly. This is a choice. A choice that leaders *choose* to make. And this has been a key differentiating factor for me in my observation of Japanese companies over the last 20 years.

Starting off we need to define what is the role of the Leader. The Leader is not a manager. The Leader sets the vision for the organisation – defines what is to be done, what are the values of the organisation; determines the objectives – what are the team trying to achieve; inspires the understanding of people to want to create a team, to engage in a team and to become a team. And most importantly, the Leader's role is that of supporting the delivery – supporting the delivery of the value to the customer, to the client in a creative and inspired way.

Role of a Leader

- Set the Vision
- Define the Values
- Determine the Objectives
- Inspire the Team
- Support the Delivery



Leader or Manager



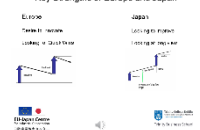
A question of levels of commitment...



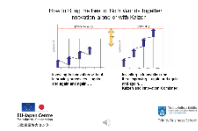
There is a fundamental question. And the fundamental question at the start is – 'Are you a Manager or a Leader?' Do you choose to be fully committed? Or are you just partially committed and there to do your job? The primary difference I have seen in true leadership – either in Europe or in Japan – is from those who decide to be true leaders as opposed to managers. This graphic represents the concept 'are you a 'chicken [or] are you a pig?'. It demonstrates different levels of commitment to the activity going forward.

So key strengths. I've seen and observed key strengths in Europe and in Japan. In Europe, we have a strong desire to innovate, to push boundaries. We are constantly looking for the quick wins – can we find things that will make a difference quickly? In Japan, there seems to be a constant desire to improve, to make things better; to look at a longer view, and not just a short, 'quick win' view.

Key Strengths of Europe and Japan



The graphics below demonstrate the two activities. In Europe, we tend to innovate, but then spend our time looking for the next innovation. And during this time period our performance tends to deteriorate until we make the next step forward, leap forward. In Japan, there appears to be a focus on – yes creating innovation, looking for new things and new ways – but then constantly involving the people in the productive capacity to find ways to make things better. We know this as *kaizen* (改善) – continuous improvement. Up until the next innovation is made, which leads to a leap forward in performance and [capacity].



When you bring the two together – after several iterations – there’s a significant gap in terms of the performance achieved. If we can innovate and then continue to improve again and again and again, you lead to a higher level of overall performance than if you just rely on innovation to drive the process [forward].

So, the role of the Leader is *trying* – and I use the word ‘trying’ on purpose because it is a difficult challenge sometimes to engage with people. But you want to try to get your people to care – to care about what they are doing. To give enough consideration to their effort, to their activity to try to produce good service, good product every time. We want to try to get our people to engage – to be *there* fully committed as a part of a purposeful activity. We want them to line up as part of a team – not as a series of individuals – but as a team. We want [them] to try to develop themselves to be able to deliver better – constantly trying to be better. So we want our people to take on the role of saying, ‘how can we find ways to develop ourselves’, to take responsibility for their own development journey.



The role of the Leader is trying to get people to want to support other people on their journey. Once again it ties into the concept of ‘team’. We want to try to get people to look into the future – how can we find ways to be able to see the future as best we can, before it happens? So that we are *proactive* as opposed to *reactive* in our engagements going forward. We want to try to get people to be inspired. But also as a Leader we must be developing a plan – we must be looking into the future, we must be trying to make things better. We should be helping our people to build forward.



This graphic represents typically the West versus the East: European leadership as opposed to Japanese leadership. On the left, we have the classic understanding in Europe that the leader is the *Boss* – on the top of the pyramid, and the staff or the workers are below. In the best Japanese companies, I’ve seen the true realisation of the ‘Servant Leader’. Where the Leader understands that their role is about supporting the team members to be able to create, deliver and retain value. It’s a small change in the graphic, but a huge change in the mind-set. To be the servant leader, you really have to be a leader, but understand that your role is to support your people to [deliver].

Looking at the two sets of managers: If we look at western managers – and I don’t want to oversimplify in this slide, but if we look at western managers – many of them like to fire-fight. Like to be seen as being the big problem-solver, the Superman – the person who can take care of the problems: ‘bring them to me, I will take care of it’. Many western managers get bored with the everyday activity – they don’t like doing the same thing day in, day out. They want something new, to make



things better. They're effectively looking for a magic wand to fix all of the problems of the day. And there's quite a degree of good self-belief, great self-belief – 'I know I am the boss, I must know these things'.

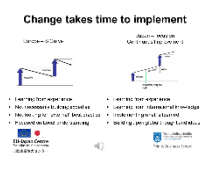
In my observation of Japanese managers, I see a slightly different mind-set. They *like* making things better, they like taking what they have and finding ways to improve it, to build upon what they have learnt and to challenge themselves to make it better again. They like being part of a real team. They take the concept of 'team' as being a serious activity. Their engagement with the group of people, with the business, is seen as being a key part of *who* they are and *what* they are. They enjoy dealing with the daily reality. They regard the daily work as something that is satisfying, and value-adding. But, they want to make things better – making things better starting from where they currently are. Understanding the reality as it is, and then trying to make it better again – not just saying, 'we will do the same thing again, and again, and again'. And absolutely they have great belief in the power of the team. Japanese phrase for this is *shokuba-ryoku* (職場力): a belief in the team is more powerful than the individual.



So we have basically a fundamental choice to make: Do we believe in teamwork and the power of the group, or do we believe in singular excellence? That one individual, with their genius, can find ways to drive forward? In Japan, the choice has been made on teamwork.

This doesn't diminish the power or the significance of singular ability. But it does believe that the team is better than the individual. In Europe, we seem to really enjoy the fact that – a gifted person – singular excellence is the way to go forward. Not in all companies, but certainly in many instances the power of the singular is preferred over the power of [the group].

So what happens? In Europe, we call this the 'S curve'. We will do something, we will make an improvement. And then we say, 'oh what's the next level of improvement we're going to make?' It's not necessarily building on the expertise gained, not necessarily building on the expertise garnered from doing the work and what the staff and team members might develop. It's not necessarily always looking for external best practice. Maybe it's a belief that 'we know best' as opposed to going out to benchmark, to capture, to understand what external good practice looks like. It can tend to focus on a local understanding – in our market we are good, we don't need to be better.



In Japan, probably from their historical background, there's a strong focus on continuous improvement. On learning from experience, learning from international knowledge. And then implementing what they have learnt. And then building upon that global thought and ideas. I've seen it time and time again – Japanese companies using western thinking, but using it, applying it and building upon it in a very focussed way.



So, are there some unifying concepts? To me, there are. All business is focussed on doing something, on realising a benefit for a customer, a consumer or for society. So a leader needs to share some things: Needs to share a common purpose. What is the group trying to achieve, what is the business trying to achieve? The Leader needs to share what progress is being made towards achieving that common goal. The Leader needs to focus on what is being done to improve the current situation. We have a strong understanding in the west of key performance indicators – what we call 'KPIs'. There's a strong focus in

Japan on key activity indicators – what are we doing to build the capability of our people and our processes to ensure that the key performance indicators will improve? It usually focuses on the softer sides of the business – the activities, the team meetings, the shared conversations, the building of alliances, the understanding of detail; and how frequently and how often are we doing those things to ensure that we will improve the [performance].

Today’s leadership is faced with many challenges. You could probably say it has always been so. But very much we’re in a rapidly changing world with the advent of Industry 4.0, artificial intelligence, [a] shortage of skilled labour and the advent and the introduction of robotisation.

So a big challenge for today’s leaders has to be how are we going to engage the next generation of people? How can we develop ways to do accelerated learning and sharing of what we have learnt? How can we work in cooperation across and between the generations? How can we give Generation Z the opportunity to understand, to commit and to create and deliver value for our organisations, our companies, our countries and society? And most importantly – the development and engagement of women within industry. How can we tap into – as a society – the full benefit that is to be gained from total engagement in [the] productive capacity, value for society? But always, with a respect for the planet and sustainable development. How can we devote energies to ensure that we create value without destroying our [planet]?



So in this digital world what’s new? Well the key idea to me is we now have access to data that we could never have thought of having before. So with this data we have to look for the insight and value to be gained from the data. We can’t just get data without understanding how it’s going to create value and contribute to the sustainable development of our business and society. We’ll obviously and definitely have access to better machines and processes, better sensors. And with the widespread increase in the education of our people and their understanding, and their shared understanding, we will have access in business and society to better people. People who have more to contribute because they are better educated. Will the business imperatives be any different? I don’t believe so. We’ll always be looking to see how we can create value, deliver value and retain some value for our operations and organisations. So the challenges will still be the same, but the tools [...].

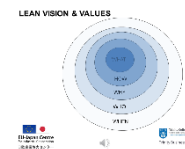
Service will evolve and will be different. We’re very aware of the development of Industry 4.0, raising possibilities of virtual/augmented reality; the data to be captured from our operations through the use of sensors; the possibility to model through digital twins. But in my working life, I’ve gone from the slide-rule at the top left-hand of this graphic down to the full utilisation of data through computerisation. At the basis of all of this will be the capturing and the use and understanding of real fact and real data to drive our society and our businesses going forward.



And this brings me down to a key – once again – unifying concept. And there are three Japanese words – I’ll share them with our western friends and viewers of this presentation: *Genchi, genbutsu gennin* (現地・現物・現認). Many of us would be aware of the Japanese phrase of ‘go to the *genba*’ – go to the real place. But *genchi, genbutsu gennin* brings that to a deeper level of understanding. *Genchi* – the real place – can we engage in the real place where the value is being created, where the interactions are happening between process and material, and customers and users and consumers? Can we

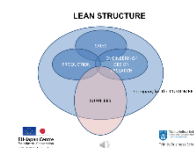
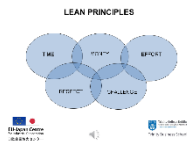
give ourselves the ability to look at the real thing? To understand the real thing? Most importantly, can we engage with the real person? The person who is involved with the process and possibly knows so much about the day-to-day that we can find ways to enhance and deliver value going forward. Can we use data capture in this new world to augment our understanding of how we can improve societal impact through the proper use of resources to create, add and deliver value?

I'm very briefly going to run through the concept of the five rings of lean business excellence in the context of a leader. The Leader needs to set the vision and the values. And the best organisations I have seen – in Japan, or in Europe – are led by visionary leaders who have a vision, have an idea and also create and share values with their people so that everybody is working in an aligned way. The best leaders are the same in Europe and Japan. We need to find ways to share that vision and our values. We need principles to move forward on; tools that our people can use within a structure that allows them to engage and to work collectively together as the team; but always it's about people – how can the people find ways to be developed and develop each other to [move].



So the vision – what are we doing, how, and why? It's about sharing with our people the big 'why'. A leader has to say why are we trying to do something. Many people would do things for charity they would never do for money, because they understand the big why. But the 'who' and the 'when' are also key elements of it. Who's going to make the step forward and when is it going to be made forward? And leaders need to create the energy to bring this activity.

In terms of principles, the principles of lean for me are five: how long – how much time are we spending to do something? Are we creating value – are we making money? Do we understand the deployment of that money – do we understand that without creating a benefit we won't have the opportunity to continue our activities? Our efforts – how hard is it for our people to do the tasks we ask them to do? But based on the foundation of respect and challenge – we need to be respectful to our people, but they to us, and also our businesses to society and to the planet so we can sustain our lives and our futures going forward. And to do that we must challenge ourselves. How can we [...]?

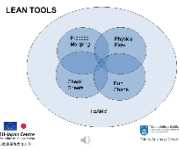


Structure is important. We must understand that we are not siloed activities; that the different elements of the business need to work together. And in today's society the importance of our supply chain has become ever-more critical. That we're there – whether we're a not-for-profit organisation or a pure manufacturer – we're there for our company, for our customers. Because they see the value in what we do.

But then the people. I honestly believe we need to be fair, firm and consistent. Fair to our people, but our people need to be fair with the leadership team. Leaders need to be firm – we need to identify what should be done and how it should be done, and that then becomes what we call 'standard operating procedures'. But then we need to be consistent in how we deal with our people – we must focus as leaders about how we develop our people – how we can develop them to be able to add real value



and to create value going forward. We must not forget our own development as leaders. We must push our leadership development aspect.



And to me over the last 40 years of professional life, I've identified what I believe are the core tools of lean: Process mapping – understanding what you're doing; physical flow – how you're doing it; check sheet to capture the data from your process to see what's going right or wrong; and run charts – how to display to people that it's getting better or getting worse in real time so that they can decide to make a difference. And it's all founded on the power of [the] team.

So, in this short lecture, we've tried to discuss the role of the Leader within an organisation. We've tried to understand the key elements of leadership between Europe and Japan. And we've looked at the necessity to drive competitiveness throughout organisations effectively being one of the key challenges and roles of the leader.

Role of the Leader...to Lead

- Set the Vision
- Define the Values
- Determine the Objectives
- Inspire the Team
- Support the Delivery



So, within that context, my final slide to you is: the role of the Leader is to do that – to lead. To lead the people in an organisation; to set a vision that people can agree with, and engage with and follow. The role of the Leader is to define the values – what the company values, who the company are and how they show who they are through their values and their value system. The role of the Leader is to lead in determining the objectives – the objectives, the challenges that they see as being important for their organisation to deliver on. To be able to identify challenging objectives, that will help to build and to stretch the capabilities of the people within the organisation. To be able to have those objectives be living things that will evolve as capability develops and grows. The role of the Leader is to lead – to lead and to inspire the team. To inspire the team to be able to be a team. To inspire the team to want to be a team. And to inspire the team, as a team, by creating a high level purpose, something that the people in the team can understand is worthwhile and valuable for them, for their organisation, for their customers, and for society.

And finally, the role of the Leader is to lead – and to lead by supporting the delivery. To lead by supporting the people as they develop their understanding of what, and how, and who the company is – what their values are – and how they choose to be collectively as a group. The role of the Servant Leader is a very powerful one. And if leaders can understand that sometimes they can lead more effectively by supporting their people to deliver rather than always being the person out front – pulling people – it's always a powerful role for the leader to release the energies to support the people as they go on their personal development journey to deliver on the full objectives of the organisation – to deliver on the organisation's vision.

Thank you for your attention. I hope you enjoyed this lecture.