

# Evolution of the “Respect for People” Principle in Progressive Management

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A Special Project  
Submitted in Partial Fulfillment of the  
Requirements for the Degree of  
Master of Science  
In  
Technology Management

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New Britain, Connecticut

April 2014

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## Abstract

A historical account of how “Respect for People” in Progressive Management has been understood over time is presented with an aim to provide a framework for managers in practical application of the principle. Respect for People is characterized by practical, non-zero-sum management methods, and the effects that improving processes has on stakeholders.

Management has long sought to improve efficiencies and reduce costs to remain competitive. In recent times, Lean production methods have become widely accepted in manufacturing and service organizations to achieve cost reductions. Lean production has advanced from a set of improvement tools to become more broadly recognized as a management system, predominantly at Toyota. The Respect for People and Continuous Improvement principles are the pillars of the Toyota Management System. Although the continuous improvement tools are well known and widely practiced for the past twenty five years, there exist few documented cases of organizations that have achieved lasting results, therefore suggesting that an essential element of Lean is missing or possibly misunderstood. There is wide variation in the interpretation of Respect for People, which may be a significant contributor to failed Lean transformations. This paper examines the evolution of the Respect for People principle from the days of Scientific Management through the early twenty-first century. Significant works of practitioners over the last century demonstrate that the Respect for People principle is a necessary feature of Progressive Management.

**Keywords:** Respect for People, Progressive Management, Toyota Production System, Toyota Management System, Scientific Management, Lean, Lean Management, Lean production, continuous improvement

## Motivation for Research

The Respect for People principle has received little attention from the Lean community even as Toyota has long recognized the principle as a feature of its management system (Sugimori, Kusunoki, Cho, & Uchikawa, 1977; Ohno, 1988; Toyota, 1988; Toyota, 2001a). The principle is either dismissed by managers or interpreted as being nice to one another or some variant with altruistic intent. The principle's label, "Respect for People", is also misleading because it is applicable not only to the employees within an organization, but also in a broader context to the organization's stakeholders (Taylor, 1911; Woollard & Emiliani, 1954/2009; Ishikawa, 1985; Ohno, 1988; Deming, 1994; Toyota, 2001a; Emiliani, 2008; Miller, 2008; Caux Round Table (CRT), 2009).

Few documented examples outside of Toyota and its affiliates exist of successful and lasting implementations of Lean Management that incorporate a balance of both the Continuous Improvement and Respect for People principles (Woollard & Emiliani, 1954/2009; Emiliani, Stec, Grasso, & Stodder, 2007; Vermeesch, 2014). Success may be difficult to define and assess when considering the effects of practicing the Respect for People principle over time periods greater than a few years. Analyzing success through a proxy such as inventory turns (Krafick, 1988) has led many academics, practitioners, as well as early versions of the Shingo Prize criteria to focus on the measurable effects of Lean tools (Miller, 2013) rather than the effects on the organization's stakeholders in both quantitative and qualitative terms.

Organizations that neglect the Respect for People principle are likely pursuing short term gains for the benefit of a single stakeholder, usually the shareholder. The full potential of the competitive advantage that Toyota has pioneered cannot be realized without effective practice of

the Respect for People principle in harmony with the Continuous Improvement principle. Suzuki (1987) points out the need for study of the Respect for People principle in higher education:

Perhaps some people consider this [people issues] too rudimentary to be taught at business schools or other institutions of higher education, where professional managers emerge with an understanding of advanced concepts, and where “people” issues often take a back seat to measure and analysis. (p. 229)

A chronological presentation of the evolution of the Respect for People principle may encourage further study or raise awareness as to the necessity of this principle in Progressive Management.

### **The Respect for People Principle**

“Respect for People”, in the context of Progressive Management, is directly borrowed from Toyota Motor Corporation’s pillar of its management system (Toyota, 2001a) that goes by the same name. The underlying meaning of the principle is not exclusive to Toyota. Much academic research and mainstream readership in recent times has focused on characterizing Toyota’s success through productivity measures that obscures the presence of Respect for People’s influence on results. The term, Respect for People, is used interchangeably throughout this paper to refer to practices other than Toyota’s as well as those within Toyota.

Progressive Management was known in the early days as Scientific Management and has evolved to what is known today as Lean Management, which is comprised of two principles: Continuous Improvement and Respect for People. The practitioners of Progressive Management have recognized a need to change the methods of improvement and the effects on stakeholders. Respect for People is a countermeasure for mishandled (zero-sum) continuous improvement efforts (Emiliani, 2008b). Practice of the Continuous Improvement principle alone results in

local optimization and adversely impacts most stakeholders. The Respect for People principle is required to maintain balance with continuous improvement efforts and stakeholders' mutual interests.

Elements of the Continuous Improvement principle have been thoroughly investigated and documented (Womack & Jones 1996; Rother & Harris, 2001; Dennis, 2002; Rother & Shook, 2003; Harris, Harris, & Wilson, 2003; Holweg, 2006; Stone, 2012); however the Respect for People principle has been much less prevalent in the literature. Research that describes some of the barriers to implementing Lean (Bruno & Jordan 2002; Radnor, 2009; Turesky & Connell 2010; Bhasin, 2011) tend to characterize symptoms of failure without recognizing that management behaviors inconsistent with Lean Management (Emiliani, 1998) and absence of the Respect for People principle are possibly the root cause. Those that have ventured to identify that Respect for People is necessary (Wantuck 1989, Womack, 2007) express the principle in literal terms as a single dimension such as “showing respect to people” or “respecting people.” Sam Heltman, the Senior Vice President of Administration for Toyota Motor Manufacturing, North America provides insight into Respect for People at Toyota:

*Respect for people means respect for the mind and capability. You do not expect them to waste their time. You respect the capability of the people. Americans think teamwork is about you liking me and me liking you. Mutual respect and trust means I trust and respect that you will do your job so that we are successful as a company. It does not mean we just love each other. (Liker, 2004, p. 184, italics original)*

Others have recognized that criticisms of Lean practices, demonstrated in outcomes where workers are marginalized, are the result of “the lack of consideration of human aspects” (Hines, Holwe, & Rich, 2004, p.998) otherwise referred to as “Fake Lean” (Emiliani & Stec,

2004). Emiliani (2007) defines “Fake Lean” as: “the deployment of only one of the two main principles of Lean – “Continuous Improvement” – and typically just the tools” (p.2).

Throughout the history of Progressive Management, there has been a tendency to latch onto the industrial engineering aspects without consideration and practice of the Respect for People principle. Respect for People is characterized by practical not theoretical, non-zero-sum management methods (Emiliani, 2008a), and the effects that improving processes has on stakeholders. Stakeholders include, but are not limited to, customers, employees, community, suppliers, and shareholders. The Respect for People principle does not have a singular definition. It is multidimensional and interrelated to the Continuous Improvement principle. It is also, in many cases, counterintuitive to those that have lived or managed under the “tyranny of the prevailing style of management” (Deming, 1994, xv).

Jon Miller, Lean Management consultant and main writer for the *Gembapantarei.com* blog, traced the origins of the Japanese characters that represent “Respect for People” and variations that can result from translation. Miller (2008) explains the translation in detail given the combination of characters utilized: “To be wordy, the literal meaning of Toyota’s phrase...is “holding precious what it is to be human” in my view is pithy but does not convey the full weight of these words in the original language.” Toyota’s (2001a) approach is to explain the essence of its meaning through a series of quotations from former executives and notable employees. This paper presents a chronology which shares a similar pattern of illustration. Refer to Figure 3 for an overview of the timeline.

### **Zero-sum and Non-zero-sum Outcomes**

The batch-and-queue organization works in silos, where work is moved en masse through complex processes, waiting in queue for extended periods, then processed without consideration

of the downstream impact. Resources are applied in an unplanned reactionary manner to resolve the latest self-imposed emergency. Little if any attention is afforded to system improvement that reaches across department boundaries in the batch-and-queue organization due to the relentless pursuit of short term results, local optimization, and political posturing. Batch-and-queue management systems are synonymous with zero-sum behaviors (waste) and outcomes as opposed to Lean Management systems that are associated with non-zero-sum behaviors (value added) and outcomes (Emiliani, 1998). Refer to Figure 1 for comparison.

Batch-and-queue processing of material and information is direct evidence of zero-sum management practices, most evident with the short term pursuit of serving a single stakeholder, namely the company and its shareholders, while marginalizing customers, suppliers, employees, and the community. Zero-sum practices are synonymous with “I win, you lose” outcomes whereas non-zero-sum is akin to “win-win” outcomes. Batch-and-queue management tries to masquerade as Lean Management where the continuous improvement tools are utilized to achieve local optimization for the benefit of a single stakeholder, leading to system sub optimization, otherwise known as “Fake Lean” (Emiliani & Stec, 2004). The batch-and-queue management system hereafter is referred to as conventional management.

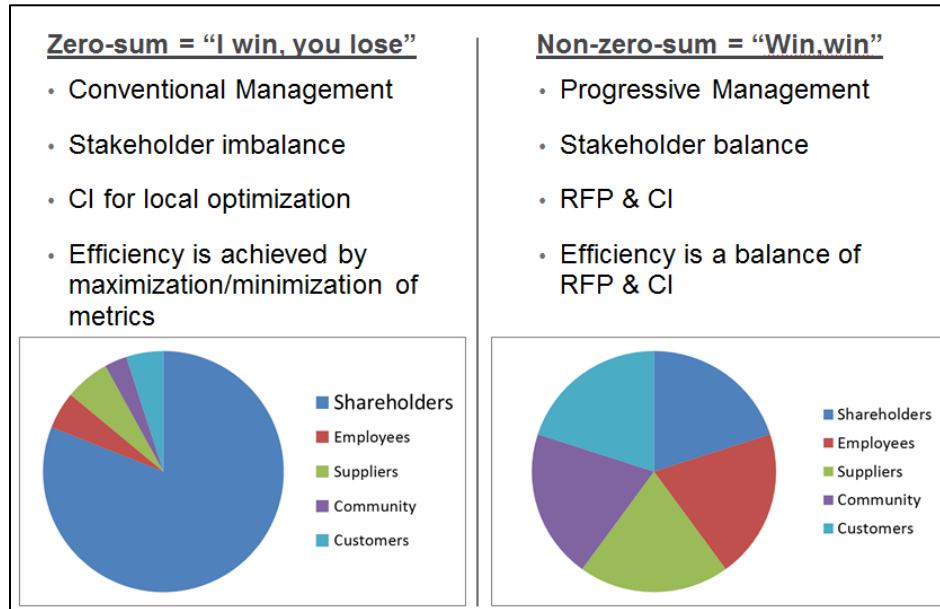


Figure 1. Zero-sum and non-zero-sum comparison.

### **The Efficiency Paradox**

Efficiency is a term often associated with continuous improvement. For well over a century, the pursuit of “efficiency” in business has led decision makers in conventional management to pursue measures that tie to financial performance, and sometimes to metrics coupled to their compensation. These efficiency metrics in conventional management can be easily gamed (Emiliani, 2000), have unintended consequences, and can conflict with the Respect for People principle. The advent of computer based data collection and reporting tools have further reinforced the linkage between efficiency and its quantitative measurement in conventional management. Under Progressive Management a fact-based perspective of the definition of efficiency, which includes quantitative as well as qualitative data, is necessary to achieve balance among stakeholder interests.

Taylorism was present in Japan circa 1913, where the concept of efficiency differed from the mainstream view (Tsutsui, 2001). Ueno Yōichi, a Japanese psychologist with an interest in emerging ideas in Western industrial management subscribed to an alternative perspective of



efficiency: “Fastening onto the concept of ‘efficiency’ rather than the methodological specifics [tools] of the Taylor system, these individuals sought ‘efficiency increase’ (*nōritsu zōshin*) not only in business administration but in all aspects of day-to-day life and social intercourse” (Tsutsui, 2001, p. 448).

Tsutsui (2001) explains that Yōichi’s view in relation to efficiency and the application of Scientific Management in business is for mutual benefit and interdependence, not self-interest and sub optimization as many early practitioners of Taylor’s methods under conventional management had pursued. Efficiency is a balance rather than a result of local optimization:

A company is like a human body. The body is simply not the collection of fingers and ears and a face and bowels. These cooperate, forming a living organism. If one part of the body does not fulfill its role in this cooperative operation, then the body stops functioning properly. (Tsutsui, 2001, p. 456)

Cooperation and mutual respect are a necessity for progress toward efficiency. Efficiency in regard to Respect for People is not a measurement of a key performance indicator; it is a desired operating state of the organization where all stakeholders share in the benefits (and losses), sometimes referred to as non-zero-sum management (Emiliani, 2008a).

To Ueno, efficiency was not simply moving too quickly, squeezing more from labor or producing the greatest output from the least input. Rather it was a state of balance and harmony...A condition where in these means and ends are in equilibrium is called efficient. (Tsutsui, 2001, p. 459)

In order to achieve this ideal state, waste (*muda*), unreasonableness (*muri*) and unevenness (*mura*) need to be eliminated (Tsutsui, 2001). Under conventional management, efficiency improvement is often focused on the use of tools. Morris Cooke (1913), a colleague of

Frederick Taylor, identified that something more than tools is necessary: “Before the stop-watch, or before any of the other mechanisms [tools] that are found useful in management, comes the building-up of a spirit of mutual confidence and helpfulness” (p. 487). Cooke (1913) confirms that the use of tools alone will result in imbalance of stakeholder interests:

Anyone who arbitrarily uses a stop-watch, or any other such mechanism, for getting more work out of an employee, without having in mind that employee’s greatest prosperity, and without doing it as much, or more, for the benefit of the employee than for anyone else, is a menace to society. (p. 488)

The pursuit of efficiency requires a broader perspective than the sole use of continuous improvement tools. The advent of Scientific Management ushered in a new era of business efficiency that requires consideration and practice of the human aspects of improvement which has greater influence on business results: “Any effort to introduce scientific management [Progressive Management] in the absence of a genuine and painstaking co-operative spirit [Respect for People] is utterly impracticable” (Cooke, 1913, p. 489). Cooke (1913) then summarizes the goal of Scientific Management, i.e. efficiency improvement: “What we are trying to bring about in industrial establishments is a steady, even flow of work, done under the minimum of tension and with the least possible discomfort and disorder” (p. 490).

### **Selection of Contributors**

The selection of the contributions required authors who have demonstrated elements of the Respect for People principle in actual practice. Works based on external observation, such as academic research, are excluded because they tend to generalize and omit details that can only be obtained through experience in practice. Authors, such as Progressive Management practitioners or consultants meet this criterion; however works that develop or explain theories are excluded.

Additionally, original works, not interpretations, are required to assure facts are obtained from the source, as is customary in Lean problem solving. Ex post facto analysis of Frederick Taylor by academics is not considered to be relevant because interpretation of intent and practice are often distorted as academics lack the day to day business experience to contextualize what Taylor is saying.

## **Discussion**

### **The Early Twentieth Century**

**Frederick Winslow Taylor.** The early twentieth century is characterized by the need for cooperation between the management and labor and the timeless need by management to reduce costs. Frederick Taylor began the first steps of the development of the principles of Scientific Management in 1882, later publishing *The Principles of Scientific Management* in 1911 after nearly thirty years of experimentation and practice. He had worked in a machine shop and rapidly progressed from apprentice to foreman. During his role as foreman, Taylor explored the causes for discord among workers and the management. The soldiering of the workers, or the less productive, intentional pace set by the workers became Taylor's focus. He recognized that the full capability of the workers and the machines were not completely utilized, and the root cause was assignable to the management system. Taylor convinced his employer to conduct numerous experiments with machines, tools, and people with an aim to achieve substantial productivity improvements based on facts rather than inherited trade knowledge. Taylor recognized that improved prosperity for stakeholders could be obtained by maximum productivity which is achieved by scientific means and cooperation (1911). When cooperation enables non-zero-sum economic outcomes for stakeholders, balance is attained; "If you want a

profitable business you cannot have meanness and injustice on one side or the other; you have got to eliminate meanness and injustice from both sides” (Taylor, 1912/1947, p. 146).

Taylor’s methods to improve productivity are for the benefit of employer and employee; they are not mutually exclusive, as is often the case in conventional management systems. Through cooperation and improved productivity using scientific means, i.e. fact-based problem solving, the business and the workers will prosper. In a broader sense, Taylor (1911) viewed the Scientific Management system as a means for ultimately improving society as a whole: “...the greater productivity of each individual that the *whole country* owes its greater prosperity” (p. 141, italics original).

The Principles of Scientific Management are: “*First.* The development of a true science. *Second.* The scientific selection of the workman. *Third.* His scientific education and development. *Fourth.* Intimate friendly cooperation between the management and the men” (Taylor, 1911, p.130, italics original). Principles one and two relate directly to advancing productivity improvement for economic efficiency, i.e. Continuous Improvement. Principles three and four are aligned with the Respect for People principle, however all four principles are interdependent and form a system with an aim to improve productivity and mutual prosperity. The principles that improve economic outcomes alone have somehow become Taylor’s (1912/1947) legacy, but he was careful to provide caution on the misuse of Scientific Management:

If a man in the management tries to use the mechanism [continuous improvement tools] of scientific management to oppress the workman or in any other way that it should not be used, the workman simply reverts to his old ways and goes right back and does what

he did before under the old management, he soldiers, and cooperation at once ceases. (p. 192)

The continuous improvement tools, called the mechanism of Scientific Management at the time, could be used to provide benefit to the management and marginalize the workers, a common effect of zero-sum management behavior. Taylor warned that the tools could be used to achieve zero-sum outcomes:

I shall try to point out that many elements of what may be called the mechanism of scientific management are powerful when used by those on the management's side.

These elements are powerful both for good and for bad, and it is impossible to be assured that even useful elements shall always be used in the right way. (1912/1947, p. 34)

Win-win outcomes require cooperation. Taylor (1911) asserts that management's concern should be mutual prosperity; "It would seem to be so self-evident that maximum prosperity for the employer, coupled with maximum prosperity for the employé, ought to be the two leading objects of management, that even to state this fact should be unnecessary" (pp. 9-10). Taylor is pointing out that management has a mutual interest in support of the economic advancement of employees, rather than a narrow interest in company financial performance. The need for cooperation is evidence that the "old management" system resulted in zero-sum outcomes where management is the victor, solely because they possess "arbitrary power and arbitrary dictation" (Taylor, 1912/1947, p. 212). These non-value added behaviors cease under Scientific Management (Taylor, 1912/1947). Taylor enabled economic efficiency by improving cooperation between management and labor, resulting in greater prosperity for the employer and employee; i.e. non zero-sum outcomes. Early in his career, Taylor was directly involved in

managing on the shop floor where he recognized that the absence of cooperation hindered the ability to improve:

The moment one side starts to jump the fence and bulldoze the other, or to do any acts which are outside of the principles of scientific management it ends. Without harmony you cannot have scientific management, and you go right back to the old fighting scheme, in which each side is watching the other carefully and trying to get an advantage over the other. (1912/1947, p. 192)

In other words, without mutual respect of stakeholder interests, a Progressive Management system does not exist.

According to Taylor (1911), the primary enabler of maximum productivity is cooperation: "...the training and development of each individual in the establishment, so that he can do (at his fastest pace and with the maximum of efficiency) the highest class of work for which his natural abilities fit him" (p. 12).

Under Scientific Management, workers must be treated as individuals, in a one at a time fashion rather than in batches, as workers have varying degrees of ability. Treatment of workers in large groups leads to "loss of ambition and initiative" (Taylor, 1911, p. 72) because individuality is not recognized by management:

When one ceases to deal with men in large gangs or groups, and proceeds to study each workman as an individual; if the workman fails to do his task, some competent teacher should be sent to show him exactly how his work can be done, to guide, help, and encourage him, and at the same time, to study his possibilities as a workman. (Taylor, 1911, pp. 69-70)

As the tools that propelled productivity improvement diffused throughout industry in the United States and abroad, Taylor's intentions for Scientific Management were led astray by misguided practitioners and consultants that used improvement tools under conventional management for zero-sum outcomes. Similar to Lean production in the late twentieth century, a focus on and proliferation of tools to improve productivity without consideration and practice of the Respect for People principle occurred in Taylor's day. When stakeholders are marginalized, unintended consequences can occur that adversely affect most stakeholders. Taylor has become a scapegoat for reducing workers to low skill laborers that conduct repetitive tasks that dehumanizes workers. These misrepresentations are incongruent with Taylor's idea of Scientific Management, where cooperation is paramount and win-win outcomes should be the norm rather than the exception:

It may seem to you a matter of very little consequence, . . . , that this new mental attitude [cooperation] is the very essence of scientific management; that the mechanism [tools] is nothing if you have not got the right sentiment, the right attitude in the minds of the men, both on the management's side and on the workman's side. (Taylor, 1912/1947, p. 62)

Taylor (1912/1947) was aware that the fourth principle "is perhaps the most difficult of all of the four principles of scientific management for the average man to understand" (p. 45). The difficulty exists because improving cooperation through improved relationships by conventional management is overlooked in favor of tools that produce short term financial results for which the rewards are plentiful. Conventional managers exhibit behaviors that are inconsistent with those needed to improve cooperation and achieve win-win results (Emiliani, 1998). Often, the non-value added behaviors are a byproduct of conventional performance metrics that encourage local optimization and neglect interdependencies among organizational

units. Taylor's (1912/1947) motivation for change was based on the need to alter the relationship between workers and the management: "My whole object was to remove the cause for antagonism between the boss and the men who were under him; try to make both sides friends in the place of tactical enemies" (p. 128). To strengthen cooperation, the aim of improvement must be for the stakeholders' mutual benefit. Taylor (1912/1947) asserts the results should be "magnificent for both sides, just as fine for one as for the other" (p. 28).

In order to make progress toward improved cooperation, Taylor recognized that personal transformation in thinking is required because the use of the tools (mechanism) alone does not fulfill the intent of Scientific Management. History suggests that wide variation in the application of Taylor's principles has occurred (Witzel, 2005). In particular, the definition of "efficiency" has lead senior managers awry as the historical context of its meaning under Scientific Management appears to have been lost. Taylor (1911) recognized that the system he developed to be mutually beneficial could also be misapplied:

The knowledge obtained from accurate time study, . . . , is a powerful implement, and can be used, in one case to promote harmony between the workmen and the management, . . . or, in the other case, it may be used more or less as a club to drive the workmen into doing a larger day's work for approximately the same pay that they received in the past. (pp. 133-134)

Executives and senior managers under conventional management exercise minimization and maximization of performance metrics with the belief that there is a favorable cost benefit to the organization. Local optimization of metrics is the mantra of conventional management systems in order to achieve measured improvement of "efficiency" while grossly neglecting



Taylor's (1911) 4<sup>th</sup> principle: "This close, intimate, personal cooperation between the management and the men is of the essence of modern scientific or task management" (p. 26).

The necessity of close, personal cooperation can only be achieved through direct interaction with the workers and recognition that they are individuals rather than a collective entity that can only be treated in a batch-and-queue fashion. Taylor (1911) asserts that the workers and management's top priority is the "training and development of each individual..." (p. 12) in the organization so their individual optimal output, consistent with worker abilities, can be achieved.

A long term perspective is necessary to contextualize the implications of Respect for People. Taylor (1912/1947) understood that the principles he codified could not be installed and expected to produce instant results:

In the case of scientific management,...., I have carefully emphasized the fact that even in the most elementary work to make this great change is a question of not a month, not of a year, but two or three years,...., and that in an intricate establishment it is a matter of not less than five years before a great increase in the output per man can be made. (p. 135)

The difficulty in changing beliefs and behaviors in what may seem like an unorthodox manner at first requires experience and practice to facilitate learning over time. Unfortunately, the attention span of most conventional managers is bounded by financial reporting periods; months and quarters. Taylor (1912/1947) asserts:

...those on the management side – the foreman, the superintendent, the owner of the business, the board of directors – a complete mental revolution on their part as to their duties toward their fellow workers in the management, toward their workmen, and toward all of their daily problems. (p. 27)

The transformation in thinking requires that a long term view of the business must be adopted, but not in typical batch-and-queue fashion. A long term business view assists in guiding decision making that achieves non-zero-sum outcomes. Cooperation will not miraculously blossom in the short term, it needs to be protected from business variation because the resources required to assist each worker to achieve their optimum output cannot be sacrificed for short term results.

Taylor (1911) grounds the principles of Scientific Management on the basis that:

Scientific management,..., has for its very foundation the firm conviction that the true interests of the two [labor and management] are one and the same; that prosperity for the employer cannot exist through a long term of years unless it is accompanied by prosperity for the employé, and *vice versa*... (p. 10, italics original)

According to Taylor (1912/1947): “If the use of the system does not make both sides happier, then it is no good” (p. 66). The influence of Scientific Management on the Respect for People principle includes mutual benefit for stakeholders and the necessity of cooperation, with the management-labor dyad preeminent, and in a broader context including the community or society.

**Frank George Woollard.** The people effects of efficiency improvement were also recognized by Frank Woollard at Morris Motors, circa 1923, in his 18<sup>th</sup> principle of mass and flow production (Woollard & Emiliani, 1954/2009). Woollard recognized there is a fundamental need for a better understanding of the influence of human relations on productivity and devoted a chapter of his production oriented book, *Principles of Mass and Flow Production*, to the topic:

It is simply that the system of flow production must benefit everyone: consumers, workers and owners... This principle of “benefit for all” is not based on altruistic ideals-

much as these are to be admired-but upon the hard facts of business efficiency (Woollard & Emiliani, 1954/2009, p. 180).

Woollard explains the necessity of Respect for People in the closing comment to the preface in *Principles of Mass and Flow Production*: “In my opinion, provided that the human relations aspect is properly safeguarded, flow production methods can become a most powerful factor in easing the labour and promoting the well-being of mankind” (Woollard & Emiliani, 1954/2009, p. 14). Respect for People is represented by the human relations element while Continuous Improvement is represented by the flow production element. The effects of the balanced approach, as Woollard suggests, will satisfy man-kind (stakeholders). Woollard again makes reference to the interrelationship of Respect for People and Continuous Improvement in the discussion of the idea of flow: “In general, the aim is to produce goods more economically and more quickly with less stress or strain on the producers than that which is inherent in the older methods” (Woollard & Emiliani, 1954/2009, p. 50). Woollard’s concern for improved working conditions echoes a similar message regarding management’s responsibility from Taylor (1911) and Cooke (1913).

Woollard extends the aspect of human relations to suppliers through cooperation to achieve a desired specification in raw materials: “It is a good plan firstly to establish allowances and tolerances with the supplying concern...” (Woollard & Emiliani, 1954/2009, p. 66). The term “with” implies cooperation through a mutually beneficial relationship rather than an adversarial relationship that is common among buyers and sellers under conventional management. Woollard identified there are consequences when cooperation is absent between buyer and seller: “These simple rules will save much argument, much misunderstanding and much money, to say nothing of time and temper” (Woollard & Emiliani, 1954/2009, p. 66).

From Woollard's perspective, cooperation of management and labor is a necessity to achieve unimpeded flow of material and information:

The human factor should be given high, if not first, priority when considering the establishment of flow production. The removal of physical obstacles to continuity is indeed important, but to obtain the whole-hearted support and co-operation of those who operate the plant is still more important. (Woollard & Emiliani, 1954/2009, p.80)

Illustrations of the current and future states of material and information flow, such as the value stream map in Lean Management, aides in identifying physical obstacles to flow, although they can also be used to identify the behaviors inconsistent with Lean Management (Emiliani, 2004) that inhibit non-zero-sum outcomes. Typically, in organizations attempting to transform from conventional management to Lean Management, the intense focus on tools and speed of implementation obscures the necessity for the employees that run the process to implement the improvements themselves. Ownership of the improved process eventually recedes, resulting in backslide. "Whole hearted support" requires that mutual trust exists between management and workers in regard to job security in times of economic downturns or as a result of improvements (Ohno, 1988; Toyota, 1988; Toyota, 2001a; Emiliani et al., 2007; Woollard & Emiliani, 1954/2009):

A point to be remembered is that, in order to get the full co-operation of the works force, redundancy [displaced labor] must be dealt with in a realistic fashion by studying the placing of those likely to become redundant before new plant or methods, which are likely to cause displacement, are put into operation. This is most important since flow production is not merely a matter of machinery or material handling or systemization: it is a *marriage of mechanism and management*, and it is the exercise of the more advanced

methods of management that ensures the success of flow production. (Woollard & Emiliani, 1954/2009, p. 82, italics original)

In *Progressive Management*, improvements that result in labor reduction (redundancy) must not result in elimination of employees. Woollard points out that using the tools (mechanism) alone is insufficient to achieve continuous improvement. The “marriage of mechanism and management” is synonymous with the Continuous Improvement and Respect for People principles, where “management” is aligned with the latter and refers to the consideration and actions needed to assure stakeholders interests are balanced.

Woollard cautioned that flow production could not be installed, and then left to operate unattended. In regard to the human aspects:

...it must also be watched, for—like all tools of management—it can be misused. Flow production, with its obvious sequences and accurate timing, could be the instrument of a slave-driving tyranny, whereas properly employed it will promote discipline, in an equitable and gentle, if irresistible, manner, making the daily task lighter for all.

(Woollard & Emiliani, 1954/2009, p. 187)

Woollard cautions on the misuse of the tools for continuous improvement with regard for the Respect for People principle. He also asserts that the proper use of Continuous Improvement (flow production) and Respect for People (the human aspects) will result in mutually beneficial (non-zero-sum) outcomes for stakeholders.

**The Toyota Precepts.** Sakichi Toyoda, the founder of the Toyoda Spinning and Weaving Company, engrained a sense of gratitude and service among his subordinates. In 1935, five years after his death, Risaburo Toyoda and Kiichiro Toyoda codified the essence of Sakichi’s way of working in the Toyota Precepts (Toyota, 1988):

1. Be contributive to the development and welfare of the country by working together, regardless of position, in faithfully fulfilling your duties.
2. Be at the vanguard of the times through endless creativity, inquisitiveness and pursuit of improvement.
3. Be practical and avoid frivolity.
4. Be kind and generous; strive to create a warm, homelike atmosphere.
5. Be reverent, and show gratitude for things great and small in thought and deed. (pp. 37-38)

The Toyoda Precepts embody Sakichi's belief that his company existed to serve society (stakeholders), not solely for self-interest and monetary gain (Toyota, 1988). These principles established the guiding beliefs for Toyota and its employees in their conduct of business for subsequent generations as well as guidance for Toyota's internally defined Respect for People principle. In terms of Progressive Management, cooperation continues to be a primary theme as reflected in precept one, followed by the development of people capabilities as reflected in precept two.

### **Mid Twentieth Century**

**Training Within Industry.** The Training Within Industry (TWI) Service was established to support Allied Forces war production needs in the United States in 1940. The primary focus of TWI was to improve cooperation between supervisors and employees, ultimately resulting in improved productivity and efficient use of limited labor and rationed materials. The purpose of TWI was:

To assist war production industries to meet their manpower needs by training within industry each worker to make the fullest use of his best skill up to the maximum of his

individual ability, thereby enabling production to keep pace with war demands.

(Huntzinger, 2002, p. 6)

An element of the TWI program was called “Job Relations” and emphasized the need for improved human relations between supervisors and workers. Huntzinger (2002) identifies the underlying theme of the Job Relations training is that “poor relationships cause poor results and good relations lead to good results” (p. 10). The Job Relations strategy is centered on the idea that “people must be treated as individuals since they are different in background, interests, and tastes” (Job Relations, 1944, p. 6). Following the pioneers of Scientific Management three decades earlier, the TWI program fostered the belief that management’s treatment of workers as individuals and active participation in building good relationships (cooperation) enables favorable productivity gains.

The TWI program was abandoned by industry following victory in the Pacific and Europe. The adoption of the Respect for People principle nearly faded from history as the post World War II industrial dominance of the United States had little incentive to change the management approach. Business was expanding due to a “sellers” market that was a byproduct of destroyed industrial capability in Europe, Japan, and elsewhere.

### **Late Twentieth Century**

**Sugimori, Kusunoki, Cho, and Uchikawa.** The late twentieth century begins with the publication of “Toyota Production System and kanban system materialization of Just-In-Time and respect-for-human system” (Sugimori, et al., 1977). The significance of this journal article in regard to the continuous improvement tools was not recognized until the late nineteen eighties (New, 2007) when the origins of Lean Management in the United States were taking hold (Emiliani, 2006). Whereas the significance of Respect for People was not broadly recognized as

essential even as Ishikawa (1985) and Suzaki (1987) identified its importance in relationship to continuous improvement around the same time. Fujio Cho, a co-author of the publication while production manager at Toyota, progressed to be its CEO from 1999 to 2005. Toyota's characteristics of the production system are; (1) just in time production and (2) respect for human (people) system (Sugimori, et al., 1977). Along with the detailed explanation of the tools used in the just in time system, insight into characteristics of the respect for human system are provided by Sugimori, Kusunoki, Cho, and Uchikawa (1977): "In short, treat workers as human beings and with consideration. Build up a system that will allow the workers to display their full capabilities by themselves" (p. 554). The system that Sugimori, Kusunoki, Cho, and Uchikawa, make reference to is the management system that combines continuous improvement with respect for human system, today known as Respect for People. This also resembles the management system described by Taiichi Ohno in *Toyota seisan hōshiki*, originally published in 1978 and later translated to English in 1988 by Productivity, Inc.

The respect for human system is further broken down into three key points; (1) eliminate the waste of worker motion, (2) consideration of worker safety, and (3) "self display of workers' capabilities by entrusting them with greater responsibility and authority." (Sugimori, et al., 1977, p. 557). Self display of workers' abilities is defined as active participation by the workers to demonstrate their capabilities through tools we recognize today as Kaizen and 5S. These continuous improvement tools, when used in conjunction with Respect for People, allow workers to improve and monitor their own work without the authoritarian approval that is common under conventional management. The authors explain that each worker has the authority to stop the production line should they fall behind the production pace or discover a defect. Management has established this policy, thereby delegating the authority to workers to control the quality of



their work, also known as pride in workmanship. The practice of people concerns before process assures human consideration and man-machine separation. Sugimori, Kusunoki, Cho, and Uchikawa (1977) state: “It is not a conveyor that operates men, while it is men that operate a conveyor, which is the first step to respect for human independence” (p. 559). This statement identifies that people must be able to operate the equipment to conduct the work and possess control over the equipment. The control and authority to stop the production line requires workers to independently use their own judgment, a function that cannot be easily replicated by machines without adding complexity. Following Frederick Taylor’s principles of Scientific Management, workers must be treated as individuals. Allowing the workers to control the process, rather than the process controlling people, reinforces and develops trust between management and workers because management provides a process with human independence designed in. Management must remain consistent and committed to enforcing the people, then process, then tools hierarchy, as actions that are inconsistent with this policy will be misinterpreted by the workers, introducing more variation into perceived management behavior. When management’s behavior is unpredictable or inconsistent with the Respect for People principle, trust in management is eroded or damaged.

**Taiichi Ohno.** Taiichi Ohno is widely known as the father of the Toyota Production System. He explains in the preface to the English edition of *Toyota seisan hōshiki*, “This concept [elimination of waste] and the equally important respect for humanity [people]...are the foundation of the Toyota Production System” (Ohno, 1988, p. xiii). Ohno also notes that these foundational concepts have been passed down from Toyota’s founder, Sakichi Toyoda, to his son Kiichiro Toyoda whom employed Ohno at Toyoda Spinning and Weaving in 1932. Ohno was subsequently transferred to Toyota Motor Company in 1943 and thrust into automobile

manufacturing. He learned from the unique design of Toyoda's auto-activated loom that would automatically stop if a thread should break or run out. "From Toyoda Sakichi, we learned that applying human intelligence to machines was the only way to make machines work for people" (Ohno, 1988, p.77). Again, as referenced by Sugimori, Kusunoki, Cho, and Uchikawa (1977), man-machine separation is necessary for human independence and ability to control the output of the machine. The concept of jidoka, or quality at the source, usually interpreted only as a process design concept, embodies both Respect for People and Continuous Improvement. According to Ohno (1988), tools such as computers, must be operated by people: "We use the computer freely, as a tool, and try not to be pushed around by it. But we reject the dehumanization caused by computers and the way they can lead to higher costs" (p.48). Unfortunately, the majority of software driven processes have waste built in and leave their direct users powerless to make improvement, which dehumanizes users. Under the Respect for People principle, it becomes essential to consider that the design of the process and tools, used to carry out each step, incorporate human needs in a manner that allows user autonomy to prevent defects from reaching the next customer (internal or external).

Ohno (1988) advocates that visual management allows for abnormality control, specifically to assist in developing workers capabilities: "In the automated system, visual control, or "management by sight," can help bring production weaknesses (in each player, that is) to the surface. This allows us then to take measures to strengthen the players involved" (p.8). Management's commitment and follow through to improving worker capabilities in Lean Management is evidence of Respect for People. It is common for managers under conventional management to proclaim their commitment to employee development; however, arbitrary judgment is often levied in the performance appraisal process. Somehow the performance

appraisal tool is supposed to motivate employees to improve or develop. In the ubiquitous batch-and-queue performance appraisal process, development tends to be the responsibility of the employee more so than joint responsibility among employee and manager. A hallmark of employee development in batch-and-queue systems is the talent management program where preference is awarded to those few that deliver results, usually by means that compromise stakeholder interests. Focusing efforts to develop a few “superstars” is contrary to Ohno’s (1988) comparative description of a baseball team: “Even with one or two star players, a team does not necessarily win” (p. 24). Ohno (1988) assigns the responsibility of strengthening worker capabilities and developing teamwork to management:

The job of the field supervisor, section chief, or group foreman is to train workers...When instruction in the sequence of and key motions is clear, workers quickly learn to avoid redoing a job or producing defective parts. To do this, however, the trainer must actually take the hands of the workers and teach them. This generates trust in the supervisor. At the same time, workers must be taught to help each other. (p.22)

Trust, which strengthens cooperation, and teamwork are necessary elements of Respect for People, and aiding their development is the responsibility of management. One method to foster trust is for the supervisor to perform the operations themselves to demonstrate their knowledge of the work. Therefore the workers know that the supervisor has a thorough understanding of what they are being asked to do, including intricate details that are too minute to be included in work instructions. Teamwork is taught, not assumed to be common sense, because it is intertwined with the process of assembly in flow production. For example, when an inexperienced worker falls behind the production pace, the more experienced workers step in to

assist, allowing for skill flexibility rather than rigidity that is common under conventional management.

Ohno (1988), much like Taylor nearly eight decades earlier, reflects on the discord between management and workers, and expands on the relationship with technology:

It is a shame that in today's business and industrial society the relationships between work and worker and machine [technology] and worker have become so adversarial. For our development to continue, we must become more generous, more resourceful, and more creative. (p. 115)

Cooperation between management and workers under conventional management can be diminished by top down driven goals, such as productivity standards. Ohno (1988) advocates a different approach: "Standards should not be forced down from above, but rather set by production workers themselves" (p. 98). Workers that develop the sequence of work tasks and related time standard are more apt to achieve the standard and take action to improve. This is not to say that industrial engineers are not needed, there are limitations to which the work team themselves can improve without receiving technical assistance. However, the benefits of frequent improvements by the largest population of workers to eliminate waste in their daily activities is a full utilization of human capability. Improvements need not be made by engineers alone. Eliminating waste and improving operating efficiency to the extent that it impacts financial performance is achieved by means that respect human needs:

To do this, we must make only the quantity needed, thereby releasing extra manpower...Because of this, some labor union people have been suspicious of it as a means of laying off workers. But that is not the idea. (Ohno, 1988, p.20)

A common effect of layoffs is erosion of trust in management and diminished cooperation. Layoffs, or in other terms, batch processing, is inconsistent with Lean Management in dealing with excess headcount, "Management's responsibility is to identify excess manpower and utilize it effectively" (Ohno, 1988, p.20). Ohno (1988) warns against the use of varying the workforce as economic conditions change: "Hiring people when business is good and production is high just to lay them off or recruiting early retirees when recession hits are bad practices" (p. 20). When Respect for People is practiced in conjunction with Continuous Improvement, a smaller work force becomes a countermeasure to layoffs during varying economic conditions: "By providing an environment sensitive to human needs, it becomes possible to realistically implement a system that employs fewer workers" (Ohno, 1988, p. 68). Realistic is an accurate term, as the alternative in conventional management is to slash the size of the workforce and hope for the best. A long term view of the business is needed and it is management's responsibility to prepare for challenging times. In conventional management, shareholders and management are rewarded with short term gains, while employees and community endure hardships during layoffs. Short term, reactionary changes in manpower destroy trust between management and workers and hidden costs lay in the adverse consequences that Taylor (1912/1947) warned of when "each side is watching the other carefully and trying to get an advantage over the other" (p, 192).

Due to the notoriety and success Toyota has enjoyed, many have tried to replicate the continuous improvement tools in an attempt to achieve similar results. Ohno (1988), simply explains:

There is no magic method. Rather, a total management system is needed that develops human ability to its fullest capacity to best enhance creativity and fruitfulness, to utilize facilities and machines well, and to eliminate all waste (p. 9).

Lean Management, specifically Respect for People assures human abilities are not wasted and harnesses their potential for mutual economic improvement. Often underestimated, utilizing the creativity of all workers alters management's role from authoritarian to one of joint responsibility: "...people's desire to achieve the new system intensified beyond description. The system became the product of their effort" (Ohno, 1988, p.39). Improvement methods provided by management that allow workers to shape their processes instills ownership and pride in work. Perhaps more pride is realized from achievement of improving one's own work methods than of producing the physical product. The benefit of the improvement is mutual; good for the worker and good for the management. Ohno (1988) asserts that managers that practice the Respect for People principle recognize that many decisions, such as when to stop production, the sequence of work, or the need for overtime should be made by those doing the work:

These discussions can be made by factory workers themselves, without having to consult the production control or engineering departments... The plant should be a place where such judgments can be made by workers autonomously. (p. 45)

Respect for People in a broader context includes respect for stakeholders. If market fluctuations are ignored, and production adjustments not made, the result will have an adverse impact on the manufacturer, its suppliers, and the community: "This would cause problems not only within the company, but in the cooperating firms as well. The larger the business, the greater the social impact – and this could be a serious problem" (Ohno, 1988, p.51). The potential problem that arises is a damaged reputation for the company from the perspective of its

stakeholders, whom will endure hardships that were preventable. Key suppliers in the Toyota system are partners, where cooperation and long term relationships are valued. Adversely impacting a supplier could damage trust and diminish cooperation, possibly affecting the customer (internal or external) in the form of delay, reduced quality, or increased cost.

There are limits to what Toyota alone can achieve. Cooperation between supplier and customer opens new possibilities: “Only by working with cooperating firms is it possible to perfect this system. The same is true in improving the character of management” (Ohno, 1988, p. 66). Building cooperation and long term partnerships with suppliers to achieve non-zero-sum outcomes, extends Toyota’s management system outside the walls of the factories. Management in both firms gain appreciation and perspective of each other’s needs through partnership.

Ohno (1988) explains that the system he architected could not be possible without the workers: “In short, it was the effort, creativity, and power of its people that enabled Toyota to put into practice the methods that ultimately have become the Toyota production system” (p. 68). In closing, Ohno (1988) emphasizes the importance of Respect for People, a principle that encourages the full use of human abilities: “Of course, what is important is not the system, but the creativity of human beings who select and interpret the information” (p.116).

**Kaoru Ishikawa.** Kaoru Ishikawa was a leading advocate and consultant to Japanese industries in practical quality control methods that focused on preventing defects, early in the design stage of a product, rather than reliance on inspections after defects have been produced. Ishikawa (1985) recognized that the role of workers in assuring quality could not be overlooked. The Quality Circle was introduced in 1962 as a practical means for work groups to study quality and avoid repeating mistakes. The people benefits of the Quality Circle according to Ishikawa (1985) are: “The satisfaction on doing a job well...The happiness coming from cooperating with

others and from being recognized by others...The joy of personal growth” (p. 27). Ishikawa (1985) explains the joy of personal growth is comprised of:

- experiencing the satisfaction which comes from being able to utilize one’s own abilities to the fullest and from growing as a person.
  - having self-confidence, and becoming a self-fulfilled person
  - using one’s own brains, working voluntarily, and in this way contributing to society.
- (p.28)

Ishikawa (1985) explains that monetary compensation alone will not be sufficient to achieve improved quality and explains that a primary emphasis on monetary needs “can bring harm to individuals, societies, nations, and the whole world” (p. 28). The resulting harm is the erosion of cooperation due to marginalization of stakeholder interests which include but are not limited to financial gain.

Ishikawa (1985) advocates that Respect for Humanity is necessary to delegate authority to subordinates that are responsible for ensuring quality through the full use of workers’ abilities. According to Ishikawa (1985), the essence of the Respect for Humanity (People) is:

The term humanity implies autonomy and spontaneity. People are different from animals or machines. They have their own wills, and do things voluntarily without being told to by others. They use their heads and are always thinking. Management based on humanity is a system of management that lets the unlimited potential of human beings blossom (p. 112).

Ishikawa identifies that the free will, or voluntarism rather than coercion, is the key to progress with Quality Control, i.e. continuous improvement. When workers are coerced to do something by their superiors, which is akin to autocracy, there is reluctance and low probability



of creative thinking and innovation. Ishikawa (1985) recognized that “Unless employees can feel that they are participating in the activities of their own free will, they cannot succeed” (p.141). He emphasizes that democratic systems of management must operate with a top down and bottom up balance or in the case where one of the two approaches is dominant, failure is likely.

**William Edwards Deming.** W. Edwards Deming (1986) introduced the 14 Points for Management as a practical guide to transform the American style of management (conventional management) in business, government, and education. His approach of improving quality, thereby improving productivity came about from his early practice of statistics, post World War II training of Japanese managers in quality control and later consulting with American companies that were intent on improving their global competitive position, primarily in relationship to Japan (Frank, 1980). Deming’s 14 Points are in essence the value added behaviors that management must pursue to improve their competitive position. The transformation of management begins with constancy of purpose (Deming, 1986). Often in publicly traded companies, short term focus is paramount to increase the stock price. From senior executives to the lowest level of management, fear of job security runs rampant if a single stakeholder, the shareholder, is not satisfied. Achieving financial results at all costs drives scattered, reactionary efforts and marginalizes other stakeholders; suppliers, employees, community, and customers. Constancy of purpose requires executive management to believe it is their obligation to benefit all stakeholders in a balanced fashion. The purpose of the existence of a company is to benefit all stakeholders over the long term (Taylor, 1911; Woollard & Emiliani, 1954/2009; Toyota, 1988; Deming, 1994).

Deming (1994) explains that a number of zero-sum management behaviors are the cause for the decline of American industry: “The present style of management is the biggest producer

of waste, causing huge losses whose magnitudes cannot be evaluated, can not be measured” (p. 22). The “present style of management” that Deming refers to is equivalent to the “old style of management” that Taylor sought to transform. The route to transformation begins with appreciation of a system; “A system is a network of interdependent components that work together to try to accomplish the aim of the system” (Deming, 1994, p.50). Therefore, management of a system requires an understanding of the relationships among the components of the system and the people within the system (Deming, 1994). According to Deming (1994), achieving the aim of a system requires cooperation, and the results will be mutually beneficial to the stakeholders; “The aim proposed here for any organization is for everybody to gain – stockholders, employees, suppliers, customers, community, and the environment – over the long term” (p. 51). Cooperation rather than internal competition is essential:

What we need is cooperation. Every example of cooperation is one of benefits and gains to them that cooperate. Cooperation is especially productive in a system well managed. Competition within organizations and between employees is destructive and leads to loss (Deming, 1994, p.88)

Deming’s (1986) twelfth point explains that a barrier to strengthening cooperation is the performance management process, that promotes internal competition, must be eliminated immediately and replaced with leadership. The performance management process, whose purpose is to rank people and rate performance, destroys peoples’ intrinsic motivation, cooperation, and joy in learning (Deming, 1994). Over time, exposure to the “forces of destruction” (Deming, 1994, p. 122), essentially non-value added management behavior, leads people to succumb to extrinsic motivation (Deming, 1994). Further, an underlying assumption of the performance management process is that performance is predominantly attributable to the

employee, whereas Deming (1994) asserts that “the performance of anyone is governed largely by the system that he works in” (p. 94). Knowledge of variation is required for managers to recognize that people are different and need to be treated as individuals to promote cooperation and foster creativity. Deming (1994) proposed an alternative to the performance review: “In place of judgment of people, ranking them, putting them into slots (outstanding, excellent, on down to unsatisfactory), the aim should be to help people to optimize the system so that everybody will gain” (p. 125).

**Bob Emiliani.** Professor Bob Emiliani (1998), a Lean practitioner turned professor, identified the eighth waste as behavioral waste that is inconsistent with Lean Management. The behavioral wastes that dominate in conventional management systems and their sometimes unintended consequences are contrasted with the behaviors necessary for practical Lean Management. Building of trust and cooperation and consideration of the impact of actions on others through Lean behaviors leads to improved productivity (Emiliani, 1998). Non-value added behaviors directly impact an organization’s ability to strengthen cooperation among stakeholders; “Poor behaviors allow people to avoid co-operation, gain personal advantage, and protect personal or departmental interests” (Emiliani, 1998, p. 617). The culture that exists in organizations that practice conventional management discourages inquiry and reflection due to the rapid, transactional nature of the work, thereby suppressing creativity. The presence of fear in the workplace encourages defensive, non-value added behavior, damaging or completely dissolving trust and limiting the ability of the organization to transfer information for timely decision making (Emiliani, 1998).

### **Early Twenty-first Century**

**The Toyota Way.** “The Toyota Way 2001” is an internal document that is used to educate Toyota’s employees about the two pillars of its management system: Continuous Improvement and Respect for People (Toyota, 2001a). The Respect for People principle is summarized as:

- Respect
  - Respect for stakeholders
  - Mutual trust and mutual responsibility
  - Sincere communication
- Teamwork
  - Commitment to education and development
  - Respect for the individual, realizing consolidated power as a team (Toyota, 2001a)

The Respect for People principle is for the benefit of all stakeholders and a countermeasure to flawed zero-sum continuous improvement (Toyota, 2001a; Emiliani, 2008b). Zero-sum continuous improvement is characterized by the application of improvement tools to optimize results for a single stakeholder, while largely neglecting the other stakeholders. Globalization of Toyota’s operations resulted in the need to clearly communicate the organization’s purpose and corporate culture. A Venn diagram illustrates the interrelationship of Continuous Improvement and Respect for People (Toyota, 2001b), with more pronounced size deliberately assigned to the Respect for People set, as in Figure 2. The asymmetrical illustration further reinforces how little consideration and practice, outside of Toyota, has been given to the principle with greater influence on long term business success: Respect for People.

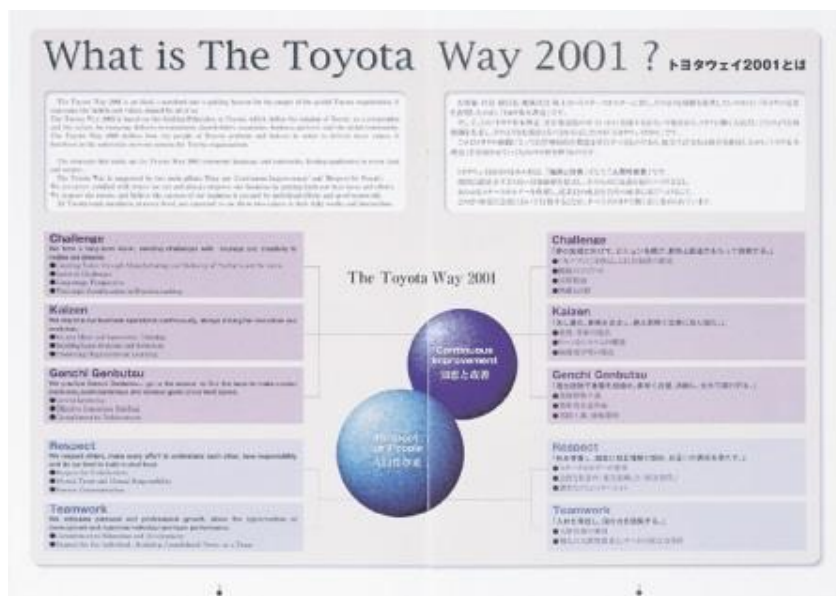


Figure 2. “What is the Toyota Way 2001?” (Toyota, 2001b).

**The Caux Round Table.** The Caux Round Table (CRT) was founded in 1986 by business leaders to address increasing tension over global trade. The CRT Principles for Responsible Business, tailored from “The Minnesota Principles”, were established in 1994 and serve as a statement of responsible business practice intended to ultimately promote world peace and stability. The CRT (2009) identifies that non-zero-sum business practices have adverse consequences: “The self-interested pursuit of profit, with no concern for other stakeholders, will ultimately lead to business failure and, at times, to counterproductive regulation (p. 1). The CRT’s Principles for Responsible Business are summarized as:

1. Respect stakeholders beyond shareholders.
2. Contribute to economic, social, and environmental development.
3. Build trust by going beyond the letter of the law.
4. Respect rules and conventions.
5. Support responsible globalization.

6. Respect the environment.

7. Avoid illicit activities. (pp. 2-3)

In addition to the principles, guidelines for stakeholder management are defined. CRT (2009) identifies the following stakeholders: customers, employees, shareholders, suppliers, competitors, and communities. The CRT Principles for Responsible Business documents the Respect for People principle with a global perspective that is inclusive of all stakeholders.

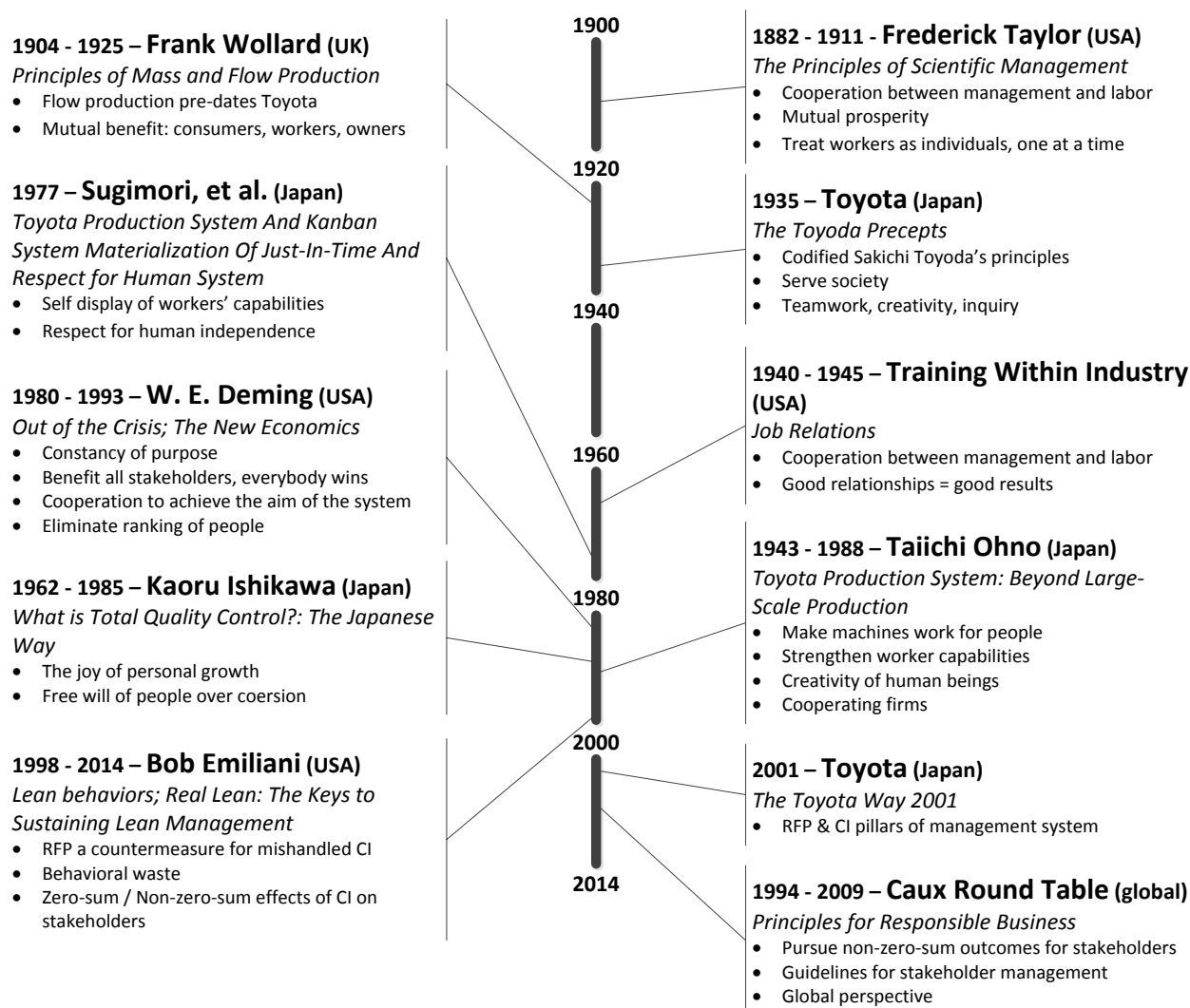


Figure 3. A timeline of the evolution of the Respect for People principle in Progressive Management.

## Conclusion

As Lean production methods proliferated from Japan to the United States, replication and technical understanding of continuous improvement tools occupied practitioners and academics over the 25 year period starting in the late nineteen seventies. Throughout this period of continued focus on tools, many transformation efforts have stalled or failed and management decision making continues to result in optimization for a sole stakeholder, namely the shareholder, at the expense of other stakeholders. Analysis of Lean implementation failures can provide insight into the lack of necessary balance of Respect for People and Continuous Improvement. As the Respect for People principle has evolved, it has become inclusive of all stakeholders and is characterized by non-zero-sum outcomes (Emiliani, 2008a). The Respect for People principle has evolved from the early days of Scientific Management to become a required feature in modern Progressive Management.

Some may say that we still do not understand what the Toyota Management System is (New, 2007) even after Toyota (2001a) has expressly communicated the pillars of its system: Respect for People and Continuous Improvement. History may have been overlooked when making such statements. Going to the source to acquire the facts is essential to challenge deeply held assumptions about what is perceived today to be irrelevant or common sense. The Toyota Management System, likely to be the most studied and researched management system in recent times, is an element of the Progressive Management evolution. Scientific Management, the Toyota Production System, Toyota Management System, Total Quality Management, and recently Lean Management share a common aim that requires Respect for People as a countermeasure for Continuous Improvement gone awry (Emiliani, 2008b). Recognition and daily practice of the Respect for People principle may insure that continuous improvement

efforts bear results that are mutually beneficial for stakeholders. Understanding the essence of Respect for People may provide more utility to the practitioner as a guideline to select or design appropriate processes and tools that maintain balance with the system of continuous improvement.

### **Opportunities for Additional Research**

- A review of the evolution of the Shingo Prize criteria since its inception relative to the principles of Progressive Management may reveal how Respect for People has emerged as having a greater influence on the scoring criteria and business results.
- Investigation of organizations that practice the Respect for People in harmony with the Continuous Improvement principle may provide insight to practitioners and executives as to the practical application of Progressive Management.
- Executives often select the use of technology to reduce costs, resulting in elimination of workers. This appears to be mainstream behavior in the context of the information age. A review of cases where the use of technology marginalizes stakeholders contrasted with cases where stakeholders share in the benefits may provide insight to executives that proclaim their employees to be valuable to their organizations, when making technology decisions.
- The “Forces of Destruction” as Deming (1994) points out can be exacerbated by quantitative data. Recent revolutions in technology, notably the mobility of data acquisition and rapid information sharing, have caused prevailing paradigms to be challenged. Investigations of methods for the use of technology that are consistent with the Respect for People principle and countermeasures to the “Forces of Destruction” may provide decision makers insight regarding the benefits or detractors from technology acquisition, notably in education.



- The evolution of the Industrial Engineering profession from the early 1900s and associated professional ethics with relationships to the principles of Progressive Management may provide useful to educators and students of the discipline.
- Hiring practices are an organization's mechanism to select employees that are perceived to share values that are consistent with the hiring organization. In addition, skill fluency is often associated by GPA, an arbitrary measure, which is inconsistent with the Respect for People principle. An investigation of hiring practices that are consistent with the Respect for People principle may be valuable to Progressive Management practitioners.

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## **Biographical Note**

Mark Gajewski holds a Bachelor of Science in Mechanical Engineering and Materials Engineering from the University of Connecticut, and at the time of writing, completing a Master of Science in Technology Management at Central Connecticut State University. Mark has held roles in product and process design, quality, manufacturing, operations, and program management in consumer products, automotive and medical device industries. He attributes his progression through management positions of increasing responsibility to the practice of Progressive Management and improving processes and peoples' capabilities rather than "driving results". It was his discovery of Lean through exploring W.E. Deming's work that initially resulted in a focus on the technical aspects of continuous improvement. During his role as a Production Manager for a global medical device firm that had previously undergone a lean transformation with subsequent backslide, and while taking Professor Bob Emiliani's graduate classes, Mark recognized the greater necessity for the Respect for People principle. Mark continues to practice Progressive Management in his current role as an Engineering Program Manager for a global medical device firm.