

# Teleological and Ateleological Analysis of Classical, Lean, and Toyota Management Systems and the Lean Movement

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<b>Abstract</b>	
Purpose	Examine means-ends in classical and contemporary progressive systems of management using a Western philosophical framework.
Methodology	Mixed: exploratory, causal, descriptive, qualitative research.
Findings	Compares and contrasts classical management teleology to Toyota management system ateleology and the mixed ateleology-teleology of Lean management. Recasts these systems in a Western philosophical framework to better understand and explain differences between them and how they function in relation to means and ends within the larger system of capitalistic business enterprise where they reside.
Research Limitations	Research is based on the extant literature, observations in multiple field settings, and the author's firsthand experiences in varied management environments.
Originality or Value	This is thought to be the first time that teleological and ateleological analysis of classical and contemporary progressive systems of management has been made.
Practical Implications	Provides a philosophical framework for understanding differences between classical and contemporary progressive systems of management. Findings can be used to a) improve the understanding and practice of progressive management systems and b) imagine new strategies and tactics to gain wider CEO acceptance for progressive management.

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## Introduction

The author's research since 2007 has been largely focused on answering questions that have existed since the time of Scientific Management more than 100 years ago. Advocates of progressive management, from the old Scientific Management to the new Lean management, have persistently had great difficulty in convincing top corporate leaders to replace archaic classical management practice with a new system of progressive management. This has led to 100-plus years of shared frustration among untold numbers of business professionals, and is succinctly captured in this statement (Miner, 2020):

“I spent 3 years ‘selling’ lean face to face with CEO’s and I’m still mind boggled that my success was so low. They want the results but when you’re honest with them about how they need to change their own behavior they say nah, not interested.”

In the past this problem has always been addressed at a superficial level (e.g. leader behaviors), resulting in the inability to identify the underlying factors that produce the observed problem – which is that business leaders strongly prefer the status quo when it comes to leadership and management practice. No progress was made in solving this problem for over 100 years because the problem was not understood and thus ill-defined, in part because the problem is far more difficult and complex than was realized. Solving this problem required going outside the contemporary literature of Lean, leadership, management, organizational behavior, psychology, and so on, to identify causal relationships. Namely, a deep dive into economics, sociology, and political science research published between 1890-1925. Recent work provided a comprehensive understanding of why leaders resist or reject Lean management (Emiliani, 2018, 2020, 2020a, 2020b). But still, some lingering questions remain. These questions have been taken up in this and in a companion research paper and three recent books, as discussed below.

This paper is a follow-up to the research paper “The Transformation of Lean: A Social Theory of the Lean Movement” (Emiliani, 2020), which answered questions such as:

- Why does Lean management remain popular with the staff of salaried professionals when most top company leaders have little or no real interest in Lean management?
- Why have so many joined the Lean movement?
- Why are they so committed to Lean?
- How do they derive satisfaction from their association with Lean management given that progress is so difficult to achieve?

It identified a *transformation of Lean* that occurred over time, from a technical discipline in its early days into a social avocation in the last decade with a weakened technical focus. Gaining social status through the accumulation of knowledge wealth became the dominant, though not sole, point of interest among the salaried professional staff. Included with this is the accumulation of symbols of knowledge that distinguish in social rank and worth. The result is a muddled understanding of the purpose and intent

of Lean management; the eager consumption of Lean knowledge, know-how, and wisdom; a low rate of process improvements; and the production of improvements that have little or no impact on the business or its customers.

“The Transformation of Lean: A Social Theory of the Lean Movement,” as well as the present paper, extend the research presented in the books *The Triumph of Classical Management Over Lean Management*, *Irrational Institutions*, and *Management Mysterium* (Emiliani, 2018, 2020a, 2020b). *The Triumph of Classical Management* answered these questions from three different perspectives:

- Why do most top leaders resist or reject Lean management?
- Why do most shop and office floor workers likewise resist or reject Lean management?

This research paper seeks to illuminate the relationship between means and ends in classical management and Lean management compared to Toyota management using a Western philosophical framework. In doing so, it seeks to answer three questions. The first question expands on one of the questions answered in “The Transformation of Lean: A Social Theory of the Lean Movement” (Emiliani, 2020):

1. How do the staff of salaried professionals derive satisfaction from their association with Lean management given that progress is so difficult to achieve?

The next two questions pertain to the relationship between means and ends in classical management and Lean management compared to Toyota management:

2. Why does classical management so easily absorb and largely nullify Lean management?
3. How does Toyota’s management system avoid being influenced and nullified by classical management?

Answering the first question will provide additional evidence in support of the findings presented in “The Transformation of Lean: A Social Theory of the Lean Movement” (Emiliani, 2020). Answering the second question will expand the understanding of how classical management and its traditions debilitate or eviscerate Lean management. It will also provide further evidence in support previous research examining why leaders resist or reject Lean management. Answering the third question will reveal the features of progressive management system design that resist the incursion of classical management.

## **What is Lean Management?**

In this and the previous paper (Emiliani, 2020), Lean management is understood to be that which has been described by James Womack and Daniel Jones in various books (Womack *et al.*, 1990; Womack and Jones, 1996, 2005) and web sites (LEI, 2020; LEA, 2020; LGN, 2020; PL, 2020). Lean is not taken to be the same as Toyota’s management system (TMS), though there are many similarities (see Note

1). Instead, Lean management is understood to be a derivative interpretation of Toyota's production system (TPS) and their overall management system (Monden, 1983, Ohno, 1988; Liker, 2004). As such, Lean is incomplete in its expression of the purposes, mindsets, and practices of TMS. Yet, it is described sufficiently such that organizations, with thoughtful study and practice and the engagement of senior managers, should be able to achieve significant improvements in business performance and human resource development and capability-building.

Lean management is the popularized form of Toyota's management system that commonly exists in some form or another business enterprise post-1988 through to today. In most cases, Lean management has been narrowed in scope, bureaucratized, and handicapped in numerous ways such that the management system is heavily corrupted, and results achieved with it are substantially below that which could be achieved. In short, Lean tools and methods are made to align with the existing framework of classical management thinking and practice in most organizations. This alignment has been remarkably consistent across organizations worldwide, suggesting that there are properties intrinsic to classical management that readily absorb and nullify the principles and practices of Lean management (see Note 2). Previous research has provided ample evidence as to why this occurs (Emiliani, 2018, 2020a, 2020b).

The present work seeks to deepen the understanding of this problem by using two concepts from Western philosophy, teleology and ateleology (Introna, 1996). Both terms are defined below and analyzed in relationship to business and economics, classical management, Lean management, Toyota management practices, and the Lean movement. The Western philosophy concepts of teleology and ateleology do not appear in Eastern philosophy (see Note 3). Nevertheless, teleology and ateleology are important for understating differences between Lean management and Toyota's management system, and especially how Lean management is understood by business leaders who subscribe to Western economic traditions and why Lean management has been largely pushed aside and thus has failed, overall, to produce the expected results (see Note 4). It is important to recognize that Western economic tradition dating from 17<sup>th</sup> century British moral philosophy to 18<sup>th</sup> century political economy through to the present has been globally influential for some 200 years (e.g. capitalism, free markets, etc.), with some variation from country-to-country in consideration of local values, traditions, and laws. Thus, classical management exists in nearly all corporations regardless of the type, country or origin, or indigenous social culture. Classical management is globally omnipresent.

## **Teleology, Classical Management, and Lean Management**

The term “teleology” derives from the Greek, “telos, meaning end, goal, intrinsic purpose, outcome, or finality, while “logia” (logy) means the study of a subject. Thus, teleology is the function of something in relation to its purpose or end. An activity such as carpentry is teleological in that the end is to make something useful to humans such as a chair, where the “end” is sitting. How the chair is made – the means (design, tools, methods, process, etc.) – is irrelevant, as are the causal relationships between steps taken to execute the means. The only thing of value, or consequence, is that the end is achieved: sitting in the chair. As such, anything that is teleological does not confront the phenomenon of change (causal sequence) and its many intricate details. The focus is ends and whether change is

advantageous to it. Meaning, if change is favorable to an end, and anything unfavorable to it is disregarded, then the explanation of the phenomenon (subject under study) is teleological.

If the chair is made from a protected exotic tropical hardwood nearing extinction, that is of no concern. Likewise, if the carpenter's tools are made using slave labor somewhere in the supply chain, that is also of no concern. And if the design of the chair is stolen from someone who holds the design patent, that too is of no concern. Contributing to the extinction of a species of tree, illegal forced labor, and stealing are irrelevant. The only thing that matters is the end – sitting in a chair. That is the utility which the end provides.

In business, the end is the concern while means are incidental. Indifference to process, or method, material, or tools suggests that method, material, or tools are perfect, or close enough to perfect, that there is no need for improvement. Seen another way, the existing method, material, or tools, being perfect, cannot need anything more than minor adjustment to make that which is already perfect a tiny bit better. The connection to Lean management in terms of how it is commonly understood and practiced in organizations should be obvious. The absorption of Lean tools and methods into classical management practice means that classical management and its associated tools and methods are seen by leaders as perfect, or so close to perfect, that there is virtually no need for improvement. Nor is there a need for a management system whose basis is continuous improvement. But why is that the case? It is because the process of commerce (business) is designed to achieve an end, and classical management was designed for commerce based in large part on long-established traditions (Emiliani, 2018, 2020b). These two interrelated designs are seen by the aggregate mass of devotees as both perfect and unmatched in fulfilling the need, past, present, and future.

Commerce, the commercial process, as conceived by 17<sup>th</sup> century European moral philosophers and 18<sup>th</sup> century political economists is teleological. The end of business, commercial transaction, is gain, usually pecuniary gain, and generally some form of property that is owned. The basis for business is classical and neoclassical economics, both rooted in Natural Rights and Natural Law, which, in the context of commerce, is teleological (Veblen, 1909). Commerce has an intrinsic purpose or end that is gain. This is reflected in Adam Smith's famous book, *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776). However, Smith included extensive thoughts on the perils of self-interest and the need to restrain self-interest in the pursuit of pecuniary gain such that it does not do harm to individuals or society. His message was not just economic, it was moral as well. Most CEOs would agree that the purpose of business is to make money – wealth creation – and yet confide in private that morals are a lesser consideration, changeable with the times and circumstances including local, national, or international customs. Morality in business imposes means (process) that interferes with ends. It makes the pursuit of ends less efficient. Pecuniary gain being the end, and expediency being the leader's conjuration or legerdemain, places moral (individual right and wrong) and ethical (workplace rules) concerns in abeyance (see Note 5) – but these are easily and quickly resurrected when convenient to mount defenses against criticism of pecuniary gain (BR, 2019).

Business, being teleological, has as its focus ends, not means. Therefore, processes and phenomenon

of change, causality, social processes and relationships, and their many intricate details, is immaterial. In business, the end justifies the means. As a result, business leaders are fixated on expediency – the use of any means, the details of which are unimportant, so long as it achieves the end. Leaders are promiscuous when it comes to their passion for quick and easy solutions (“flavors-of-the-month”) to solve the problem at hand and will make any adjustments to them (e.g. shortcuts) to achieve the desired end (gain). Synonymous with “the ends justify the means” is the phrase “business is business,” which means that anything and everything will be done to achieve the end, no matter whom it harms: customers, employees, suppliers, investors, communities, competitors, and even the company itself. The end, pecuniary gain, is paramount, even if it means accumulated decisions lead to the demise of the company.

In classical management, leaders are indifferent to process. Though they may say the word “process” often and have a high-level conceptual understanding, they are unfamiliar with the details of processes. Evidence for this is abundant when leaders are shown visual representations of a process that include details such as time, quantity, number of people, etc. The common refrain is “I had no idea.” This habit of mind that is indifferent to process is transmitted down the hierarchy, resulting in a chaotic environment that is seen as the normal condition associated with the pursuit of pecuniary gain. Likewise, in classical management, leaders are indifferent to improvement. Though they may say the word “improvement” or “continuous improvement” often and have a high-level conceptual understanding, they are unfamiliar with the details of how improvement is made or the conditions necessary to bring about process improvement. Classical management, aligned with the teleology of business, places no demand on leaders to comprehend means (process) or improvement. In fact, it requires them to ignore it in order to achieve the end of pecuniary gain.

While Lean management has been proven time and again to offer greater pecuniary gain as well as many other benefits (see Note 6), there is a cost to adopting Lean that most business leaders seek to evade. Recall the statement by Miner, which highlights an untenable cost (2020):

“I spent 3 years ‘selling’ lean face to face with CEO’s and I’m still mind boggled that my success was so low. **They want the results but when you’re honest with them about *how they need to change* their own behavior they say nah, not interested.**” (bold and italics added)

Lean management forces leaders to abandon solution promiscuity, expediency, shortcuts, magical beliefs, and the like, which are prized leadership possessions. Lean management offers no motivation to give up one’s rights, privileges, and symbols of status. But more importantly, Lean management forces leaders to comprehend change phenomena, causal relationships, imperfect processes, the means (methods) for doing work, and how ends are achieved. In addition to degrading leader’s status (see Note 7), Lean management disrupts the teleology of both business and classical management.

Faced with the choice of abandoning classical management and the teleology of business or maintaining the status quo, the choice is obvious: status quo. Yet, there is external pressure coming

from investors, current and future employees (recruiting), and from others for the company to be seen as being in step with the times. So Lean management is adopted by some top leaders, but under the usual terms: solution promiscuity, expediency, shortcuts, and the like, thereby absorbing Lean management into classical management and nullifying requirements for leaders to change as well as nullifying the pecuniary and other gains that could be achieved if Lean management was adopted in its full form. Business, being a teleological process of pecuniary gain, and classical management designed to fit that specific teleological process, successfully subverts Lean management in most organizations, despite claims made by leaders that such organizations are “Lean.” Instead, what they have done is create the appearance of being Lean.

The absorption of Lean management into classical management is made easier by the teleology of business, the design of classical management to fit the teleology of business, executive education (formal learning and social learning of business affairs), training and consulting businesses selling Lean to CEOs, and the representation of Lean management in business trade books as a means for “wealth creation” (Womack and Jones, 1996, 2005). This representation of Lean management, wealth creation, fits snugly within the teleology of business and the design of classical management. Importantly, this differs from earlier representations of Lean management in business trade books, which focused on the technical aspects of progressive management practice. This repeats the history of Scientific Management, wherein early business trade books focused on the technical aspects of progressive management practice followed by more explicit appeals to leaders regarding its power to create wealth. It is true, however, that the teleology of business and the design of classical management to fit it were far more significant to the absorption of Lean management than the titles, subtitles, or content of business trade books promoting wealth creation. Many training and consulting businesses, however, in pursuit of the same pecuniary ends as their clients, played a significant, perhaps sometimes unintentional, role in contributing to the absorption of Lean management into classical management.

The teleology of business requires leaders to conform its design requirements with respect to decision-making and leadership behaviors. Some behaviors that are common among top leaders adept in classical management include:

- Hear what they want to hear
- Believe they know more than the facts
- Cannot be corrected
- Prone to give fallacious arguments
- Prone to accept fallacious arguments
- Form opinions about others that cannot be changed
- Form opinions about things that cannot be changed

These rigid, unyielding characteristics reflect extraordinary levels of faith and confidence in the combination of the economic and management systems. The pathological leadership behaviors associated with classical management, which confirm indifference to process, pass unimpeded from one generation of leader to another or they emerge spontaneously among first-time entrepreneurs.

Yet there remains a persistent belief over the last century that leadership behaviors can be improved, resulting in a large training and consulting industry devoted to leadership development. These well-meaning efforts are fundamentally misdirected. The behaviors listed above, integral to forceful and courageous executive decision-making, conform to the teleology of business and the skilled practice of classical management in pursuit of pecuniary gain. They are advantageous to achieving ends and so the behaviors cannot be eradicated. Simply put, executive response is teleological, not causal, as is demanded by classical management.

The design foci of commerce and classical management are intolerant of anything that introduces inefficiencies (barriers) that impede the achievement of ends, regardless of their rationality, precision, or utility. Expediency assures that the gap between the current state and the end is as narrow as possible at all times. The introduction of that which expands the gap, either in perception or reality, are cast aside because it circumscribes the scope and magnitude of exploitation. The better the design is to achieve its end, the more useful are things which enhance goal-seeking and the less useful are that which impede goal seeking. Hence, it is difficult, if not impractical and illogical, to introduce ateleology into strongly teleological system designs.

Teleological economic and management system design relies on knowledge experts who understand the systems in relation to their purpose. This is the domain of the select few, rather than the rank and file. From their perspective, there are no viable alternatives to existing systems, given their preconceptions regarding determinism, order, predictability, and outcomes. This limits flexibility and choices and leads to an inability to adapt, but which is nonetheless seen as fertile ground for opportunity. Companies unable to adapt to the dynamic marketplace seek to merge, acquire, or divest, or declare bankruptcy or liquidate if doing so produces the greatest returns. So rather than face the social taboo of challenging one's preconceptions (Emiliani, 2018, 2020a, 2020b), the leaderly thing to do is to redouble one's commitment to the status quo and savor the ensuing admiration and enhanced status bestowed by one's peers. Whatever happens must unquestioningly converge upon and confirm teleological economic and management system design. Human and social realities below the rank of leader are inconsequential because they are not advantageous to achieving ends. In the same way and for the same reason, internal and external organizational interdependencies are inconsequential. These are inefficiencies, attention to which must be avoided.

### **Ateleology and Toyota Management System**

“Ateleology” means an ultimate purpose, or end, that is not rigidly defined *a priori* in narrow terms such as pecuniary gain (Introna, 1996; Jones 2011). Ateleology loosely defines a non-deterministic end such as completeness, balance, and harmony – an indefinite end, one that can never be achieved. In other words, the focus of ateleology is the means, not the end. The focus is on process and causality, under the assumption that this will contribute, in a continuous and limitless way, towards the end of completeness, balance, and harmony. For business to survive, pecuniary gain is a necessity. But, the means by which pecuniary gain is achieved does not have to be teleological; it can be ateleological. An ateleological process is one that recognizes an effect and responds to its cause in ways that expand (vs. narrows) ones understating of phenomena and which seeks to maintain and improve wellness.



Unlike teleology which relies on centralized expert prediction, planning, and control in relation to achieving the end, ateleology relies on local knowledge to recognize problems and make context-driven change in an uncertain environment. Instead of the experts needed for teleological processes, ateleological processes is decentralized and relies on people at the ground level to apply principles, rules, and methods to maintain and improve the wellness of the system via processes of exploration and experimentation. Classical management, unconcerned with cause and effect, is indifferent to system wellness and problems are either ignored or attempts made to correct problems are based only on symptoms. Toyota management practice is the reverse: causality is important to maintaining and improving the wellness of the management system and the company, as well as its stakeholders who are part of the system and its proper functioning, to enable it to efficiently satisfy the ever-changing needs of customers. Localized response to problems occurring in one's work requires curiosity (the ability to think), experimentation (trial-and-error and the scientific method), learning, and reflection. The result is timely and flexible adaptation to continuously changing conditions. In this construction, ateleology is dynamic whereas teleology is static, the former being better suited to the ever-changing nature of commerce despite its teleology of pecuniary gain.

How does Toyota maintain and improve the wellness of its management system and of the corporation? This is described in various documents that enumerate principles and rules for employees as well as relationship-building with stakeholders (TMC, 2001, 2020, 2020a), some of which is shown below:

#### **Five Main Principles of Founder Sakichi Toyoda**

- Always be faithful to your duties, thereby contributing to the company and to the overall good.
- Always be studious and creative, striving to stay ahead of the times.
- Always be practical and avoid frivolousness.
- Always strive to build a homelike atmosphere at work that is warm and friendly.
- Always have respect for spiritual matters, and remember to be grateful at all times.

These five principles, as well as the seven principles listed below, are indefinite with respect to the end: completeness, balance, and harmony, or wellness. This stems in part from the impossibility of precisely defining terms such as “faithful,” “studious,” “practical,” etc., for all people, circumstances, or all time. The expectation is that one will strive to achieve these as circumstances dictate and as one continuously interacts within the system (principles, problems, and methods) to think, learn, reflect, and improve over time.

#### **Guiding Principles at Toyota**

1. Honor the language and spirit of the law of every country and region, and undertake open and fair business activities to be a strong corporate citizen of the world.

2. Respect the culture and customs of every country and region, and contribute to economic and social development through corporate activities in their respective communities.
3. Dedicate our business to providing clean and safe products and to enhancing the quality of life everywhere through all of our activities.
4. Create and develop advanced technologies and provide outstanding products and services that fulfill the needs of customers worldwide.
5. Foster a corporate culture that enhances both individual creativity and the value of teamwork, while honoring mutual trust and respect between labor and management.
6. Pursue growth through harmony with the global community via innovative management.
7. Work with business partners in research and manufacturing to achieve stable, long-term growth and mutual benefits, while remaining open to new partnerships.

The seven guiding principles, as well as Toyota's statement of corporate social responsibility (see Note 8), expand and clarify expectations without being overly prescriptive. Together, they point to the indefinite end of wellness for the company and its stakeholders.

### **Preamble of CSR Policy: Contribution Toward Sustainable Development**

We, Toyota Motor Corporation and our subsidiaries, take initiative to contribute to the harmonious and sustainable development of society and the earth through all business activities that we carry out in each country and region, based on our Guiding Principles. We comply with local, national, and international laws and regulations as well as the spirit thereof, and conduct our business operations with honesty and integrity. In order to contribute to sustainable development, we believe that management interacting with its stakeholders as described below is of considerable importance, and we will endeavor to build and maintain sound relationships with our stakeholders through open and fair communication. We expect our business partners to support this initiative and act in accordance with it.

The unachievable end – completeness, balance, and harmony – reflects the reality that business operates in the realm of society and its myriad embedded human relationships, and therefore creating a need to respect and contribute to that which gives it life and the opportunity to serve customers. The teleology of classical management views such concerns superficially as “public relations” or as the political price that business is occasionally forced to pay when certain problems arise. In addition to the above principles and CSR policy statement, Toyota employees commit to using various structured problem-finding and problem-solving methods to help maintain and improve the wellness of its management system, the corporation, and its stakeholders.

Toyota recognizes the importance of, and dependence with and between, five primary stakeholders (TMC, 2020a): customers, employees, business partners, shareholders, and global society/local

communities (environment, community, social contribution). Given that Toyota has perhaps been studied more than any other corporation over the last 50 years, there is ample evidence that it substantially lives up to these words through the daily practice of their management system (e.g. Liker 2004). To be sure, there are imperfections, as words brought to life by humans are subject to common cause variation and can never reach their imagined ideals. But this differs markedly from the teleology of classical management and its polestar of individualism.

One can think of classical economics and neoclassical economics, coupled with classical management, as essentially deliberate integrated master plans (teleological), whereas Toyota’s management system is more akin to “let’s try it and see, and then make adjustments” (ateleological) and thus emergent. This follows the familiar form of the Plan-Do-Check-Act (PDCA) cycle, a scientific approach to problem solving that places great value on continuous experimentation (with “plan” being more the form of ideas for improvement inspired by a problem with one’s work), unlike classical management where outcomes are required to be consistent with top-level company plans developed months earlier (see Note 9). Table 1 summarizes some of the key differences between classical management teleology and Toyota Management ateleology (see Notes 10 and 11).

Table I – Comparison of Classical Management and Toyota Management System

<b>Attribute</b>	<b>Classical Management Teleology</b>	<b>Toyota Management Ateleology</b>
End	Pecuniary Gain	Completeness, Balance, and Harmony (Wellness)
Design	Idealistic, Part	Naturalistic, Whole
Focus	End	Means
Designer	High-Level Expert	Ground-Level Member
Unit	Individual	Team
Problem Management	Centralized	Decentralized
Problem Focus	Symptom	Root Cause
Problem Management	Centralized	Decentralized
Problem-Solving Framework	Ad hoc, Provisional	Principles, Rules, Methods
Problem-Solving	Use/Reuse Existing Solution Set	Experimentation, Learning, Reflection
System Function	Static, Equilibrium	Dynamic Adaptation, Progress
Operation	Push	Pull
Stimulus-Response	Plan-Driven	Environment-Driven
Imprint	Exploitation	Joint Exploration
Beneficiary	External: Investors Internal: Leaders	External: Customers Internal: Team Members

Adapted from Introna, 1996 and Jones, 2011.

Lean management, being a derivate interpretation of Toyota’s management system, retains only some of the ateleology of Toyota’s management system. That is because Lean lacks an explicit framework

and guiding principles that define the indefinite end: completeness, balance, and harmony – generally, wellness. The ateleology of Lean management would be greatly improved if its guardians adopted a similar framework of principles and policies (Emiliani, 2008, 2008a). It is unlikely that business leaders long experienced in classical management will accept this improvement to Lean management, but that is no reason to not do it. The ateleology of Lean management would be strengthened by including an explicit framework and guiding principles that defined the end as completeness, balance, and harmony (i.e. wellness).

It is very difficult to find top business leaders who are willing to understand ateleology, and many may simply be incapable given the teleology of classical management and the rigid, interconnected system of economic, social, political, historical, philosophical, business, legal, and spiritual preconceptions that they labor under (Emiliani, 2018, 2020, 2020a). Over the last three decades, there is likely less than 1000 CEOs worldwide, perhaps only 500, who have understood and accepted the ateleology of Lean management. This result does not portend a bright future for either Lean management or the Lean movement.

## **Teleology and the Lean Movement**

Classical management is a powerful force and efforts to thwart it almost always fail. Its teleology can easily contaminate Lean management as well as the Lean movement. Because of the difficulty in achieving Lean transformations, and the sparse number of companies that have achieved Lean transformation as defined by Womack and Jones over the last 30 years (Womack and Jones, 1996), there has been a shift in the understanding of what success means in relation to efforts to apply Lean principles and practices in organizations. This shift, which occurred in early 2016, was led by the acknowledged global leaders of the Lean movement who claimed that any outcome is a good outcome, in an apparent effort to provide relief from personal frustrations and a lack of overall success in affecting substantial change in organizations. This validation of effort was warmly received by devoted Lean followers (see Note 12).

However, in claiming that any outcome of improvement work is a good outcome, solely a good outcome, the promoters of Lean inadvertently made Lean management teleological. Recall that when change is favorable to an end (success), and anything unfavorable to it is disregarded (failure), then the phenomenon is teleological. The shift from ateleology to teleology puts Lean management in alignment with how business leaders view and define success, which is anything that leaders say it is. For decades top company leaders have claimed their Lean efforts to be successful when clear, factual evidence says otherwise (see Note 13). Now that Lean movement leaders have claimed that any outcome is a success, Lean management has been further absorbed and integrated into classical management, perhaps losing its identity as more time passes.

This is one example of how preconceptions originating in classical management can invade Lean management, often without realizing that is what is happening. Society is immersed in a social, economic, political, and historical system that favors the past, and so people can unknowingly bring elements of it into the thinking and practice of Lean management. Another example is “realizing our

dreams,” which is a part of the thinking associated with the Toyota Way (TMC, 2001). Realizing dreams, both as a company and as individuals, means “if you can dream it you can do it.” To dream also means to think, to imagine, and have ideas about how to solve problems that the individual or team faces in their work, and to solve the problems creatively and collaboratively. This idea is largely discounted or nullified in society generally and in classical management specifically in favor of conformance to leaders demands, which usually are not born of dreams. Employees must execute management’s plan and not be concerned with dreams or how to achieve them. Classical management does not accept “dreaming” as a legitimate basis for action. Simply overcome any problems that one encounters so that the end is achieved. The Lean management literature is weak in educating people on this important point.

A third example is how the Lean management literature has been weak in educating people about the time-function of improvement. In classical management, improvement is understood to be a project, with a timeline, and a budget, and management approvals, and periodic management reviews, and meeting delays due to schedule conflicts and shifting priorities. This practice is imposed onto continuous improvement activities, thus forcing employees’ improvement efforts to conform to classical management. Importantly, the project duration in classical management is an artifact of secondary and higher education, wherein school assignments (projects) are given generous allocations of time for completion. Leaders view this practice as a useful way to control activities. But the result is improvement proceeds exceedingly slowly despite ever-changing conditions in competitive marketplaces that do not reward slow progress. Improvements that could be completed in a day or week are completed in weeks, months, or even longer. In Toyota’s management system, improvement must occur quickly. Employees learn about dreams and their ability to quickly achieve them through training and participation in kaizen.

A fourth example is how standardized work is understood in Lean and Toyota’s management system, and how it is corrupted in classical management. In the former, standardized work consists of the elements: takt time (rate of customer demand), the exact work sequence an operator performs their tasks within takt time, and standard inventory (number of parts in process to assure flow). In classical management, takt time, precise work sequence, and standard inventory are usually ignored in favor of the status quo in terms of the method of material and information processing. As a result, standard work in classical management is merely the new name for long-established work procedures or written work procedures that have been re-cast in 1920s flowchart form.

A fifth example concerns the “Respect for People” or “Respect for Humanity” pillar of the Toyota Way (TMC, 2001). This general concept has been a part of progressive management since the days of Scientific Management over 100 years ago. Lean movement leaders did not recognize it until 2008 (Emiliani, 2014, 2016), and then only in the narrow context of employees rather than all stakeholders: employees, customers, supplier, investors, and communities. This error of omission, in existence for 20 years, helped Lean management fit within the teleology of classical management, which has no similar concept. The result was a façade of Lean in most corporations and thus no modification of means to achieve the end of pecuniary gain as demanded by classical management.

A sixth example is the principles of “Lean thinking” (Womack and Jones, 1996), which are enumerated as follows: 1. Specify Value, 2. Identify the Value Stream, 3. Flow, 4. Pull, 5. Perfection. The fifth principle, “Perfection” is teleological (Chatterjee, 2015). The end, “Perfection,” is inconsistent with the teleology of the Toyota Management system and the Toyota Way pillar of “Continuous Improvement.”

Thus, the Lean movement is easily contaminated by classical management through small changes such as the good-hearted efforts to praise Lean practitioners for their dedicated efforts and provide motivation for continued effort, through gaps in understanding small but important details about Lean management (dreams and the time function of improvement), through the apparently willful distortion of very important foundational elements such as standardized work, omission of a bedrock principle of progressive management practice, or ascribing a goal where none exists. These problems have proven to be very difficult to correct given the teleology of classical management, which will continue to exert its strong influence in overt and covert ways, aided by mistakes intended to help Lean practitioners cope with their difficult challenges.

## Summary

This paper set out to answer three questions. The first expands on one of the questions answered in “The Transformation of Lean: A Social Theory of the Lean Movement” (Emiliani, 2020):

1. How do the staff of salaried professionals derive satisfaction from their association with Lean management given that progress is so difficult to achieve?

The salaried professional staff derives satisfaction from Lean management more through the focus on means (ateleology) than on ends (teleology) given how its application is restricted by managers who strongly favor classical management and its continuation. Staff is engaged in problem-solving and process improvement at the local level using Lean principles, tools, and methods that result in sufficient improvement to derive satisfaction from action as well as satisfaction from accumulating knowledge wealth. This is sufficient to maintain devotion to Lean management, at least until frustration with business leaders causes them to seek a new or different course. It is not known if the rate of departure of salaried professional staff from Lean currently exceeds the rate of those are attracted to Lean. Over time, one would expect this to occur given that teleological classical management remains entrenched. This could continue well into the future despite having now exposed the numerous causes for classical management’s value to leaders (Emiliani, 2020a, 202b, 202c).

The next two questions pertain to the relationship between means and ends in classical management and Lean management compared to Toyota management:

2. Why does classical management so easily absorb and largely nullify Lean management?

Classical management, as practiced by managers throughout the hierarchy, is teleological. Its end is pecuniary gain, wherein the economic and management system is seen as perfect and not in need of real improvement. Lean management offers opportunities to make minor adjustments to improve classical management consistent with its end. Major changes are not welcomed. Well-meaning efforts by loyal and dedicated internal change agents are quashed, as described in this story (Anon., 2020):

I have tried to champion Lean at my company for over a decade now. I have made 3 serious, strong proposals on how it could be done and what could be gained from it... Of the 3 proposals, the 1st one was approved but then ignored and allowed to die, the 2nd one was approved but then blocked, the 3rd one was met with severe anger! I have one supporter of my ideas. I showed him how we could literally shave 90% off our process. He recommended I tone that down, no that's too much, just tell them 25%, they'll never go for that... You can explain it to them [leaders], prove it on paper and they may even believe you but STILL it doesn't fly. They just want to keep on doing what they're doing just because they can. Thanks, I think, for forcing me to accept the reality that Lean is just flat out a non-starter and will remain so for the next 200 to 300 years... I feel like a failure in Lean as a leader and as an influencer in my company. I have blamed myself. I kept thinking it was me that was deficient, unable to sell my idea. That there was something wrong with me that I needed to fix in order to gain credibility for my Lean ideas. I have worked my ass off to study Lean and leadership and influence and marketing to try to convince them. I have given presentations, written emails, done messaging and held meetings. I have spent my own money on educating myself and our people to the positive benefits of Lean. It was very confusing for me because there was literally no downside to my Lean proposals, only upside for everybody! Nothing I proposed cost any money either. This last attempt I made to sell them on Lean was really quite shocking. My boss yelled and cussed at me like I have never experienced before, all for trying to help. I could never for the life of me figure out how trying to help was so wrong and could generate such apathy and eventually disdain until I read your books.

This description of pain and suffering are common (see Note 14) and have been publicly ignored by Lean movement leaders for decades (though there may be private acknowledgement and anguish). Ignoring this exposes the teleology of the business of Lean management, the end of which is some form of gain, most likely pecuniary gain. It also exposes hypocrisy (a Natural Right) regarding the importance of "Respect for People" and the importance of swiftly recognizing and correcting problems. Instead of recognizing the problem and investing in studies to understand it and correct it, the simplistic ameliorative solutions have long been, and remain, to offer platitudes, encouragement, and reportage of success (see Note 15).

The final question is:

3. How does Toyota's management system avoid being influenced and nullified by classical management?

Ateleological design gains greater buy-in from employees than teleological design. In the former, employees have to comprehend their work in relation to the broader system, while in the latter leaders think and ground-level personnel execute to achieve a predetermined goal (see Note 16). Toyota's management system gives people challenges, along with principles, rules, tools, and methods, that enable them to develop their skills and capabilities as human beings. In classical management, workers are seen as instruments to achieve the end of pecuniary gain. The former is joint exploration in the milieu of business and society, while the latter is exploitation in the service of commerce. Table I reveal a stark contrast between Toyota's management system and classical management. Yet Toyota's management system does not survive on its own. It operates within an economic system and against a competing management system that seek conformance. The people of Toyota – the leaders, the managers, the supervisors, and the team members – must fight hard every day to keep it alive and successfully repel the intrusion of classical management teleology (Toyoda, 2020, 2020a, 2020b).

This paper has also revealed some important differences between Toyota's management system and Lean management, and how the teleology of classical management penetrated both Lean management and the Lean movement. Some of this can be corrected by Lean movement leaders, whoever they may be, or by the leaders of companies in their practice of Lean management. This would include a comprehensive framework of principles (Caux, 2020) and policies, as well as various other improvements identified herein and any improvements which readers are inspired to discover.

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## Notes

1. Over the decades, there has been much confusion about whether Lean management and Toyota's management system (TMS) are the same. The term "lean production" was introduced to the public in 1988 (Krafcik, 1988), where "lean" was intended as a generic term for Toyota's production system method. But, as the description of Lean was only partial, it could not be a replica of Toyota's management system. In 2007, the term "lean production" lost favor and was replaced by "Lean management." Since 1988, many gaps between Lean and TMS were not closed. Despite this inattention to detail, many people today think Lean management and TMS are synonymous terms representing the exact same ways of thinking and doing things. To understand some key differences, see "Is Lean the Same as TPS?" <https://bobemiliani.com/is-lean-the-same-as-tps/>

2. Classical management absorbs and largely nullifies almost any substantial change in thinking or method directed towards the improvement of leadership, management, or business processes such as Total Quality Management, Agile, OpEx, Six-Sigma, Lean Six Sigma, etc. Pecuniary gain, being the *a priori* truth of commerce, weakens or disables intrusive ateleological systems because they are seen by business leaders as ineffective or inefficient.

3. Teleology and ateleology, being absent from Eastern philosophy, do not form any basis for the philosophy, thinking, or practice of Toyota's management system. Teleology and ateleology are foreign concepts to the Japanese way of thinking generally, and to the Toyota way of thinking specifically. Toyota's Guiding Principles and CSR Policy were crafted from a normative humanistic perspective, not from an ateleological perspective.

4. The expected result was that the leaders of thousands of corporations, being smart people as they are, would easily recognize the wide-ranging merits of Lean management and rush to transform their organizations. Logical technical arguments for transformation, along with examples of successful transformation, were seen as all that would be necessary to convince presidents and CEOs. These proved to be inadequate because the basic assumptions that were made about business, leadership, and management were incorrect (see Emiliani, 2018).

5. All large companies have ethics statements against poor treatment of suppliers, yet most large corporations treat suppliers very poorly. Likewise, there are large gaps between corporate ethics statements and how other stakeholders, such as employees and customers, are treated. The steady stream of corporate financial and other types of scandals are evidence of moral failings – Morandi bridge failure, opioid epidemic, and Wells Fargo fraud are just a few recent examples. As is the case when profitable corporations conduct elective layoffs to achieve financial targets. Evidence for the routinized abeyance or morals and ethics in pursuit of the teleological end of business is overwhelming, as is the warlike glory in individual and corporate pecuniary achievement. See the citation, Caux, 2020.

6. Lean management is not all upside. It challenges people in many ways. For example, Lean places higher levels of cognitive demands on people at all levels. There is a greater need for continuous

training and development of human resources. Teamwork can be more challenging than contributing individually. And there is the ever-present threat of backslide to classical management.

7. The teleology of classical management is inextricably bound with the development, maintenance, and expansion of the social status of leaders. Wealth achieved through pecuniary gain in business is held in the highest esteem (Veblen, 1899; Emiliani, 2018). It is heroic, confers the highest honors, and produces levels of social and political influence in excess of merit. As noted by Veblen (Veblen, 1909): “A wealthy person meets with more consideration and enjoys a larger measure of good repute than would fall to the share of the same person with the same habit of mind and body and the same record of good and evil deeds if he were poorer.” The ateleology of Toyota’s management practice has no such connection to social status. However, the same cannot be said of Lean management (Emiliani, 2020).

8. Please read the full text of Toyota’s Corporate Social Responsibility Policy, particularly the words pertaining to each stakeholder: customers, employees, business partners, shareholders, and global society/local communities (see TMC, 2020a). Note that Toyota’s “Customer First” philosophy is ateleological because it is an expression of the fundamental need to be responsive to customers when serving buyers’ markets. This fundamental need is not recognized in classical management, which was designed to serve sellers’ markets, and continues to function today under that antiquated assumption – though it could soon turn into a correct assumption as fewer companies gain greater market power in industries such as retail, banking, and so on.

9. Classical management is highly effective at disabling ground-level application of root cause analysis, the PDCA cycle, or the Plan-Do-Study-Adjust (PDSA) cycle as Dr. Deming insisted, and other forms of fact-finding. Emergent, fact-based understanding of phenomena contradict the valuable mythologies of leadership and management and their spiritual basis (Emiliani, 2020b).

10. Management systems are a type of information system – human information systems that operate in parallel with computer information system, and the two are sometimes integrated in useful ways. Classical management and Toyota’s management function as human information system (Emiliani, 2008a) with teleological and ateleological design (Introna, 1996; Jones, 2011). Classical management’s human information system design is of the form of a static master plan (teleological), while Toyota’s management’s human information system design is emergent and dynamic (ateleological).

11. Toyota’s management system is not 100 percent, perfectly ateleological. For example, target setting (current to future state) in relation to local problem-solving is teleological. As are high-level annual business targets and planning – though these are broken down into monthly or weekly targets using policy deployment, and thus channeled into the overall ateleology. The important point is that Toyota’s management system is mostly ateleological, and teleological only for the things that require it, which produces a dynamic interchange between the two that helps manage change. Ateleology results in greater buy-in among larger numbers of employees compared teleological classical management where employees feel apart from one another and the company. In contrast, classical

management is mostly teleological (close to 100 percent) and has an aversion to any synthesis with ateleology. A valuable connection to make here is survival. Ateleological Toyota management system has as a prime concern the survival of the company. Teleological classical management is unconcerned with corporate survival because the end, pecuniary gain, is what matters most. How the end is achieved is immaterial; it could be by remaining independent, developing new products and services, eliminating SKUs, or via merger, acquisition, or divestiture, or bankruptcy – whichever produces the greatest return at any point in time. This suggests a different mindset with respect to risk-taking induced by a rigid interconnected system of preconceptions. Classical management being more the domain of a gambler’s mentality because even losses can somehow be turned into pecuniary gain. The ateleological design of Toyota’s management system, being continuously emergent and dynamic, is much less of a gamblers’ paradise. It reduces risk without sacrificing the attainment of pecuniary reward.

12. This occurred at the 2016 at the Lean Transformation Summit (Ford, 2016). Rewarding effort over outcome is reminiscent of when all elementary school children receive an award of some kind or another at the end of the school year in recognition of completing one grade. The end, in the form of acknowledgment of success, and ignoring failure, is also teleological. With respect to Lean management, successful outcomes contribute to elevating one’s social status (Emiliani, 2020) even if success was not actually achieved.

13. Empirical evidence of the practice of Lean management would include things like material and information flow, Just-in-Time, respect for people (all stakeholders), management participation in kaizen, application of Lean principles and practices to the work of managing and leadership, etc.

14. The author’s experience parallels (Anon., 2020). The real and potential exposure to professional and personal harm that agents of change face was an important factor in motivating the writing of *The Triumph of Classical Management Over Lean Management* (Emiliani, 2018), *Irrational Institutions* (2020a), and *Management Mysterium* (2020b). Lean practitioners needed a dispassionate, fact-based understand of what they are up against, which did not exist prior to the publication of these works.

15. Because the author’s work and life are mostly ateleological, he has been able to explore diverse aspects of leadership and management practice. And, that is why the Harada Method, “A step-by-step process for setting and achieving personal goals” (<https://www.amazon.com/Harada-Method-Spirit-Self-Reliance/dp/0971243603>) has no truck.

16. A teleological system “...spawns many teleological subsystems to solve subproblems or shortfalls... Almost every subsystem will have a feedback mechanism to ensure that the whole process is progressively converging to the ultimate goal...” (Introna, 1996). As such, teleological systems are static technical systems whereas ateleological systems are dynamic socio-technical systems that evolve according to needs and circumstances that result in a never-ending accumulation of learning and capability-building. Teleology, being focused on the end, causes one to lose sight of the broader system, and thus its problems and the need for improvement. The result is ineffective problem-solving due to a lack of systemic thinking induced by strict controls that disable generative learning.

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