

# The relationship between leadership, organizational culture and managerial culture through Lean strategy in a multinational company

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**Abstract.** *The special relationship between management, leadership and organizational culture influences any company, even if it is a multinational one or not. Current economic, social and cultural environments are based on these three concepts within organizations. Nowadays, the manager's role is more complex, s/he will not act as a person who has absolute control, taking decisions that impose on others, but rather s/he acts as a mediator. Considering these, we aim to demonstrate that organizations will grow and flourish by adding value, eliminating waste, reducing lead time and reducing total costs. Many researches have explored the concepts of leadership, organizational and managerial culture, but just a very few have investigated them together using the Lean culture (a methodology which focuses on eliminating waste, adding customer value and increasing speed). Relying on visible differences between the three concepts, we deliberately discuss management, leadership and organizational culture by finding a link among them. For a better understanding of these three notions within a certain kind of climate into a multinational entity, we use the interview method on twelve people managers, scaling the answers with the questionnaire method at the end of the interview. The objective of the research is to demonstrate that the Lean culture is the common denominator for all the three notions above mentioned. The interview is based on the BMA Inc. Lean accounting questionnaire, which can be seen as a self-administered audit of the company's opportunities to transform itself into a Lean business. Lean culture is often seen associated with the tools that are used to create efficiencies and standardize processes. It has been demonstrated that the actual implementation of the tools represents almost 20% of the effort in Lean transformations. The rest of 80% represents efforts of changing leaders' practices, behaviours and mind-sets. Considering the practical part of the research, we conclude that by using an effective Lean leadership style that includes coaching and empowerment of employees,*

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*the organization remains competitive globally and also survives present recession while retaining the brand leadership. The straightforward approach is to maximize customer value while minimizing waste. The main goal of the study is to develop a theoretical framework that suggests a different, more detailed perspective of the Lean approach to the managers who consider implementing it as a possible direction towards achieving sustainable performance for their company.*

**Keywords:** *leadership; organizational culture; Lean tools and thinking; multinational companies; the missing link.*

### **Introduction. Paradigm of leadership, organizational and managerial culture through Lean culture**

This research is a theoretical study and it is based on a systematic literature review. The main objective is to explore the process of implementation of Lean culture in a Romanian multinational company looking at the 3<sup>rd</sup> dimension of an organization. The beginning of the research clarifies and defines three main concepts: leadership, organizational and managerial cultures. In this section, it can be observed how the implementation of Lean brings value to organizational processes and contributes to the achievement of operational excellence. Then the analysis is supported by open interviews - a qualitative method. The conclusion includes discussions over the hypothesis considering Lean as the missing link in the 3<sup>rd</sup> dimension of an organization.

As stated by Cameron and Quinn (2011, pp. 2-5), organizational culture is one of the areas of management with a relatively recent history, and it is one of the most important predictors that have a high level of performance over time. Organizations that prosper have developed a culture that thrives based on the collective capacity of all members. This situation is characterized by the presence of numerous “energizers” which positively influence the whole system, including embedded virtuous practices, adaptive learning, and full of meaning and purpose practices, as well as deeply involved members. Since the twentieth century, organizational culture has become a serious concern of researchers. Each firm operates studies under the direct or indirect influence of human resource-related factors. These factors express the “personality” that plays a decisive role in

the quality of results and efficiency, in the flexibility of the activity and in the company's ability to adapt to its business environment.

Leadership occurs when an individual exercises a great influence on the members of an organization in order to fulfil the objectives of that company. This is one of the important functions of leadership: to provide assistance and support when the regular system is no longer effective or when significant changes occur within an organization.

Culture is a powerful force and a leader knows this and tries to use it. Management and organizational culture usually act as a catalyst between paradigms, intellectual and emotional patterns. These models lead to the creation of an identity for an individual / corporate body that generates a sense of belonging, a sense of membership to a particular organization / society.

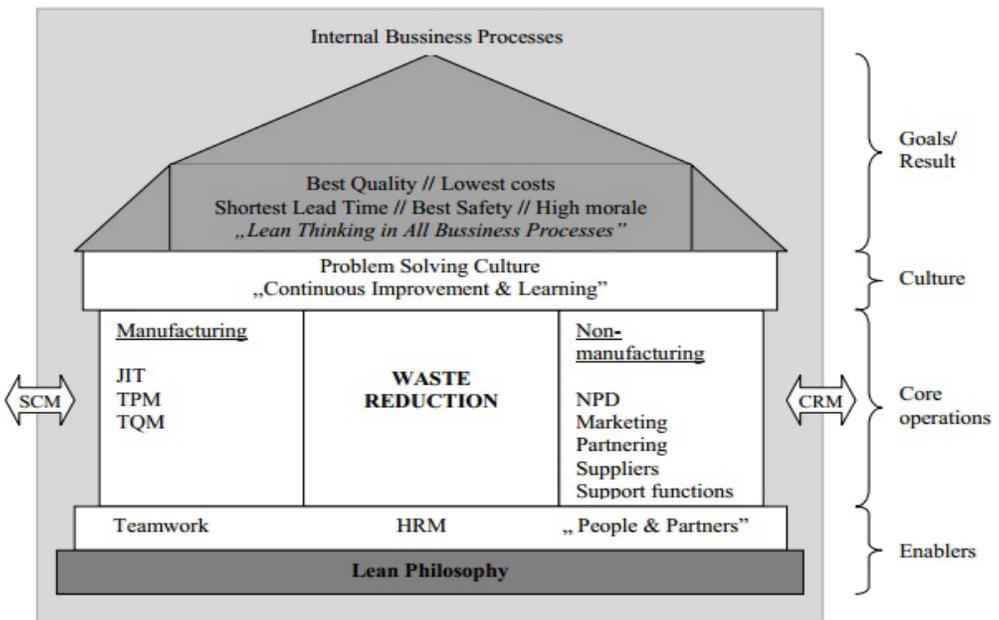
Typically, two of the points highlighted by researchers when define the concept of leadership are: their individual perspectives about the research and the most engaging aspect presented to the audience. After a detailed review of the literature, Stogdill (1990, p. 21) concluded that there are as many definitions of leadership as persons who have tried to define it. After this statement, new definitions have not ceased to develop, taking into account the behaviour that influences patterns of human interaction, roles and relationships.

A succinct point of view is stated by Nicolescu and Verboncu (2000, p. 208), who refer to the leadership "as the interpersonal influence that a manager exerts over his subordinates in the course of establishing and most importantly achieving objectives". It is a synthetic approach, which highlights that leadership is not only a specific process in management, but also a mind-set that managers induce on subordinates in order to obtain performance. A leader is the one who offers better solutions and creates safety conditions that will lead people to new achievements.

The Romanian organizational climate has positively changed over the years, even if the economic crisis has been seen as an interruption of this

trend. Applying a consistent organizational culture is crucial in order to survive in the current context of strong economic and financial crisis. It includes a series of principles that guide the conduct of business to make it a success: love for the customer, prudence, openness to change, open door policy, meritocracy, results oriented attitude, and transparency in the work (Nistor, Nistor, Muntean and Istrati, 2013).

Before discussing to determine the missing link in the 3<sup>rd</sup> dimension of an organization (leadership, organizational culture and managerial culture), we define the concepts of Lean, which we will use in our research. Czapke, Hansen, and Doolen (2008) define a Lean organization as an organization that implements the Lean practices only at the inside structures. When we refer at Lean culture, we think at problem solving with continuous improvement and learning. Culture is both a result and an enabler for sustainable and successful lean operations - goals and results. Also, lean improvement means organizational development.



**Figure 1. Conceptual framework for studying lean thinking**

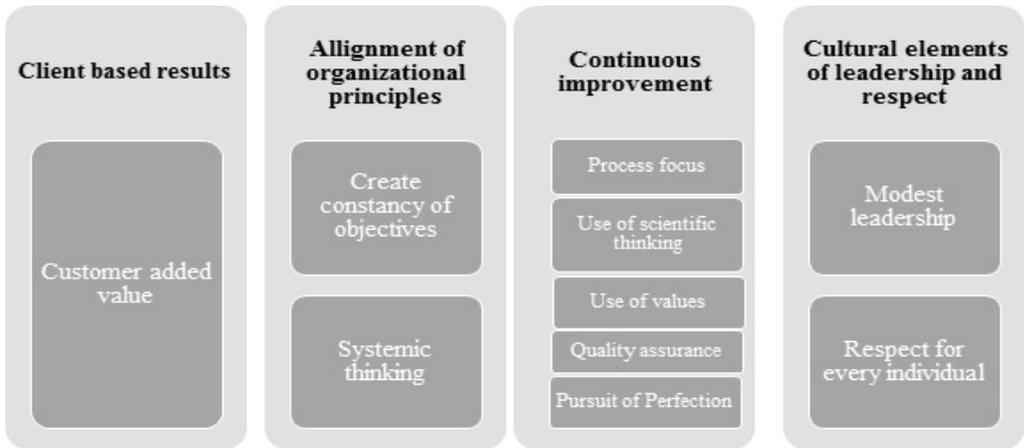
Source: Czapke, Hansen and Doolen, 2008, p. 78

Lean is a methodology that focuses on eliminating waste, adding customer value and increasing speed. In the same time, Lean thinking is a management philosophy focusing on reduction of the eight wastes in products and services. Elimination of the waste determines an improvement of quality, reduction of processing time, and diminishment of costs. However, if Lean is considered only as a toolbox without taking into consideration the whole system in the spirit of Lean philosophy, the improvements obtained will only be existent for a short while.

It can be stated that no Lean instrument is valid, applicable and advantageous overall to an entire organization, regardless of its processes and activities. The implementation of Lean tools should take place after the completion of some preliminary steps essential to long term success. Usually the application starts from value stream analysis and methodology for solving problems after the establishment of relevant indicators to monitor progress and changes needed to achieve clear objectives. Beforehand, however, conditions for improved results to become irreversible should be assured.

Patange (2013, p.38) states that Lean is a set of principles, concepts and techniques developed for a relentless pursuit of waste elimination and continuous improvement.

Some researchers view the concept of Lean as being very positive, and associate it with concepts such as effectiveness and efficiency. Some see it as a complete management system, while others choose to define the idea of Lean as a set of tools to achieve process improvement, or just an initiative to reduce costs.



**Figure 2. The fourth dimensions and their principles in Lean culture**

Reproduced after the white paper of Integris Performance Advisors, 2013, p. 5.

We consider that Henry Ford is the initiator of mass production process and the upholder of early Lean concepts. He started with the idea to eliminate waste, institute just-in-time delivery of inventory, and apply many other tools now identified with lean. “We will not put into our establishment anything that is useless”, quotation that leads to Taylorism theory, still applied in many current organizations. Its foundation relies on that fact that every action of the workers is pre-planned and directed by the manager. Dr. Deming and his expertise on statistical quality improvement, and O. Taichi with his visionary thinking from Toyota took central stage in business improvement. O. Taichi (1988, p. 9) defines Lean as “all we are doing is looking at the timeline from the moment the customer gives us an order to the point when we collect the cash. Moreover, we are reducing that timeline by removing the non-value-added waste.”

Today, leaders are under pressure to create mega-firms with the ability to react intuitively, for that you need creativity, learning ability and collaboration. These are the cornerstones for increased power retention and development of organizations. If today’s leaders must be strong, inspiring, and effective, corporate dilemma is facing these questions: How well prepared are tomorrow’s leaders? Who are they? How can we identify potential leaders? Do we need leaders? Similar questions have affected

the business environment in the last 150 years. The answers to the above questions provide the basis for achieving business success.

Before the 19th century, most organizations were under the same roof with the owner and the manager. Later in the same century, local small organizations or even complex entities had a single owner manager. This situation has paved the way for the creation of middle management as a link between management and lower levels of the organization.



**Figure 3. Evolution of the Lean model**

Reproduced after Ballé and Handler, 2012, p. 23.

Mann (2013, p. 16) states that there is a break in Lean and that missing link built from values and leadership structures forms a Lean management system. Lean management tends to create a clear division between instruments and thoughts. Most papers about Lean have focused on implementing tools in the industry, for example, creating flows or determining production time (Womack and Jones, 1996). Other authors have explored the Lean tools in the medical system or product development system (Withers, 2008; Keyte and Locher, 2004; Swank, 2003), while others focused purely on leadership and not its tools (Mann, 2005; Spear, 2004).

Good leaders motivate people in a variety of ways, three of which are at the basis of the Lean approach. First, leaders define the vision of the organization, in a way that highlights their group values; second, leaders support people's efforts to achieve a common vision through coaching, feedback, and modelling; and finally, a good leader recognizes and rewards success. In retrospect, a good leader carries the ideology that work itself is intrinsically motivating (Lucansky, Burke and Potapchuk, 2006, p. 6). To

develop and promote effective leadership, a corporate culture that creates challenging opportunities for young people must be present. Some well-known companies that have successfully used this approach are Johnson and Johnson, 3M, Hewlett Packard, Procter and Gamble and General Electric.

### **Presenting the research - organization under analysis**

*The purpose* of this interview is to help managers of Alias organization to understand the benefits of Lean methods and tools, looking at the 3<sup>rd</sup> dimension of Lean thinking. It can be considered a self-audit of the company's opportunities to turn into a Lean business that eliminates losses, adds value to customers and continuously improves performance.

*Research questions* are the following: *Is there a Lean culture in Alias organization? And if so, to what extent is it operational?* If we are finding a Lean culture, it means that the 3<sup>rd</sup> dimension of Lean thinking is matching our research goal.



**Figure 4. The 3<sup>rd</sup> dimension of Lean thinking**

Relying on the information indicated by Chelcea (2004, pp. 156-160), we chose for our *research method* the interview that uses both free and guided

answers. There are five parts of the interview, each with subcategories of questions totalling 12 questions per interview:

1)Performance measurement; 2)Value Stream Mapping/Management; 3)Measurement of financial benefits; 4)Innovation team and respect for employees and environment; 5)Eliminating the steps that are inefficient in the process. The first three aspects are reflecting the managerial culture of an organization; the fourth and fifth dimensions are related to the leadership part of our research. Organizational culture could be reflected in all five areas of investigation.

In order to see if managers are using the 3<sup>rd</sup> dimension of Lean culture and if they are understanding to what extent it can be found in Alias, we have applied the open question interview method. It helps describing the tools, techniques, thinking capabilities of each manager to respond accurately and completely about the day-to-day activities.

*The studied sample* is formed by 12 managers from financial and accounting departments from Bucharest, Romania, with a total of 350 employees. The above-mentioned Romanian company, generically called "Alias", is a multinational organization (approx. 325,000 employees), operating in various but interconnected fields of activity. The services provided to the Europe Middle East and Africa (EMEA), Americas (AMS) and Asia Pacific Japan (APJ) region clients are based on outsourcing. The managers have different job levels, described as: team leader (grade 1), supervisor (grade 2), and operational manager (grade 3). The selection includes 2 operational managers, 4 supervisors and 6 team leaders. Individuals were selected as to balance the gender criteria - 7 females and 5 males.

Average length of an interview was 21 minutes and every discussion was planned in advance, considering the availability of each person. For better quality, interviews were recorded and then processed.

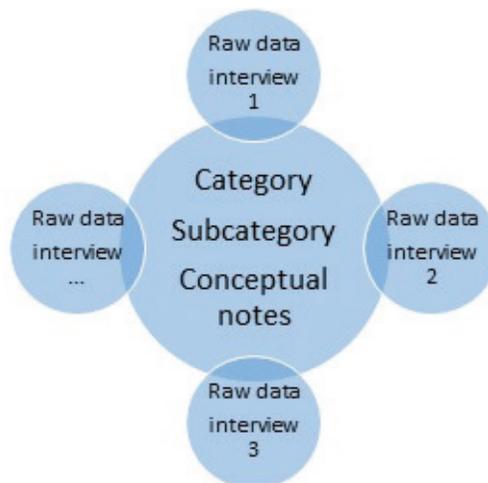
At the end of the interview, each participant received a questionnaire with key questions to help our research to quantify the face-to-face discussions. They were asked to rate, on a scale from 1 to 8, their view of current Alias

organizational framework: 1 and 2 = traditional organization, 3 and 4 = development organization, 5 and 6 = leadership through the value stream map, 7 and 8 = Lean organization.

### **Assessing and interpreting the results. Validation of the interview**

In order to achieve, as accurate as possible, the objectives of the study, we used the qualitative method of interview to highlight the general and unique feeling about current organizational environment among the selected managers. The conclusion of the research is that most of the participants consider that their organization is rapidly moving to a Lean oriented organization. Managers believe that the value stream mapping and multiple Lean influences are widely characterizing their work environment.

Coding interview data, observational notes, and text into meaningful chunks is a challenging task. We started by creating the categories, subcategories and the conceptual notes, which helped the interviewer making specific observations during the face to face discussions.



**Figure 4. The CSC of Data Analysis: Categories, Subcategories, Conceptual notes**

Looking at Performance measurement, the first chapter of our investigation, in Alias there is a vast majority of employees that have used the verbatim definition of mission and vision. There were others who described them a little bit different, which are worth to be mentioned:

*Mission is to achieve a pleasant atmosphere for customers within the organization and to ensure excellent service quality. Interaction with the customer is the most important step of achieving a great relationship and worth remembering every time.*

Another manager added: *Mission is to be more than a simple market competitor. Vision is to create talent to help develop the relationship with customers, permanently to create innovatively and carry out process improvement based on cost effectiveness.* Alias's mission refers to the invention of technologies and services that deliver value to businesses, creates social benefit and improves the lives of customers, with a focus on affecting a large number of people. The vision refers to diversity and implementation of creativity's key elements, innovation and invention.

Another aspect of the first chapter is the actual way of measure performance. Here eight of the interviewees think that the introduction of the value stream mapping was a success, and the trend is to integrate Lean strategies and objectives in every team from the financial department. One of the managers explained: *Our teams are continuously improving the process flow using value stream measures to ensure permanent efficiency.* One of the respondents has placed performance in the development needs, which states that the organization has introduced performance measures in Lean production teams. These measures are focused on every workday production within teams. Objectives and targets are established within teams on Lean culture, from both financial and non-financial perspective. One of the managers declares: *There are several criteria. First of all, performance is evaluated according to the objectives, classified and arranged each year, depending on what counts in that year for the organization, these are presented for every individual in one to one meetings. Secondly, performance is compared with the requirements (if you deliver more or less than you are asked to), and thirdly performance is using KPIs to monitor the status and individual performances of employees.*

Three respondents have a clearer view of the performances and confirmed that they are already using Lean culture. Also, they consider that there is a statistical analysis of the performance measurement process, and they are highlighting objectives through Six Sigma (reducing variability of value stream). One of the managers responded as follows: *...there are operational metrics; there are also customer satisfaction metrics, staff satisfaction metrics and metrics to improve the value added measurement performance for those projects.*

Moving to the next chapter in our research, Value stream mapping and management, we focus our attention on the overall organization, and then on the decision making process. After that we try to uncover more details in the budgeting and planning area, and we end with the actual role of finance people.

Discussing first about the overall organization, six of the respondents agree that the organization works on value streams. Almost everyone is assigned (either directly or as a matrix) for a specific value stream. One of the managers responded as follows: *...as processes we are organized per countries and regions, as management structure we have team leaders to who are assigned 10 people and supervisors who have 20 subordinates. The division is also relying on support functions as Business Process Analysts, Subject Matter Experts and Lean Team members.*

There is a complete transformation process, where people in the value stream can perform all tasks. There are some support departments working under a stream of non-value. Two managers believe that they have clearly identified all value flows. They have assigned value stream managers, and they have current and future state value stream maps that are used to guide business change. Three people are confident that they have reorganized the company along value streamlines and have largely eliminated functional departments, or they have established an effective matrix organization providing clear value stream management.

In the decision-making area, five of the respondents are positive about the process, framing organization undervalue stream profitability and cash flow for all key decisions. They use value stream cost analysis and Box Scores to assess strategic decisions. One of the managers' states: *Usually,*

*decisions are cascaded, but there is interference between levels, which requires feedback from lower levels and then go up to the top management. The process can go from top to bottom and from bottom to top.*

Two respondents feel that the organization has improved the decision-making process, and five people managers responded that the process is still under development, and there is a capital acquisition process, which supports Lean thinking. With this argument, the process could be found under recommendation.

Another manager divides decision typology into three sections: *Depends on the decision type. There is a management decision area where decisions come from top to bottom, and there is the operational direction where the decision is split between top to bottom and bottom to top feedback. The third category is the daily operational decisions, and these are taken based on operations procedures.*

The next topic is highlighting the budgeting and planning area. Seven respondents feel that the process is greatly simplified by: eliminating the annual budget, reducing the amount of cost centres (part of an organization that does not produce direct profit and adds to the cost of running a company) and modify the accounting codes from the items that need to be budgeted.

The remaining respondents are more optimistic; they create monthly rolling budgets for each value stream from their Sales, Operations, and Financial Planning process. They regularly include value stream objectives for waste disposal and increase available capacity by applying Lean initiatives. By adopting this approach, one of the managers considers that: *Budgeting is ... in the long run, we are a cost centre<sup>3</sup> and our budget is allocated from top management side. We are relying more on value stream map and driven planning processes.*

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3. A department within an organization that does not directly add to profit, but which still costs an organization money to operate. Cost centers only contribute to a company's profitability indirectly, unlike a profit center which contributes to profitability directly through its actions.

Next topic falls in the subcategory of roles and responsibilities of the financial analysts. Nine of twelve think that the finance people are fully integrated into the value streams and are integral components of the value stream teams. Financial analysts have moved physically and organizationally within value flows. They play an important role as change agents for improving the value flow, and they are keen to drive innovation. One of the managers says: *I believe we are rather detached from value stream team, but as a cultural aspiration everybody should consider himself as the CEO of his role and to work as if the organization have been under his authority. For this matter, you have more responsibility to take care of. Currently, we are dealing with few employees that are accountable and responsible for their role. There are countless other teams to interact with, and we need to be an example for all of them. This will need to be part of our organizational culture.*

The rest are slightly more sceptical and say that analysts are assigned to support specific missions of the value stream. They have become experts in this field of business.

Next chapter has same objective, to measure the financial benefits through continuous improvement and implementation of Lean culture. These two aspects can be compressed into a single question: *How can we meet the financial expectations of our shareholders?*

Four of the respondents use the financial benefits information related to free up resource capacity in Sales, Operations, and Financial Planning to drive business strategy. Two of the respondents regularly monitor the achievement of actual benefits of Lean changes. As they identify the potential for eliminating waste and making capacity available, they create strategies for the profitable use of this capacity.

Also managers were required to provide some examples of the day-to-day tools, processes and techniques. All managers have easily listed at least 2 tools that they use and which have facilitated their daily work. Here are some examples from three managers: *I use Workday for HR-related information, and every day I use Lync conference instead of traditional conference via phone. Industrial Engineering is using an Access database, which is handier and very useful for me. Also, the Leasing tool can be another*

*good example that facilitates my daily work. There is a tool that helps you upload and download more MALA and SAP invoices.*

Moving to innovation and respect of the team, we observe the process of rewards and recognition within the organization. Competent employees, or even reserved ones, and also managers want to know if their job counts and helps the team to achieve company's goals. It is not enough to reward only the employees, but it is necessary to turn the attention to managers as well. One of the managers explains: *There is a lot of information related to rewards and recognition. Also, there are several categories in which you can be part of such as customer focus, processes improvement, leadership skills and the list continues. There is a tool kit that is available to all employees in order to be informed every time a category is changed, or admission criteria is modified.*

All twelve participants responded that there is in place a process of Rewards and Recognitions well documented and fairly split for both employees and managers. This process is placed between traditional and Lean organization, where incentives are used within teams (based on the financial and non-financial measurements) for achieving value streams and individual goals. *Discussing about empowerment and learning of the employees in order to accomplish more complex tasks*, we saw that all respondents felt that they continuously support improvement of financial and non-financial performance, which is leading to improvement and learning. One of the managers says:

*Each employee has her/his own path in life, and s/he develops differently and continuously. Our organization provides the necessary help in this development: first as a manager, then as a process improvement expert, or even becomes a trainer for others. There is another opportunity to change the department or to relocate to another country.*

In Alias organization, the optimal solution to properly empower employees lies in training. As leaders, it is recommended to invest in employees and provide them more control, more power of decision. Therefore, a manager agenda is released, and the remaining time can be channelled to more profitable action points. Empowering motivates and this is not a surprise for anyone. With each new responsibility, task, or job granted to an

employee, his/her value increases in order to become a key person in the company.

The last chapter is following two important topics of lean culture: elimination of unnecessary steps from the process, to reduce the loss variance and to remove the 7 wastes through amount of lag time and overhead cost. Most of the respondents, 10 out of 12 people, feel that the month end closing has been greatly simplified based on standardizing the chart of accounts and cost centres from all operating units. Elimination of monthly commitments has been implemented in order to simplify the purchasing, accounts payable and inventory processes. One manager describes: *From my end, it is quite free, but everyone else is very busy and active. The department must reach the deadlines and satisfied the customer with qualitative services. There is a period of 7-9 days in which the workload is increasing.*

The detailed tracking of labour has been removed. Also, updating and improving delivery accuracy allows automating labour through backflushing (is a certain type of “postproduction issuing”, it is a product costing approach, used in a Just-In-Time operating environment, in which costing is delayed until goods are finished.). After a discussion with all managers, the general approach is that they have removed detailed reporting of labour and overheads variations.

The organizational climate revealed by the research in the multinational company is rapidly moving to a Lean structured organization. The organization seeks to apply Lean culture, so there will be more opportunities to improve them. Lean models serve both as operational processes and as assumptions. The assumption is that the current model is the best way that we currently known to perform the actual steps and procedures. The implication is that the attendants and leaders are observing, recording data for the performance process, and actively participating in learning and training their employees.

In conclusion Lean requires a Lean management philosophy, as Womack (1996) says, Lean management system is the successor to obsolete modern management methods. Most managers and executives are futilely trying

to fix their existing modern management systems, descended from methods introduced by Alfred Sloan in 1920s. When we are referring to corporate or semi-corporate organizations, we are mentioning the modern management as part of our daily work, with a lot of job levels and layers.

### **Conclusions and recommendations**

Until 1999 the repositioning of Lean thinking started. It is claimed that it can be applied in wider range of industrial settings (Womack and Jones, 1996). That is the beginning of the awareness for finding individual firm's solutions and their improvements throughout the value chain. The results of the research show that the organizational type of Alias is called "thinking organization". The implementation of value stream mapping and the 5 Lean principles developed from Toyota are typical. Even though some of the practices and tools are questioned, a Lean organization at this stage ignores some other key processes as new product development, new business opportunities, which prevent the organization of achieving sustainability with constant improvement. In other words, if the value stream is using a cycle created based on understanding needs, which is building solutions and deployment, then Alias organization is more than viable for becoming a Lean organization.

The methodologies, tools, and enabling technologies are available to streamline and optimize critical value delivery processes across the total value stream, which is considered "the language of Lean".

As Burton said: "Think of the organization as if it already relies on Lean Extended Enterprise<sup>4</sup> concepts, principles, and practices. Then let your mind go and imagine Lean utopia". Alias core corporate objectives are remaining the same over the years, customer loyalty, profit, growth, market leadership, commitment to employees, leadership capability, and global citizenship.

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4. Integrate the total value stream, vertically, horizontally and laterally, and achieve success through empowered people and teams, cultural transformation, and an integration of Lean, Six Sigma, Kaizen, and enabling IT technologies such as ERP, SCM, CRM, PLM networks, exchanges and portals.

As a first recommendation, in the managerial culture area, Alias needs to follow the framework of Lean thinking and relationships between the 3<sup>rd</sup> dimensions for a successful Lean implementation. (Liker, 2004; Shah and Ward, 2003; Shingo prize guidelines, 2005). It includes the practices, principles and processes needed for adoption of lean thinking within the whole organization. Lean thinking is operationalized as an integrated management approach that has an impact over the whole organization including its stakeholders – suppliers and other business partners, customers. Here it can be seen a touch in the organizational culture as well.

Moving to leadership area, it needs to exist a change in strategy targeted and holistic. Leadership is the turbo-charged engine that drives a successful Lean Extended Enterprise. In order to become one, Alias should consider the following observations. More focused training gives evidence for a better understanding of personnel of the key principles of waste elimination and flow of value. More empowerment and training of employees lead to a better-positioned Lean organization.

Another factor at inter-organizational level is stated in a research based on the open interview method (Pius, 2006). The study indicates that it is highly desirable to have a certain degree of communication skills throughout the company, long-term focus of management and strategic team while implementation of a new initiative. Moreover, the decision-making area, which most of the managers in our research stated that need improvement, is a key in transition to Lean.

Organizational culture reflects that high-performing companies are those with a culture of sustainable and proactive improvement efforts. In our study, it can be seen the ease of describing the processes and the way they were changed over time, reducing the time spend on doing a task and improving the quality of the process. The skills and expertise of the employees highlight the characteristic of a way of adopting a Lean thinking. Staying competitive requires the use of intellectual capital and ability to innovate and differentiate. It can be seen that Alias employees are very well structured, with the possibility of relocation and growing within the job. The most tangible examples are the roles of Subject matter expert and Lean business analyst which have been developed with the help

of simple individual contributors. This willingness to learn facilitates the transformation to a Lean organization. As Chandra said (2013, p. 4): “The successful transformation journey in any organization may be difficult, but may lead to achieving the mantra for waste management, process management”. Therefore, the management should have a blueprint tailored plan for successful application and effective results in the long term. Business process analysts’ guidance and support for Lean certification will not only improve the understanding of the processes involved, but also keep the organization on track of continuous improvement to new achievements, as seen in Alias organization.

One of the finding is that all the interviewed managers are also strong leaders. The underlying key to maximize the success of Lean is actually to adopt the culture across all areas of the business (Baines, 2006, p. 1545). Therefore, they have the necessary skills to adopt a new way of doing things right.

What is the point of doing something very efficiently that should not be done at all? (Drucker, 2007, p. 227). From our point of view, it can be seen from the face-to-face discussion that both leadership and managerial concepts are present in Alias organization. Leaders are advocating change, and they create an environment based on rules. They are also ensuring the correct organizational climate and implementation of change. The first step is to change the mind-set and behaviour among leadership, and then gradually throughout the organization. In our research, we determined that the processes are relying on templates and best practices sharing.

Lean management system is the storyline of approach for any successful organization. Therefore, if you need to have an organization fully competent and globally competitive, you will need to keep the improvements up to date. The 3<sup>rd</sup> dimension in any organizational climate should be based on Lean approach. Eventually, a Lean culture will grow from this consistent effort, and striving for perfection will become *the way we do things here*.

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