In search for empowerment
A qualitative study of a state agency and a municipal district introducing lean

Kristina TAMM HALLSTRÖM
Associate professor in Management
Stockholm School of Economics
Stockholm Centre for Organizational Research (Score)
krth@score.su.se

Renita THEDVALL
PhD in Social Anthropology
Stockholm University
Stockholm Centre for Organizational Research (Score)

Abstract
This paper analyses the implementation and use of the lean management model in public sector organisations. Similar to many NPM reforms initiated during the past decades lean emphasises the entrepreneurial capacity and empowerment of employees through decentralisation of responsibilities. From studies of such reforms we know that these ideals seldom are realised in practice, while the managerial perspective seems to dominate. The purpose of this paper is to investigate the organisation of lean in public sector organisations and to analyse what is meant by empowerment of employees when using the lean model. By doing so we aim to contribute with new knowledge about the consequences of lean reforms with specific focus on the empowerment dimension. Based on two explorative and qualitative case studies we address the question: How is empowerment of employees articulated, organised and enacted by the Swedish Social Insurance Agency and the Swedish Municipal public welfare sector as they implement lean? The analysis reveals that the role of the empowered employee is well articulated and activated, in both organisations, through a number of new organisational roles and functions established for the lean implementation and the fundamental principle of “continuous improvements”. Although the idea of empowerment of employees is supported through the non-authoritative “lean language” and lean organisation, we discuss how the paradox between the idea of continuous improvements driven by empowered employees at all levels of the organisation (bottom-up), and the fact that the lean implementation is orchestrated from above (top-down), leads to a number of tension and contradictions in the way empowerment plays out. The idea of the “active satisfied employee” continuously engaging in improvement activities to increase customer value, is pushed in a fairly authoritative way through the organisations with the help of both soft measures and more hard measurement and visualisation techniques aiming at creating the active employee with the proper “lean behaviour”.

Keywords
Lean, public sector organisations, empowerment, social categories

Private sector management to enhance empowerment of public sector employees

During the 1980s and 1990s a large number of studies were made of processes of administrative reforms in organisations, several of which were NPM reforms. Administrative reforms were defined as expert attempts at changing organisational structures, working methods and/or ideologies

---

(Brunsson and Olsen 1993). Characteristic of this research is the institutional organisation studies perspective used to analyse why organisations increasingly engage in reform activities. Organisations’ identity seeking and strive for legitimacy through adaption to institutionalised ideas is a central motive found here (Meyer and Rowan 1977; Brunsson 1989; Brunsson and Olsen 1993; DiMaggio and Powell 1992; Czarniawska and Sevón 1996; Scott, Ruef, Mendel and Caronna 2000). Another question discussed is why it appears so difficult for organisations to determine the implementation and consequences of reforms. Here, we find a variety decoupling mechanisms at work, used as a way to handle multiple and sometimes inconsistent requirements facing organisations, which may explain why much reform changes mainly occur at the formal level of organisations, in their public presentations, whereas what is changed in the daily practice is more uncertain (Meyer and Rowan 1977; Brunsson 1989; Brunsson and Olsen 1993). Various processes of translation may also explain the diverse outcomes of reforms (Czarniawska and Sevón 1996). Based on findings from these studies, we could expect reforms such as the implementation of the lean management model accounted for in this paper, to affect organisational practice in highly different ways and not necessarily in the way there were intended. We could expect that they have consequences for the discursive level, in particular as articulated at higher hierarchical levels of organisations, but there are several possible factors that may affect if, how and where reforms trigger change of social order at lower hierarchical levels of organisations.

For our analysis we lend theoretical inspiration from accounting literature that among other things demonstrates that many NPM reforms have had substantial consequences on the daily life of organisational members (Hood and Peters 2000; Diefenbach 2009). In these studies, the workings of various management accounting and performance measurement instruments linked to NPM reforms have been examined and a variety of consequences have been identified following the use of such instruments, which often are of a very explicit, negative and unexpected character. Although some of the intended purposes of these reforms have been to facilitate the entrepreneurial capacities and empowerment of employees through decentralisation of responsibilities, employees have not turned out as “winners” in terms of empowerment, attention, freedom, autonomy or job satisfaction (Diefenbach 2009). Rather, it seems like many NPM reform efforts have been characterised by strong ideals of managerialism and performance measurements to enhance efficiency and productivity (Butterfield, Edward and Woodall 2004, 2005; Diefenbach 2009).

We place our empirical focus on the introduction, implementation and work with lean in the Swedish municipal public welfare sector, in particular preschools, and the Swedish Social Insurance Agency. Similar to many NPM reforms, lean as a management model emphasises the entrepreneurial capacity and empowerment of employees through decentralisation of responsibilities (Åhlström and Modig 2011), and is sometimes justified as a way to correct less positive consequences occurred through previous NPM efforts to enhance empowerment. This evokes the question: What kind of empowerment of employees is sought for and enhanced through lean? The purpose of this paper, therefore, is to investigate what is meant by “empowerment of employees” when using the lean model in public sector organisations – how is “empowerment” constructed and organised, and what does it entail for the actors involved? By this we aim to contribute with new knowledge about the consequences of lean reforms. More specifically, we address the question: How is empowerment of employees articulated, organised and enacted by the Swedish Social Insurance Agency and the Swedish Municipal public welfare sector as they implement lean?

---

2 This research is part of the research project ”Hidden Consequences of Stakeholder Categorizations – Studies of the Implementation of Management Standards” that is funded by the Riksbankens Jubileumsfond. One of the authors is also part of a research project specifically on the organization of control management in the Swedish Social Insurance Agency, funded by the Swedish Social Insurance Inspectorate. We are grateful to both funding agencies for their generous support.
Lean, as a management ideology, originates from the automotive industry and the Toyota Motor Corporation (Womack et al. 1990). In recent years, however, it has spread like wildfire in the public sector in Sweden and abroad. Still, given its impact on public sector organisations, there are fairly few studies of lean practices in the public sector and more studies are called for (Hines, Holweg and Rich 2004; Pedersen and Huniche 2010; Carter, Danford, Howcroft, Richardson, Smith and Taylor 2011). A point of departure within lean is for employees at all levels to work with continuous improvements. In this work of continuous improvements, they are to use their creativity to identify customer needs and then to map and organise work processes from a customer value flow perspective. Lean is often described as both a philosophy and a toolbox including a number of concrete tools. So called value flow mappings are made to visualise customer value flows, a work which is guided by identification and elimination of waste and “bottlenecks” to increase flow efficiency. Then work processes are standardised through classificatory work and used to continuously identify deviations and evaluate performance from a customer value perspective. As deviations between a process standard and the daily work are brought up during continuous improvement group meetings, the origin of the deviations are analysed and attended to, which may lead to a revision of the process standard to avoid similar deviations to reoccur. The visualisation of workflows, deviations and solutions through for example lean white boards, is part of the lean thinking. Linked to the idea of continuous improvements is the fundamental lean principle “respect for people” as the enhancement of continuous improvements is conditioned by employees being empowered to participate and influence, all for the overall purpose of maximising value to the customer. As with most administrative reforms there is no clearcut relationship between such an ideal and how it is applied by organisations in practice, thus driving us to investigate how the ideas of “respect for people” and the interrelated concept “empowerment” translate into practice in two different organisational settings.

To address our research question we find it relevant to not only study the control systems applied but also the organisational work surrounding reform work (cf. Butterfield et al. 2005). More precisely, we have examined various categories of organisational actors that are involved in and affected by the lean model being implemented in our studied cases. We have asked questions about categories and roles that exist and have been established to sort organisational members for the new lean work, and questions about how such categorisation affects their representatives. One point to make is that categories established to sort organisational members create boundaries, a demarcation of a limit, as a choice is made about the membership of specific categories and also a choice about how to label categories. Depending on what “membership rules” are set and the labels chosen, some people will be included while others are not and they will be labelled as members of specific categories. It is probable that the membership and label will affect the way representatives of organisational categories perceive themselves and others, their status and room for manoeuvre (Douglas 1986; Lakoff 1987; Hacking 1986, 1999; Garsten 2003; Tamm Hallström and Boström 2010). According to this perspective, categories are seen as social constructs: there is always a decision behind categories and their labels. They could be different and so could the consequences for the representatives being sorted and labelled through them. As we will show below, the lean work has lead to the establishment of new categories and demarcations in both organisations studied.

The remainder of the paper is structured as follows. First, we present the background and methods. Second, from our empirical material we have identified two themes in relation to the empowerment of employees: 1) the way that the lean work is organised through new roles and activities that are intended to empower employees, and 2) how the empowerment of employees is practiced in both organisations. Third, we conclude by discussing the findings from our two cases in relation to the empowerment of employees.
Participating, Observing and Interviewing in a State Agency and a Municipal District

In the following we report from two exploratory studies using participant observation of, and interviews with employees involved in the work of lean in the Swedish municipal public welfare sector, in particular preschools, and the Swedish Social Insurance Agency. The paper constitutes our first attempt to compare the two cases. The choice of the Social Insurance Agency and the Municipal District (with a special focus on public preschools) was made, in Marcus’s terms, as a “strategically situated ethnography” (Marcus 1986) for the study of the introduction and use of lean in the public sector. First, both organisations currently undergo major change processes in their way of organising and controlling daily activities, which offers ample opportunities to examine social order of organisations, as “[i]n times of change, old practices are destroyed and new ones are constructed, which invites the questioning and de-construction of the previous social order” (Czarniawska and Sevón 1996, p. 1). Second, the Swedish Social Insurance Agency and municipal preschools are different types of public sector organisations, which make them interesting to compare. The Swedish Social Insurance Agency is a governmental agency within the realm of the Swedish state with about 13 000 employees. Municipal preschools are within the realm of the municipality, in this case within a Municipal District (Swedish: stadsdelsnämnd) of the City of Stockholm, and the public preschools employ within the District about 400 people. Still, both these organisations have a similar history: the decision to implement Lean was followed by a change of Directors. Within the Social Insurance Agency some lean pilot projects had already been initiated in a few departments before the new Director General was hired. The decision to lean the whole Social Insurance Agency was, however, not taken until a new Director General was employed in 2011, and he had his reasons. The choice of working with lean within the Social Insurance Agency was to resolve severe problems with the low trust of customers, but as explained by one interviewee, it was also about increasing the low motivation of the agency’s employees. The Municipal District had a similar story in regard to lean being decided by a new Director employed in 2009, but the motivation was different. The District Director brought with her the idea of using lean in the public sector from her previous place of employment, a Municipality South of Stockholm. She had experienced great benefits with lean and decided to start implementing lean within the whole of the Municipal District with the goal that all should think lean and be active in making their own lean processes by the end of 2013.

Both organisations also describe lean as a management model that is attractive due to its emphasis on both customers and the capacity of employees. One underlying idea in both organisations is that if the employees continue to make improvements with focus on the value for customers according to the lean scheme, then the organisation will be more effective, qualitative and employees will be more satisfied with their jobs. This lean thinking is perceived to differ from control systems used previously or in similar organisations in the close environment of the two organisations. The Social Insurance Agency is working with a control system based on a balanced scorecard thinking, combined with highly standardised work processes (ENSA) that are sorted according to the handling of various benefits (e.g. child benefit, sickness benefit, housing benefit, disability benefit). This control system has been used for more than 10 years and has over time evolved into a system mainly measuring performances and productivity of the processes handling social insurance cases. A major critique against this system was that neither customers nor employees were viewed as individuals and that they thereby did not feel appreciated.

The specific Municipal District examined did not have this type of formalised control system, but Result Based Systems (RBS) were used in many other districts of the municipality and this practice was often referred to as an important point of reference in that it differed from lean. Susan, responsible for implementing lean in the Municipal Districts, states that one of the differences between lean and RBS is that they evaluate in a different way. In RBS, they measure how the preschools children perform in regards to the curriculum. The evaluation of the preschool teachers is then based on the preschool children’s score. She is a bit sceptical towards that way of evaluating
and is more positive towards the evaluation they are attempting to implement. When they evaluate
lean in the municipality they instead evaluate the “effect” (outcome) understood in qualitative terms
and the “results” (output) measured in quantitative terms of the goals set up in the lean work.

The study of the Swedish Social Insurance Agency was conducted using a qualitative method and
based on 14 interviews with representatives of the top management team, support functions such as
the HR management, controllers, representatives of the lean council, division managers, and project
leaders of temporary task forces established to work on specific lean issues. We asked questions
about the organisation of the lean implementation in relation to existing control systems and focused
specifically on organisational categories established to sort employees of various kinds, including the
perception among organisational members of representatives of such categories. We also asked our
informants about their own work with various lean activities. The interviews were conducted in
Swedish. They were recorded and transcribed and their duration varied between 45 minutes to 1.5
hours. Documents such as the letter of appropriation, annual reports and the staff magazine “Dagens
Socialförsäkring (DS)” were also collected and analysed. A few documents are available in English,
but most of them are in Swedish.

The study of the municipal public welfare sector consists of field notes (142 pages) from participant
observation at a lean instructors training course held by a consultancy (3 days), two Lean Forum
meetings which include the lean instructors within the District, and one at the Lean Network
meetings where the Lean Directors within the City of Stockholm meet. In the preschools, participant
observation has been performed in two lean white board meetings, one value flow mapping process
and one moments of truth process. The study is also based on two interviews with the development
strategist at the municipality and one with a head of unit of a preschool. They were recorded and
transcribed and lasted about an hour each. The authors of this paper have made all translations.

Organising Employees: New Categories in the Organisations

New Categories of Roles in a State Agency

In order to start leaning the Social Insurance Agency, the Director General appointed the HR
manager to become the Lean General of the organisation, with responsibility to make sure that lean
was implemented. A crucial step in this organising process was to establish the Lean Development
Council, led by a Head Lean Coordinator who explains that the council is loosely composed by
about 15 Lean Coordinators meeting once a week. One of the lean coordinators elaborates on the
role of the council.

Each department has one representative in the lean council. It’s a round table forum where we think
and try to find solutions to how to best provide advice to our departments, head of departments and
head of units, how they may work in a different way. But we don’t have the power to tell them ’Do it
this way rather than that way’. […] As we say, we are an initiative. […] We are a counselling unit.
(Interview with lean coordinator, Spring 2013)

One way the lean council provides guidance is through the development of a manual to be diffused
to all employees as a form of educational material. The council also has a role in supporting the
implementation of lean in the departments of the respective lean coordinators. These coordinators are
appointed by the departments themselves and their positions and profiles differ. One of them is a
quality manager in a department, another is a member of a management team, while yet others have
no formal management responsibility but are appointed because of their interest in lean or previous

---

3The Lean Development Council was first named Lean Central, but this label was immediately abandoned as it “smelled
centralised control”, as explained by an interviewee, which was seen as part of the old, problematic era of the agency,
which was under change through the lean project.
experiences of lean work in the private sector. Thus, previous knowledge about lean varies in the group. A few coordinators do not represent any department of the agency, but have more general functions. In addition to the head coordinator, there is a person who informally is called the Lean Coordinator for Internal Affairs responsible for administrative issues, with tasks such as responsibility for the council’s budget, planning of meetings, writing the business plan, and reporting to the Director General. The head coordinator is described by one of our interviewees as a person who “missions, talks and influences” and who “sort of is the person who does the thinking and diffuses it”. According the interviewee, the leadership of the head coordinator is non-authoritative and almost “unpleasantly effective”.

[The head lean coordinator] waits for others to approach him. [...] The day they ask something, he will help them, but if they don’t ask he doesn’t do anything. And I must say, it’s almost unpleasantly effective. [Should he] step forward and say ’Shouldn’t you do this way instead?’; people would take a defensive position. [But] the day they say ’What are you doing over there in the lean council?’ [and he replies] ’Alright, I will tell you!’, then it’s completely different. It’s actually quite groovy.

Moreover, there are some 30 so-called Lean Navigators (Swedish: vägvisare) that answer to the council, but mainly travel around Sweden and train the 13 000 co-workers of the Social Insurance Agency in lean thinking and lean practices. The background of the navigators also differs. One of them started as an administrator of social insurance cases and was then appointed a lean coach (see below), to finally become a lean navigator. He describes the massive training efforts undertaken by him and the other navigators.

At the turn of the year [2012/2013] we had trained perhaps some 2500–3000 employees in lean, spread over 2–3 years. This year [2013] we will do 5000 more, and next year [2014] yet 5000 more. [...] Yes, that makes in at least 10000. At the moment I have eight groups, each with around 10–15 employees. [...] We meet eight times. The first time is a full day session, about 6–7 hours, and then there are seven two-hour-sessions during a period of about 14 weeks. (Interview with lean navigator, Spring 2013)

At local levels of the organisation there are Lean Coaches, who are employees designated to support the lean work in their departments. It can be a head of a unit but also others as there are no formal competences or backgrounds required for the position as a coach. Preferably it is someone showing interest in lean, as one informant explained.

In our small group the coaches get some extra training, because it’s not thought that the managers should take these roles and take command of the situation. Rather the opposite. In our group the manager takes a step back. [...] There were in particular two people who were engaged and thought this was exciting and who could send a positive, yeah, communicate a positive image of this and get the others on board, a bit pedagogical too. (Interview with a division manager, Spring 2013)

However, one informant told us it may also be a person who is hesitant towards lean and therefore given this special role as a way to (hopefully) become more positive, which may be seen as a cooptation strategy. One of the main tasks of coaches is to manage the work in the so-called Improvement Teams (Swedish: Förbättringsgrupper) consisting of around 10–15 people, which should be set up in all departments within the whole organisation. A Lean Coordinator describes the coaches as method specialists, handling the weekly meetings in front of the lean white boards that are being set up all over the Social Insurance Agency, starting in 2012. Through teamwork

---

4 A general comment can be made regarding a growing number of managers previously working for private companies who have been employed by the agency during the past few years, which came up during interviews. The picture was also confirmed as we found a mix of people at strategically important positions, some who had been working for the agency at various positions for many years but also some having long experience from private sector companies, often with specific knowledge and work experience from lean work. During interviews references were often made to lean practices in private companies, with the explanation that there were not that many public organisations to learn from as lean mainly had been practiced in the private sector.
employees are expected to engage in continuous improvements, as a lean navigator explains. In some departments, team meetings are organised every day, whereas the usual procedure is to organise them on a weekly basis. The point is to make employees aware of when problems occur and feel engagement to try to solve them, implying that it is not only up to managers but also employees to become conscious and take responsibility for the work and what comes out of it.

Now we see that the idea of teamwork is entering in a new way. We’ve had a few pilots on daily governance, which means that your’re supposed to have a meeting with your team every day to discuss – Who is here and who is over there? What was delivered and what did it look like? To work with this and visualise it through the use of the lean white boards […] People perceive that they are more in control of what others are doing. […] It’s possible to get reports on how well you’re doing, but it doesn’t really matter as everybody already knows. I mean, the transparency coming out of this is quite revealing. People feel less stressed, but it’s a hard workload as for everybody else. As I perceive it, people feel less stressed and [this way of working makes it] a bit more fair. (Interview with lean navigator, Spring 2013)

The Lean General, the Head Lean Coordinator, the Lean Coordinator, the Lean Minister of Internal Affairs, the Lean Navigators, the Lean Coaches and Improvement Teams make up new organisational categories within the Social Insurance Agency that are not necessarily consistent with the managers and controllers of the “old” organisation.

New Categories of Roles in a Municipal District

As noted, the decision to lean the Municipal District was taken as the new District Director started in 2009. Soon after, the District realised that they needed someone to coordinate the lean work and they hired a Development Strategist in 2010, who was responsible to build an organisation around lean. Susan, the current Development Strategist, explains what her predecessor did.

Her job was really to build a structure, an organisation to manage lean – to systematically manage lean and assist directors and heads of unit in the job. So what she did for a long period was to support our directors and heads of unit to help them to further understand lean and to convert it into practice. She was also out and about, she hired consultants that trained. Then it was decided that we should educate lean instructors internally and that is a bit special in Norrmalm (Susan interview 6 March 2013).

She continues to explain that in most municipal organisations consultants are brought in to do the job. The District instead decided to use consultants to educate the directors, heads of unit and the first group of Lean Instructors. For the second, third and fourth generation of Lean instructors, the Development Strategist herself did the training for lean instructors. At the moment, there are 45 trained lean instructors in the District and they have mainly been selected based on interest in lean and organisational work. They are employees who do lean work in addition to their regular work.

Apart from the lean instructors the Development Strategist works with the Directors and Heads of unit. Susan emphasises the role of managers.

The thing is I can’t do the lean work. Transforming it into practice. This is something that the managers must do. We have realised that this is very much a manager and a leadership issue. Because lean is a form of improvement work, a management tool for reaching goals. […] Now, it is described in terms of ‘the managers will provide the right conditions for development work to be conducted’. So, it has become much more targeted towards the managers.

When a Head of units feel they have a problem that needs to be addressed they contact the Development Strategist and she, together with the Head of Unit, first work out if the problem can be solved by lean and if it benefits the user/customer. If so, they set goals and targets and decide what kind of lean tool that is most appropriate. After that the lean instructors, usually two, come to the unit and start the lean process with a group of employees.
The idea is that the lean instructors, regular employees within the different areas, should educate the rest of the organisations by having courses in the philosophy of lean and different tools used. In the District, the philosophy of lean has been translated into quality, efficiency and job satisfaction (Swedish: arbetsglädje). The main part of the lean instructors’ job has to do with training co-workers to use the lean tools such as the lean white board, to do value flow mappings of processes that the heads of units and staff think are problematic somehow, to use methods like moments of truth, A3 and so forth.

The lean instructors meet about six times a year in the Lean Forum where they talk about new development, problems and share their experiences. The lean instructors are also connected to a lean forum on the website where they can download material to use when they are out in different services. Susan describes the Lean Forum: “it’s like life-sustaining, I would say”. It is seen as an arena for maintaining the lean work. The Development Strategist, the managers, the Lean Instructors, and the Lean Forum make up the new organisational categories introduced by the lean work in the Municipal District. The roles add to, rather than change, the organisation of the Municipal District.

**The Lean View: Empowering the employee in the name of the customer**

As noted earlier, the idea of the humanness and empowerment of employees, embedded in the expression “respect for people”, is a central idea within lean. In this section we report about our findings on how the two organisations studied defined and organised “people” and empowerment.

**The Notion of the “Employee” in a State agency**

To visualise lean within the organisation, the lean development council developed its own lean model, a circle figure surrounded by central concepts and expressions such as “continuous improvements – dare to challenge”, “efficient flows based on customer needs”, “correct on my behalf”, and “identify deviations and problems in flows and causes behind”. In the middle of the circle is the principle “respect for people” surrounded by the categories “customer”, “employees”, “suppliers” and “partners”. Whereas “partners” and “suppliers” almost never appear during interviews, there is much talk about customers specifically, but also about the role of the employees. One interviewee from the HR department describes the weak position of employees before, something that is supposed to be changed through lean.

> Our organisation is governed in a fairly authoritative way and as an employee your’re fairly used to being loyal and not do so much else than what your’re told to do. Now they want to change this perspective, towards a more clear and broader responsibility for workers. Our task at the HR department is to try to support this new perspective, so employees want, can and are able to take this responsibility. […] thus to create the right conditions for employees so they want, can and are able to provide people [customers] with good influence on their life situation. (Interview with HR department, Spring 2013)

The employee is thus to (want to) be empowered according to lean thinking, but the overall purpose of such empowerment is to serve the customer. The interviewee continues to describe the role of the employee.

> Again, we have a tradition of authoritative governance, meaning that when management talk about ’customer, customer, customer’, we talk about that too. […] And we have really been quite introvert in the past. We haven’t thought much about the citizen. […] You know, we have thought about our own work procedures and not really thought of the citizen as an individual. So if you look back, well, I don’t know how to express this. […] But we haven’t seen the employees as an individual [either]. (Interview with HR department, Spring 2013)

Although the customer is the main focus in lean thinking within the agency, it appear crucial to make the employee comfortable, as their well being is assumed to have a causal relationship to customer satisfaction, as another interviewee explains.
In a way, the situation of the employee is mirrored towards the customer. If the employee is not comfortable in the work situation, then the interaction with the customer is negatively affected and perhaps this is what we’ve seen when we’ve lost the trust of the customers. (Interview with HR department, Spring 2013)

The active employee?

The empowerment of the employees in the lean work needs to be taught. One interviewee working at the department of Business Support describes how they have chosen to work with measurements to obtain the right “lean behaviour” which means making employees active. In the quote the interviewee describes the first two steps of a total of six planned steps scheduled to enhance the active employee.

Step one is to assure the use. I mean, we measure that the process and system is used – are our employees attending improvement meetings, are they meeting, do they talk about improvements and problem? Yes or no. We measure that through looking at attendance rates and reporting activities at improvement meetings. The motive is to generate the right behaviour. To work with development of the work is part of the job description – it’s not something you can choose not to do. So that’s the first thing we measure and if we notice that in some parts of the organisation there is not sufficient participation, we analyse to try to find out why. Next step we measure is to assure that activities are taking place – that improvement suggestions are submitted, that they are taken care of; and that there is a good distribution within the group. We work quite intensely with these two steps right now and as soon as we feel that this works culturally, that it has become as natural to go to improvement meetings than it is to go to work in the morning, we let go of all those measurements and turn to measurements regarding the next step. (Interview with lean coordinator, Spring 2013).

This particular measurement practice was observed only in this department where the lean work had reached further than in most other departments. Thus, at the time of writing we do not have material on how the rest of the agency will proceed to enhance continuous improvements. However, representatives from the department of Business Support, having more experience than many others, are often engaged as “internal consultants” by other parts of the agency to talk about lean and share good examples, which makes it reasonable to assume that some type of measurement will be made in other departments too. In turn, this implies that the empowerment of employees, at least to some extent, is orchestrated by people promoting lean within the agency. One division manager described the lean work of the management team of one of the customer interface divisions of the agency and also brought up the ”mandatory” dimension of lean work, although this person did not mention the use of measurements.

It must be clear that it’s not a free choice – you can’t sit there and just refuse. Perhaps that’s ok at an initial stage, but eventually it’s not a free choice. You actually have to commit, as it is part of our joint work to develop our business activities. But I think we’ve passed that phase now, but sure, I still hear comments about the time it takes. And it does, it takes time. We’ve scheduled 30 minutes a week for these reflection meetings, but it doesn’t solve all questions. The [improvement] groups need to work in between meetings too, perhaps one hour a week. So about 1,5 hour worktime a week is needed for development work linked to lean. (Interview with division managers, Spring 2013)

One particularity of the agency is, as noted, the detailed-steared and formalised way of administrating social insurance cases according to the ENSA processes that are developed by the central department of Insurance Processes. As explained by one interviewee, a simple, individual case of a housing benefit takes a total of 35 minutes to administer, but the process description of the administration of such a case is described in a document of over 100 pages. The formalised way of working means that it is not obvious what actually can be changed or improved from an employee’s local perspective. Therefore, one temporary task force called “The pillar” (Grundbulten) is currently working on the revision of the ENSA processes to make them more flexible for the employees and thereby possible to adjust to diverse customer needs. One member of this project group describes that
the idea is to develop the ENSA processes through a “module thinking” in order to enhance flexibility and adjustment to individual customer needs which are categorised according to four different types of customers. At the time of writing the project is not yet finished and it is not clear how the new way of working with modules will turn out and how administrators of social insurance benefits will balance the flexibility with requirements on equality and justice.

Although a decision is taken to implement lean including a value flow perspective and various measurements linked to lean activities are starting to be used, there are thus obstacles due to the ENSA processes that governs core operations. The way to increase efficiency according to the old control system is to make the production of social benefit decisions fast and correct and then it may take a total of 35 minutes to administrate one case through carefully documented ENSA processes. When it comes to flow efficiency the 35 minutes do not constitute such a large part of the flow compared to the 42 days that one simple social insurance case may take from the time when a customer contacts the agency to the day the customer reaches the decision about the relevant benefit. The flow efficiency constitutes the customer value perspective that may run over 40 days, whereas the resource efficiency is linked to the productivity of the administration conducted by a civil servant. As lean is a measurement-oriented tool, it becomes important from a lean perspective to continuously measure customer value flows, but a problem occurs as the controllers are used to measure against indicators originating from the ENSA work with a focus on productivity. One head of a lean pilot project within the agency brings up controllers and their mind-set as somewhat problematic when it comes to measurements as well as reward systems.

There is certainly a challenge here, because controllers are "numerical people" following up on goals and indicators that exist. But it’s not really the controllers who came up with them in the first place but rather a top manager or state agency setting those goals. […] [We] need specific activities and endurance when it comes to controllers as they are very rigid in their focus on measuring times and not seeing flows.[…] I mean, how can we adjust our fairly hard goals and indicators [focused on performances] and instead measure customer value? When we think "customer", we must be consistent and measure things that are about customer value, to set goals and have indicators about that, and to reward employees having a clear customer perspective. But how this is supposed to be done, what we should measure, and in what way and what should count or not, that’s not solved yet. (Interview with head of lean pilot project, Spring 2013)

One of the lean coordinators also mention a challenge that is linked to measurement practices of the agency, although this person makes a difference between the old control- and measurement-based system, and the new ”value-based management control system” coming with lean.

Right now there are strong inconsistencies between, what in some way may be called value-based governance with trust in employees, and this highly numerical governance that we have when we measure performances in terms of number of administered cases per hour and the “chase for points” [Swedish: pinnjakt] (Interview with lean coordinator, Spring 2013)

According to this person, lean is thus described as a management model based on values and trust, rather than measurement and control. By value-based management, the person continues, there is the cultural dimension with values and behavioural aspects: "How do we want to be? How do we deliver these things that we say we should deliver?"

The employee: Forgotten again?

The picture that evolves of empowerment of employees in the agency is that, although the category of employees does come up during interviews, it is directly linked to the prime category of people: the customers. The main goal is to regain the trust of the customers and it is through the employees to reach this goal. In response to questions about what is meant by "respect for people", the response is typically the customer. A representative of the HR department elaborates on the prioritisation between customers and employees.
We believe that after the customer there is the employee. It’s time for the employeeship very soon, we think, but first we must find out how we look at the customer. […] We start from what the customer needs, and yes, that’s what the employee must deliver. The question we must pose is what does the employee need to be able to provide this to the customer? Then we need support from the organisation and that’s about IT-system, control, leadership, work environment. All those system aspects. (Interview with HR department, Spring 2013)

In the planned system-oriented governance the individual is important but it is the system that provides the conditions for individual employees to work and continuously improve. The interviewee continues to explain that the role of the HR department is to assure that all employees deliver what is expected from them and that according to this ”system-based world”, it is the system that produces output. If management expects another output, the system needs to be changed.

The Notion of the “Employee” in the Municipality

In the municipal district the lean instructor are set to train and instruct in the lean philosophy and the lean tools. The lean tool “value flow mapping”, for example, consists of the employees identifying the “present situation” (Swedish: nuläge) of the area that is seen problematic such as in one case the mornings in preschools. How is this situation structured now? The employees are then set to identify “wastes” in the flow that need to be addressed. After that the employees do a “desired situation” (Swedish: önskat läge). Based on the desired situation the employees write action plans to get rid of the wastes. The action plans should clearly state who is responsible and preferable the whole personnel should be given responsibility of at least one action plan so that everyone is involved and active in the improvement work. The lean instructors help in this process, which usually takes one to two days. The lean instructors then do follow-ups after 30 days, 60 days and 90 days with the whole personnel to make sure that the improvement work is continuing. Recently they have, within the District, decided to do follow-ups with the Heads of unit after half a year and after a year to evaluate the improvement work.

The active employee

In the Municipal District, lean is understood as something to be used by employees to make continuous improvements in the name of the customer. It is, for example, visible in speech, but also in the evaluation tools used such as the evaluation model developed within the District. It is an evaluation model, Susan explains, where they measure quality, efficiency and job satisfaction, since they are the main goals for implementing in lean in the District. They we have developed a scale from one to five, Susan continues.

On scale one, the employees go to work, do their job and then go home. They don’t think about concepts such as customer and value for the customer and to improve things. They don’t reflect and there is no discussion regarding these issues. The employees don’t express any pleasure and satisfaction of being at work. This is the lowest level. The highest level then, reaches all three goals. It’s systematised so that all employees work with development work. All of them have suggestions for improvements and are part of the lean work and the lean processes that are on-going. And the lean work is followed up by measurements and so on. And there is job satisfaction among the employees and an inclination to learn more and share competences. That is the highest end of the scale (Susan, interview 6 March 2013).

The employee sought for then is a particular kind of employee that is active, does continuous improvements and feels job satisfaction.

The active employee, not always so active

In the Municipal District, lean is understood as a management instrument that focuses on the empowerment of the employees. Gudrun, the former Development Strategist, says:
I can almost say. Because if we think of the person. We want to feel competent, important, popular and in a context. With Lean, we turn the pyramid upside down [referring to the hierarchical structure of organisations] (Gudrun, former Development Strategist, lean white board meeting 28 February 2012). Lean, as understood by our interviewees, has a bottom-up perspective (although it is implemented as a top-down process, as we see in both organisations). The employees should with the help of the lean tools do continuous improvements. It is an active employee that is envisioned and the goal is to be more effective, have more quality and greater job satisfaction. This active employee is, however, not always present, not even among the Directors and Heads of Unit.

At a Lean Forum meeting (7 May 2013) different personality types are discussed having different opinions regarding change in management. Susan explains that most employees dislike change and they need to overcome their scepticism. She says that depending on personality some people will be more susceptible to change than others. Susan shows a power point picture (see below).

She continues to say that when it is difficult to get the employees to do the lean work the lean instructors should focus on the “ambassadors” that are interested and want change. Then there is always a group of sceptics, she proclaims, and they are also important because they ask the difficult questions. But finally she asks: What do we do with the uninterested? One of the Lean instructors says laughingly that they can use a blowtorch. But they soon agree that some need more time than others and that they need to recognize the uninterested and the sceptics. Make clear that they have heard them, but still be clear that they do have to do the lean work. This is also what they were taught in the Lean Instructor training course. Maria, one of the consultants, leading the Lean instructor training talked about the power of the slow process. To her it is important to make sure that there is a platform to build from. Therefore it is important to put much time and energy in the beginning of the process (Lean Instructor training 25 September 2012).

The lean model with active employees that make continuous improvements in the name of the customer is something that has to be taught. This is the job of the lean instructors. As of now the lean processes are also mainly driven by the Development strategist and the heads of units that initiate the processes and the lean instructors that facilitates and push for the lean processes to continue. Still, there is an idea that this will be the style of working where the lean instructors continue the work within their respective units and initiate processes on the basis of goals set by the head of unit. The lean instructor’s job is to engage all employees. There is an underlying assumption that if employees become engaged in the lean processes and understand the lean philosophy they will automatically feel job satisfaction.

**Discussion and Conclusion**

The purpose of this paper was to investigate what is meant by empowerment of employees when using the lean model in public sector organisations. More specifically, the question posed was: How is empowerment of employees articulated, organised and enacted in the lean work at the Swedish
Social Insurance Agency and the Swedish Municipal public welfare sector? The idea of empowerment of employees is visible both in the NPM management models used by and around the studied organisations, and in the lean model currently being implemented. Both models emphasise that an empowered employee is a satisfied employee. Still, previous studies on NPM reforms have shown that the empowerment of the employees in the NPM-governed practices has failed.

From the analysis made here we may highlight a few specificities. One lean coordinator within the studied state agency reflected upon the “old” thinking building on ideals of control of employees, versus the “new” thinking more clearly pronouncing ideals of trusting the employees.

It’s almost a question of belief. If you believe that it’s possible to manage by detailed control, that is, to tell people exactly what to do in order to get it right out there. But we have discovered that it doesn’t really work, we don’t get it right out there. So there has to be something else, that you trust that people out there understand and gets more autonomy to actually both do and develop the job.

Whereas the interviewee meant that the agency was moving towards the new lean way of working through a joint belief in empowerment and decentralisation of responsibility, it became obvious from our study and the “old” and “new” ways of managing existed in parallel. One the one hand, we could see how both organisations established a number of new categories of roles aiming at supporting the lean implementation with new activities such as lean white board meetings, value flow mappings, analyses of deviations and various measurements. Together these new roles, and the activities connected to them, formed a “control organisation”. On the other hand, the previously existing control structures were not removed or changed, meaning that two control structures existed in parallel. This was most obvious in the state agency that since several years used a highly developed system for management accounting and control with ENSA processes and elaborated measurement and reporting systems. Thus, a first conclusion is that the old control-centered system was still there, at least for the time being, which particularly in the state agency created tension between the two control systems, including the objectives they focused and measurement practices used to enhance goal fulfilment. Thereby the empowerment of employees was restricted in practice.

Second, the picture that evolves regarding the new so-called trust-based system was not completely clear. More specifically, the idea of the employee that was promoted through lean by both the state agency and the Municipality District was built on a quite specific assumption about employees that are supposed to be active by always being up for making continuous improvements. In the Municipality District there was a continuous discussion on how to activate the uninterested and there were attempt to persuade with soft measure. In the Social Insurance Agency we could, on the one hand, see how the “lean language” signalled some kind of non-authoritative softness together with the slogan “respect for people”, which in turn can be interpreted as a trust-based approach to management control. An overall observation is that many of the chosen labels of new lean positions signalled a non-authoritative approach to the implementation of a lean strategy, with verbs such as coaching, coordinating, councelling, advising, navigating and improving (and not, for example, managing, controlling, deciding). This vocabulary was welcome by many of our interviewees who were enthousiastic about lean and the ongoing the change process. However, on the other hand, we could also see how the state agency implemented various measurement and visualisation techniques to encourage “activation”, which was more in line with a control-based and authoritative management approach. Thus, the lean efforts and activities seemed rather authoritative and difficult to question. The fact that it was, in both cases, a new General Director bringing in lean (which in the state agency was at a time of a “crisis”) and who strongly believed in the lean philosophy and its practice, made it difficult for employees to publicly demonstrate resistance or hesitation.

Third, what we see is an empowered employee in the name of the customer and that, at least in the state agency, “respect for people” mainly translated to “respect for the customer”. The active employee should make continuous improvements that satisfy the customer. In both organisations, but
in particular in the Social Insurance Agency, the satisfaction of the customer is the overarching goal of the empowered and active employee, putting the empowered employee on a second place. We also see that there seems to be an assumption about a causal relationship between empowerment of employees, job satisfaction and customer satisfaction: the active employee engages in continuous improvements for the purpose of increasing flow efficiency, in turn leading to job satisfaction, and finally also customer satisfaction. Thus, the active employee automatically generates a satisfied employee and an active, empowered employee will make customers satisfied. However, this is an assumption that can be easily questioned (see for example Vidal 2007).

To conclude, in many ways the empowered active employee discussed here is orchestrated by management in very similar ways as in the NPM. Goals and evaluative measurements are set by management and the area in which to find continuous improvements is also specified by management. Thus, we see that the role of the empowered employee is well articulated and activated, in both organisations, through a number of new organisational roles and functions established for the lean implementation and the fundamental principle of “continuous improvements”. More specifically, the idea of empowerment of employees is supported through the non-authoritative “lean language” and lean organisation. However, we also see a paradox between the idea of continuous improvements driven by empowered employees at all levels of the organisation (bottom-up), and the fact that the lean implementation was orchestrated from above (top-down), in turn leading to a number of tension and contradictions in the way empowerment played out. The idea of the “active satisfied employee” continuously engaging in improvement activities to increase customer value was pushed in an authoritative way through the organisations with the help of both soft measures and more hard measurement and visualisation techniques aiming at creating the active employee with the proper “lean behaviour”.

As both organisations studied still are in the process of implementing lean, we do not know how the lean efforts will continue to develop in regard to the relationship between empowerment, job satisfaction and customer satisfaction and what is meant by these concepts in practice. Still, based on the findings discussed here, we have reason to stay alert to expressions such as “respect for people” and “empowerment” and to continue the scrutiny of empowerment as translated according to lean thinking as we move further down through the hierarchy of the two organisations in our continued research endeavours.

References


---

5 An interesting aspect of management observed in the state agency, was that the position and authority of managers as well as controllers were being somewhat threatened through the lean work, as recruitment to newly established positions supporting the lean work was not necessarily based on previous management experiences or professional background and training, but also on interest, motivation and enthusiasm towards the lean philosophy as well as experiences from lean work in the private sector. Thus, the lean work implied some kind of shift of, or at least threat to, existing power structures. It is beyond the scope of this paper to analyse the consequences of the growing authority of representatives of the new lean thinking and whether the parallel “control organisations” will continue to exist or whether they eventually will merge into something new, but this development certainly deserves further scholarly attention.


