

Revisiting the objectives of lean in service sector: industry evidence from five case studies

Keywords: Lean, lean service, service organisations, case study

Topic(s): Lean management, service operations

Word count: 1030

Objective

Previous studies attribute eliminating waste (Bowen and Youngdahl, 1998), improving workflow (Swank, 2003), improving customer experience (Womack and Jones, 2005), reducing cost (Bortolotti, Boscari and Danese, 2015), reducing lead time (Tyagi *et al.*, 2015), improving quality (Arlbjørn and Freytag, 2013) and managing variations (Hanna, 2007) to lean implementation in a service context. In the last decade, there has been a proliferation of scattered research for the objectives of lean implementation in the service sector with a lack of consensus. Most of the aforementioned studies prescribe the objectives of lean in service rather than let the objectives emerge from real world empirical evidence. Therefore, there is a need to revisit the objectives of lean in the service sector with a view to gather industry evidence and as a result, derive novel insights on lean implementation. This research attempts to address this research gap by proposing a ‘business-process-people’ framework for lean implementation in the service sector. The framework, which is the classification of the results obtained from the analysis of empirical data of five case studies, serves as a ‘one-stop’ point about the objectives of lean implementation.

Design/methodology/approach

A comprehensive literature review is conducted to provide the state of the art of the objectives of lean implementation in service organisations and identify the research gap. Since the research gap as mentioned in the section above, was exploratory in nature; it warranted the use of qualitative data and case study strategy (Yin, 2009). Consequently, empirical data were collected across five service case studies in the UK from twenty-eight semi-structured interviews, observation data and documents. While case study strategy does not produce statistical generalisation, by collecting data from five case studies, we were able to develop a vigorous, generalizable, and robust framework (Eisenhardt and Graebner, 2007). Three of the case studies were from the financial and insurance sector; the other two were respectively in the businesses of waste management and logistics services. The interviews were transcribed verbatim and the data were coded using NVIVO 10 following the four stages of analysis outlined by Bazeley and Jackson (2013). Themes were generated from the codes following the six stages of thematic analysis proposed by Braun and Clark (2006).

Preliminary findings

The analysis of results provides novel insights into the objectives of lean implementation in service organisations. The researchers have categorised the findings into business

objectives, process objectives and people objectives. As a result, we develop a simple ‘business-process-people’ framework (see Figure 1) highlighting the objectives of lean in the service sector. Firstly, service organisations implement lean for business objectives, such as:

- excelling in fulfilling customer needs;
- utilising resources and reducing cost;
- challenging status quo;
- easing mergers and acquisitions;
- upon the recommendation of lean professional.

Secondly, lean is implemented for process objectives, such as:

- assessing workflow;
- standardising activities;
- eliminating waste and improving quality;
- embracing continuous improvement.

Thirdly, lean is implemented for people objectives, i.e. to address people-related concerns, such as:

- improving the customer experience;
- fulfilling senior management interest in lean;
- fulfilling a client’s request as part of their supply chain management;
- improving the working environment for employees and releasing manpower.

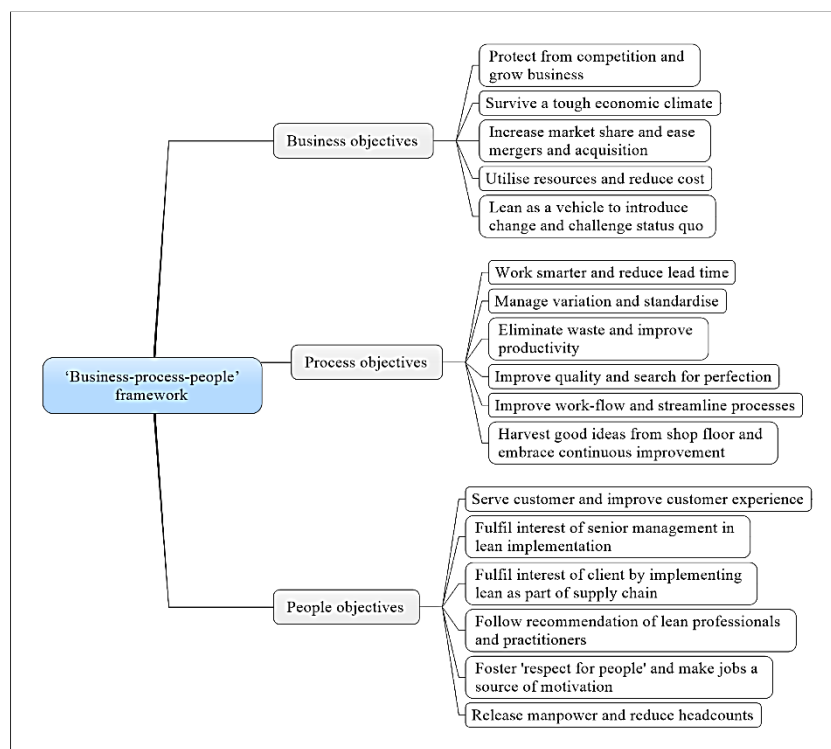


Figure 1 – ‘Business-process-people’ framework

These novel insights derived from the findings (1) confirm the objectives of lean as reported in the literature, (2) provide new connotation to the objectives of lean from the existing literature, and (3) report new objectives for lean implementation by service organisations.

While the findings provide evidence that lean is still implemented for objectives, such as, for instance, eliminating waste and reducing cost, there are new connotations for some of the objectives, such as, to ease business mergers and acquisitions. The findings also provide evidence of new objectives of lean such as to: reduce headcounts, as a benchmark for industry standard, better utilise staff, fulfil the interest of senior management, harvest good ideas from the shop floor and introduce major changes in an organisation.

Relevance/contribution

This research provides a grounded understanding of the objectives of lean implementation in service organisations. With reference to Voss, Johnson, and Godsell (2016), the theoretical contribution of the paper is to elaborate, refine and redefine the existing understanding of the objectives of lean implementation in a service context. As for the practical contribution, the paper envisages that these findings will help service organisations to: (i) investigate their reasons for implementing lean, and (ii) improve their focus on the particulars of the implementation.

References

- Arlbjørn, J. S. and Freytag, P. V. (2013) 'Evidence of lean: a review of international peer-reviewed journal articles', *European Business Review*, 25(2), pp. 174–205. doi: 10.1108/09555341311302675.
- Bazeley, P. and Jackson, K. (2013) *Qualitative Data Analysis with NVivo*. SAGE Publications. Available at: <https://books.google.co.uk/books?id=Px8cJ3suqccC>.
- Bortolotti, T., Boscari, S. and Danese, P. (2015) 'Successful lean implementation: Organizational culture and soft lean practices', *International Journal of Production Economics*, 160, pp. 182–201. doi: 10.1016/j.ijpe.2014.10.013.
- Bowen, D. E. and Youngdahl, W. E. (1998) "'Lean" service: in defense of a production-line approach', *International Journal of Service Industry Management*. MCB UP Ltd, 9(3), pp. 207–225. doi: 10.1108/09564239810223510.
- Braun, V. and Clarke, V. (2006) 'Using thematic analysis in psychology', *Qualitative Research in Psychology*. Routledge, 3(2), pp. 77–101. doi: 10.1191/1478088706qp0630a.
- Eisenhardt, K. M. and Graebner, M. E. (2007) 'Theory building from cases: Opportunities and challenges', *Academy of Management Journal*. The Academy of Management, 50(1), pp. 25–32. doi: 10.5465/amj.2007.24160888.
- Hanna, J. (2007) 'Bringing "lean" principles to service industries', *Harvard Business School Working Knowledge*.
- Swank, C. K. (2003) 'The Lean Service Machine', *Harvard Business Review*, 81(10), pp. 123–129.
- Tyagi, S., Choudhary, A., Cai, X. and Yang, K. (2015) 'Value stream mapping to reduce the lead-time of a product development process', *International Journal of Production Economics*, 160, pp. 202–212. doi: 10.1016/j.ijpe.2014.11.002.
- Voss, C., Johnson, M. and Godsell, J. (2016) '5 Case research', in *Research Methods for Operations Management*. Routledge, p. 165.
- Womack, J. P. and Jones, D. T. (2005) 'Lean consumption', *Harvard Business Review*. Institution of Engineering and Technology (IET), Reprint R0. doi: <http://www.johnbesaw.com/LEAN.HBR.pdf>.
- Yin, R. K. (2009) *Case Study Research: Design and Methods*. 4th edn. United States: SAGE Publications, Inc.