



Why China Is Not Ready for Lean Manufacturing

The Tortoise and the Hare

By Rosemary Coates

One of my Silicon Valley clients is sourcing products from several factories in the Pearl River Delta. As part of the relationship with these factories, my client is committed to supplier development including offering training in new techniques. So when product quality at one of these vendors was not achieving the company's standards, the VP of Supply Chain dispatched a team of people to go to China and teach the factory problem-solving Lean Manufacturing techniques. He thought the vendor could leverage Lean methodology to improve the processes and address the quality problems, just as they would in US factories.

The team arrived in Dongguan and went to work giving an overview class on Lean techniques. The factory workers seemed attentive and interested in learning. The next day, the Silicon Valley Lean team gathered the people from the assembly line to begin the process of working on the quality problem. After 3 hours, the Lean team ended the session in utter frustration. No one participated. No one would identify problems on the line. No one knew how to approach gathering or analyzing data. No one volunteered.

So what happened? The training was adequate and the Lean principles and methods are sound and easily understood. Why weren't the Chinese factory workers participating?

This isn't the first time I have seen this happen. Westerners bring good ideas and processes into China and expect these ideas will be wholeheartedly embraced by the Chinese factory workers and management. Chinese say yes, and appear to agree with the instructions. When nothing improves or instructions aren't followed, the Westerners are surprised. They are bringing new techniques and ideas into low-tech manual factories, so why wouldn't the factories want to improve and adopt new ideas?

What these methodologies don't take into account are the cultural differences between the Western world and China. Lean manufacturing principles are based on Western ideas and principles including critical thinking and collaboration. The teachings of Confucius, on the other hand, suggest behaviors that oppose collaboration and criticism and the Chinese have been practicing these behaviors for nearly 3000 years. Children are taught Confucius values in elementary school and families practice them in their daily lives. For example, "saving face" is way more important than concerns for quality. If a worker were to criticize the production line processes as the cause for quality problems, the supervisor would surely lose face. So it is very unlikely that anyone would offer criticism.

Being industrious, working long and hard is more important to migrant factory workers than anything else in the workplace. After all, workers have migrated to earn enough money to live a middle class life or return home to improve the lives of their families. The work ethic of the Chinese is legendary. If you take away time from their piece-work or time on the assembly line, you take away earning potential. Lean projects mean time

away from normal work and are therefore not considered to be helpful.

Lean manufacturing and other programs and methods including Six Sigma, Deming Quality, TQM, Quality Circles and others have a long and successful history at companies such as GE and Toyota. They are used to improve processes and address issues that need correcting through 1) Eliminating waste; 2) Increasing flexibility; 3) Smoothing the flow; 4) Continuously improving.

These ideas hinge on enhancing productivity, taking away complexity and continuously improving. And this often leads to a reduced need for resources resulting in lay-offs or redeployment of the workers. The methodologies also rely on the ability of the workers to collaborate, contribute, analyze data and make changes.

In the US and Western Europe, Lean Manufacturing has become a way of life. Workers readily participate and are compensated even when they take time away from their workstations to work on Lean projects. They collaborate, contribute, analyze data from root causes and recommend improvements. In many cases, global companies such as Cisco, Apple, Ford and others, bring their Lean Manufacturing techniques with them to manufacturing sites across China. They teach Lean techniques and expect them to be practiced in their own factories as well as inside their contract manufacturers. But for the hundreds of thousands of other Chinese factories, the pathway isn't so clear. Lean Manufacturing is often met with resistance or at the very least passive non-participation.



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Lean programs in the West are often led by Manufacturing Engineering or QA or an internal consulting department. In China, the workplace is all about production, not the refinement of processes. Chinese engineers are assigned to production and only production. Chinese QA exists to assure that the customer's specs are being met. Internal consulting is an unfamiliar concept. These functions within Chinese manufacturing organizations don't have the time or the inclination to take on Lean projects, no matter what the return on investment suggests.

When I tour factories in China, the story of the *Tortoise and the Hare* often comes to mind. China's development frenzy is moving faster than anywhere else in the world. Everyone, it seems, is racing to compete for customers and to meet production schedules. But the culture is still moving at a very slow and steady pace and most often wins over new techniques and processes. Confucian values, such as respect for authority, saving face and working hard are the core inner strength of the Chinese worker. Lean principles are just too opposed to these values to be readily adopted.

Of course, Lean Manufacturing principles, techniques and methods are being introduced in the large global manufacturing sites in China and slowly adopted. Over time, this may lead to a broader adoption in smaller factories, as manufacturing matures in China. But for now, and the next 10-15 years, I see the tortoise winning the race.



**About the
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Based on her 25 years of supply chain experience, much of it spent living and working across Asia, Rosemary Coates has become an expert in sourcing and manufacturing in China. Ms. Coates is the President of Blue Silk Consulting and the author of: **42 Rules for Sourcing and Manufacturing in China**. (Available at Amazon.com)

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