



World-Class, Lean Performance Tutorials and Case Studies - Tutorial 12 Stupidity: a major obstacle to Lean Management

So, your company has gone Lean, or is in the process of embarking in lean practices. Maybe you are a manufacturer and implemented some Lean Manufacturing in your operational areas... Or you are a contractor, and are trying to deploy some solid Lean Project Management and Lean Planning in order to run more efficiently and effectively your contracts... Or, even greater, you have decided to restructure your organisation and embark in a company-wide Lean Management project..... Very positive indeed.

BUT: have you perhaps considered a potentially very serious draw-back capable of jeopardising and threatening your Lean Project in part or in full? Most probably or most definitely NOT. Your very serious draw-back (and public enemy N. 1) is **Stupidity!** Which deserves a comprehensive explanation.

Two things are infinite, the universe and human stupidity, and I'm not sure about the former.
[Albert Einstein]

HUMAN STUPIDITY

(Shamelessly copied or adapted from CM Cipolla & GF Livraghi - <http://gandalf.it>)

A subject not well known, not deeply studied, and possibly rather embarrassing. There are University departments for the mathematical complexities in the movements of Amazonian ants, or the medieval history of Perim island; but we have never heard of any Foundation or Board of Trustees supporting any studies of Stupidology.

CIPOLLA's BASIC LAWS and COROLLARIES

We are surrounded by stupid individuals in our daily life: as Carlo M. Cipolla states in his **Stupidity First Basic Law**

"Always and inevitably everyone underestimates the number of stupid individuals in circulation".

This Law may sound trivial, pessimistic, and even ungenerous. It is a fact, however, that:

- many individual whom you had once judged rational and intelligent turn out at times to be horribly stupid
- and day after day, with unceasing monotony, you are harassed in your activities by stupid individuals who appear suddenly and unexpectedly in the most inconvenient places and at the most improbable moments to cause you aggravations, frustration, stress, hyper-cholesterol and even very serious damages.

Very recently, my wife was taking a brisk evening walk on the Marsascula (Malta) promenade. All of a sudden she finds herself on the pavement, bleeding considerably from her head, with her shoes caught in a tangle of fishing line nylon string lying on the pavement. Fortunately someone passing by was so kind to help her stopping the bleeding, and rushed her to the nearest Emergency Unit for treatment. In spite of the shocking night, the next day in the early morning we drove to the accident place. I made my investigations. That's what I discovered:





Fishing lines solidly tightened to the iron balustrade and bundled within its iron curls. Obviously, with just a little wind (or even breeze) they would fall on the pavement and constitute a rather serious hazard to walkers and joggers.

How do you call that? **STUPID!**

Is there any good reason for leaving those fishing lines there at night? I cannot think of anyone. Is there any benefit for whoever does that? I cannot think of anyone. And is there any possible loss that could be incurred by other passing-by pedestrians? Yes, plenty and serious.

And it would appear that the local Municipality cares mores for doggie-does than for pedestrians' safety...

This leads to the most important (the **Third**) **Basic Law on Human Stupidity**:

"A stupid person is a person who causes losses to another person or to a group of persons while himself deriving no gain and even possibly incurring losses".

From solid researches I have made, this seems the most appropriate (if not the only) definition of stupidity.

As Cipolla says: *"Our daily life is mostly, made of cases in which we lose money and/or time and/or energy and/or appetite, cheerfulness and good health because of the improbable action of some preposterous creature who has nothing to gain and indeed gains nothing from causing us embarrassment, difficulties or harm. Nobody knows, understands or can possibly explain why that preposterous creature does what he does. In fact there is no explanation. Or better there is only one explanation: the person in question is stupid."*

Cipolla (and very few other authors, like GF Livraghi and J Welles) brought some light into the Stupidity phenomenon: Cipolla also invented the **Stupidology Graph**.

We all deal with people, we all have human transactions.

Each one of us has a "current" balance with other people.

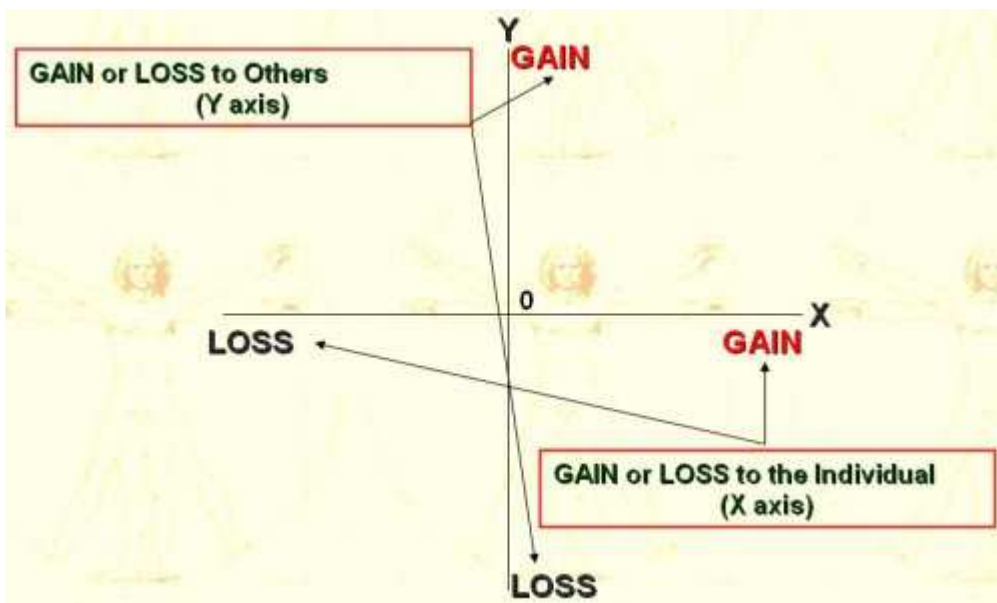
From action or inaction each one of us derives a GAIN or a LOSS from someone else - likewise, each one of us cause a GAIN or a LOSS to someone else.

GAINS and LOSSES may be accounted for in Dollars or Francs, if one wants. But one has to include also psychological and emotional rewards and satisfactions (GAINS) as well as psychological and emotional stresses (LOSSES) [This last type of GAINS and LOSSES are intangibles and very difficult to measure according to objective standards...].

To clearly determine GAINS and LOSSES, one has to consider the point of view of the recipient of an action or initiative carried out by someone else!

GAINS and LOSSES consequent to Human Transactions (actions, inaction, decisions, initiatives) can be conveniently charted on a graph.

The acting initiative of an individual may cause:



The consequences of an individual's action/s may be plotted on the Stupidity Graph thus classifying the individual's 4 main behaviours:



The 4 **main human behaviours** are rather self-explanatory.

Some individuals act prominently and regularly in an "**intelligent**" way, producing gains for themselves and for others.

Some individuals act often or regularly in a "**helpless**" fashion, causing gains to others and losses to themselves.

Some individuals act occasionally or regularly as "**bandits**", producing gains for themselves but causing losses to others.

And some individuals act occasional, or regularly or prominently as "**stupids**".

The key issue is "*consistency*". Most people do not act "consistently".

Under certain circumstances a certain person acts intelligently and under different circumstances the same person will act helplessly. And so on.

A Helpless Person may occasionally behave intelligently and on occasion he may perform a bandit's action. But since the person in question is fundamentally Helpless most of his action will have the characteristics of helplessness. Thus the overall weighted average position of all the actions of such a person will place him in the Helpless quadrant of the Stupidology graph.

Likewise, an Intelligent Person may well act stupidly at times, though generally and with consistency acting intelligently...

People behaviours, therefore, can be "*situational*": associated to a "*dominant*" approach or behaviour, there can be, at times, some *overtones* of other approaches/behaviours.

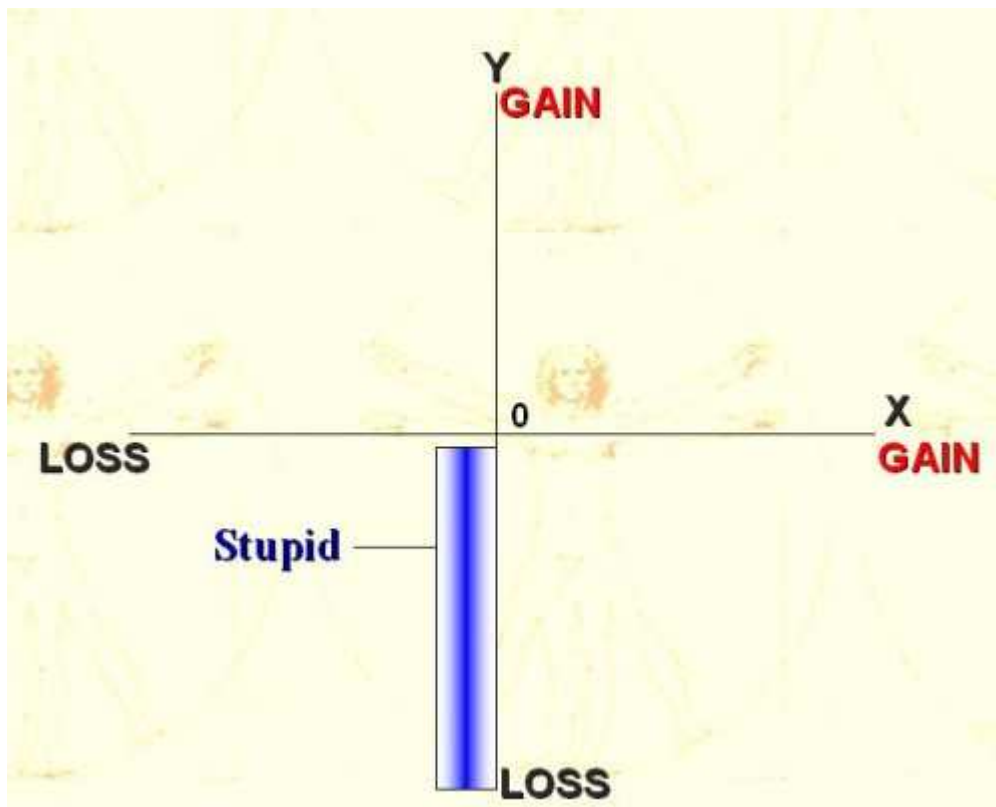
However, some special considerations have to be made with regard to the **BANDIT** and the **STUPID**.

The **PERFECT BANDIT** is one who, with his actions, causes to other individuals LOSSES equal to his GAINS (if a thief robs you of 100\$, you loose 100\$ and he gains 100\$).

Unfortunately the "perfect" bandits are relatively few. Some bandits (also very few) somehow fall in the Bandit area close to the Intelligent area: they are **Intelligent Bandits** (a very rare species). Most bandits, in fact, fall in the Bandit area close to the Stupid area: they are **Stupid Bandits** (Criminals, cruel Dictators, etc.) who cause to others great losses, far superior to the gains they yield to themselves.

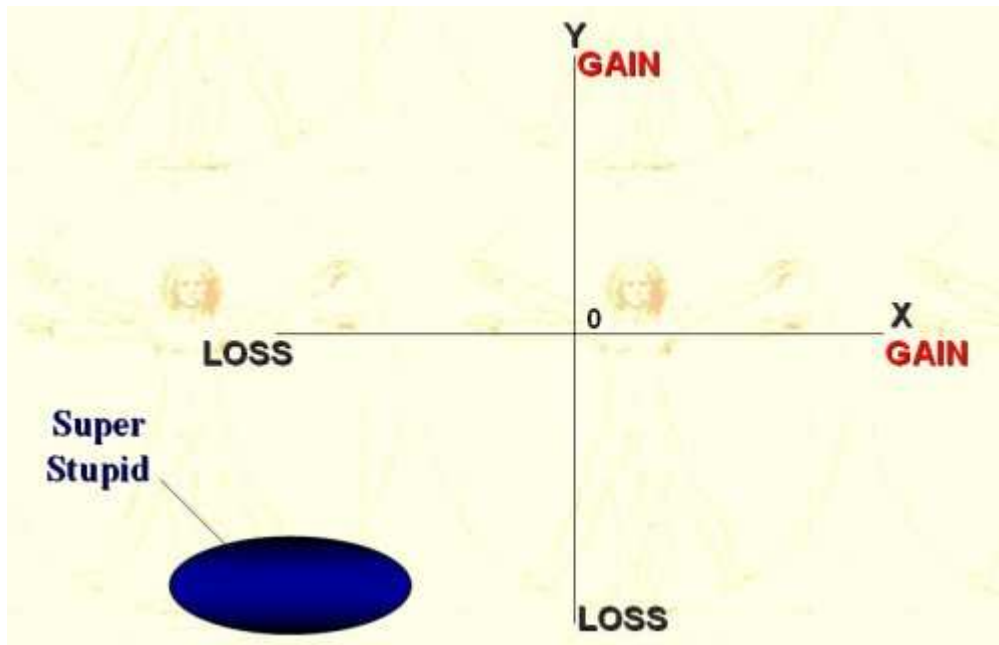
The *frequency distribution* of the **Stupid People** is totally different from that of the **Bandit**.

Stupid People are heavily concentrated along one line, specifically on the Y axis below point O.



The reason for this is that by far the majority of Stupid People are basically and unwaveringly stupid. In other words they perseveringly insist in causing harm and LOSSES to other people without deriving any GAIN (and also any LOSSES).

There are however people who by their improbable actions not only cause damages to other people but in addition hurt themselves.



They are a sort of **Super-Stupid** who, in the Stupidology Graph, will appear somewhere in the area S to the left of the Y axis.

Stupid People vary enormously in their capacity to affect their fellow men: some Stupid People normally cause only limited LOSSES, while others egregiously succeed in causing ghastly and widespread damages not only to one or two individuals but to entire communities and societies.

Unfortunately, many Stupid People cause enormous damages to humanity because of their **Position of Power** (among Bureaucrats, Generals, Politicians and Heads of State one has little difficulty in finding clear examples of basically-Stupid Individuals whose damaging capacity was - or is - alarmingly enhanced by the position of power which they occupied/y).

Essentially Stupid People are dangerous and damaging because reasonable people find it difficult to imagine and understand unreasonable behaviour.

When confronted for the first time with the **Third Basic Law**, rational people instinctively react with feelings of scepticism and incredulity. The fact is that reasonable people have difficulty in conceiving and understanding unreasonable behaviour.

An **Intelligent Person** may understand the logic of a **Bandit**.

The Bandit's actions follow a pattern of rationality: nasty rationality, but still rationality. The Bandit wants a plus on his account. Since he is not Intelligent enough to devise ways of obtaining the plus as well as providing you with a plus, he will produce his plus by causing a minus to appear on your account. All this is bad, but it is rational and if you are rational you can predict it and set-up a line of defence.

On the other hand, a **Stupid Creature** will harass you for no reason, for no advantage, without any plan or scheme and at the most improbable times and places. You have no rational way of telling if and when and how and why the Stupid Creature attacks. When confronted with a Stupid Individual you are completely at his mercy: because the Stupid Person's actions do not conform to the rules of rationality. Hence:

- a) one is generally caught by surprise by the attack
- b) even when one becomes aware of the attack, one cannot organize a rational defence because the attack itself lacks any rational structure.

Cipolla's **Third Basic Law corollary:**

It is absolutely impossible to foresee a Stupid's actions.

Cipolla's **Fourth Basic Law:**

Non-stupid people always underestimate the damaging power of stupid individuals.

Through centuries and millennia, in public as in private life, countless individuals have failed to take account of the Fourth Basic Law and the failure has caused mankind incalculable losses.

Cipolla's **Fifth Basic Law:**

A stupid person is the most dangerous type of person.

Cipolla's **Fifth Basic Law corollary:**

A stupid person is more dangerous than a bandit.

Livraghi's Second Corollary:

When the Stupidity of one person combines with the Stupidity of others, the impact grows geometrically - i.e. by multiplication, not addition - of the individual Stupidity factors.

This explains the well-known fact that crowds as a whole are much more stupid than any individual person in the crowd.

Stupid behaviour and thinking tend to reproduce and multiply so dangerously that the contagion can spread to otherwise intelligent people when they don't realize how they are influenced by collective stupidity.

Stupidity, as an aggregate, has more consistency and continuity than other human attitudes.

Livraghi's Third Corollary:

The combination of Intelligence in different people is more difficult than the combination of Stupidity.

Stupidity is brainless - it doesn't need to think, get organized or plan ahead to generate a combined effect.

The transfer and combination of Intelligence is a much more complex and delicate process.

Stupid People can combine instantly into a *super-stupid group or mass*, while **Intelligent People** are effective as a group only when they know each other well, are experienced in working together and share common targets/direction and operational methods.

The creation of well-tuned groups of people sharing intelligence can generate fairly *powerful anti-stupidity forces*, but (unlike stupidity bundling) they need organized planning and upkeep...

...and can lose a large part of their effectiveness by the infiltration of stupid people or unexpected bursts of stupidity in otherwise intelligent people...

Communities, Organizations and Enterprises with a highly-distributed intelligence factor are likely to have greater opportunities for long-term survival... ..but for this to be effective we must avoid the potentially devastating short term impact of shared stupidity, which (unfortunately) can cause major damage to large numbers of non-stupid people before it self-destructs...

Another dangerous element in the equation is that the **Machinery of Power** tends to place at the top of the pyramid people who care more about their own advantage (and the interests of restricted groups) than about the well-being of everyone else - and they, in turn, tend to favour and protect Stupidity and keep true Intelligence out of their way as much as they can.

While the power of Stupidity is insidious and dangerous in all its ways, even more harm is caused by the Stupidity of Power.

STUPIDITY AND ITS ALLIES

A list of allies, friends and relatives of Stupidity would be very long. Obviously these attitudes and behaviours combine with each other (and with Stupidity) in countless ways. The effect tends to multiply rather than just add.

Three very relevant allies of Stupidity are: **Ignorance, Fear and Habit.**

There seems to be a mutual attraction. Fear can be bred by Ignorance - and vice versa. Habit is often the nourishment (or the excuse) for Ignorance and Stupidity. It isn't unusual for all four to join forces. And it's quite obvious that they all can be (deliberately or not) exploited by whoever has the leverage to do so (**Power**), but also other people can gain an advantage from someone else's Ignorance, Fear, Habit (and even **Haste**).

There is no direct and linear connection between **Ignorance** and **Stupidity**. But when they combine and interact the result can be awful. Of course not all Ignorant People are Stupid and not all Stupid People are Ignorant.

It's a common mistake to confuse Stupidity with Ignorance - they are very different.

And so are **Intelligence** and **Knowledge**.

There can be very stupid people with lots of "notions" as there can be poorly informed, or scarcely educated, people with a high level of effective intelligence.

One of the worst forms of Ignorance is the "*assumption of knowledge*".

The more I know, the more I know that I don't know.
[Socrates]

As in the case of Stupidity, things get worse when these attitudes (Ignorance, Fear, Habit) are shared. Ignorance spreads faster than Knowledge.

Prejudice and misinformation, as well as ridiculous nonsense, are often taken as "true" just because they are widely repeated.

Fear becomes catastrophic when it's shared by a "mass": large numbers of people in a frenzy of fear (or anger) can be extremely dangerous.

Social or group Habits often become mindless obedience, mental slavery, with results ranging from boring monotony to harmful behaviour or serious crime.

There are many other unpleasant "friends" of Stupidity and Ignorance: Arrogance, Presumption, Egotism, Selfishness, Envy, Carelessness, Servility, Imitation, Gossip, Prejudice, Meanness, Unwillingness to listen and to understand... etcetera... lurking almost everywhere in human behaviour and communication.

When we find ways of being a bit less Ignorant, less Scared, less conditioned by Habit, and more Curious, we have a better chance of being less Stupid - and thus more helpful to other people, as well as more comfortable with ourselves.

***I keep six honest serving-men,
they taught me all I knew.
Their names are What and Why and When,
and How and Where and Who.***
[Rudyard Kipling]

STUPIDITY AND LEAN MANAGEMENT

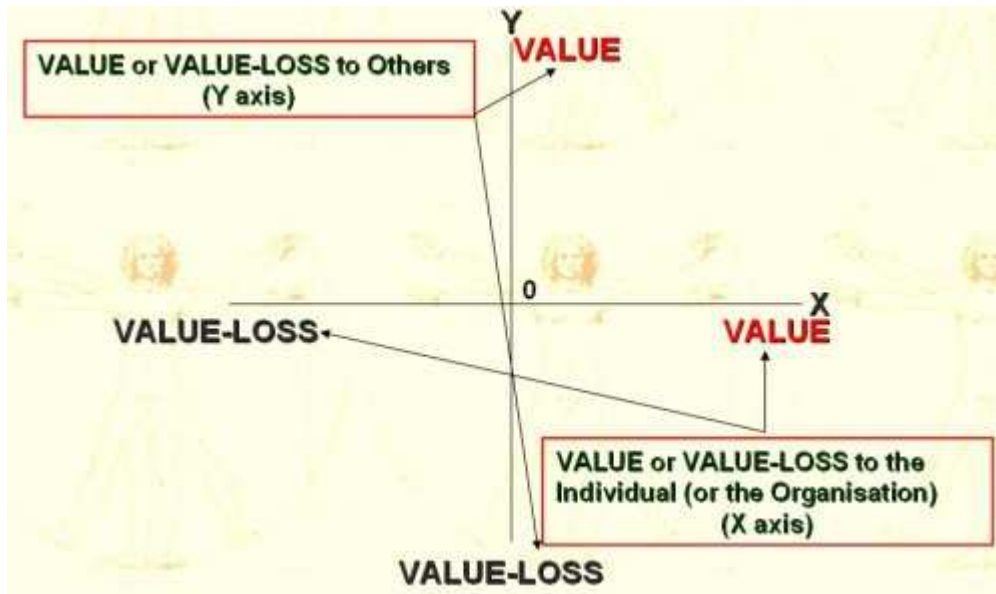
(Fully developed by Carlo Scodanibbio)

Core Concepts and Targets:

- **Value.** Maximise Core and Support Processes' output Value
- **Waste.** While simultaneously eliminating or reducing Processing Waste

Human Stupidity does represent a major obstacle in the achievement of the main **Lean targets**.

Converting the Stupidology Graph (ex Third Basic Law), into a **Lean Stupidology Graph**:



In this graph, besides an individual's action, we now consider also a "corporate" action (at Organisation's management level).

Instead of a "generic" Loss, we now consider a **VALUE-LOSS** (which may also be pure **WASTE**).

The consequences of an individual's or a corporate action/s may be plotted on the **Lean Stupidity Graph** thus classifying the **4 main behaviours** (of an Organisation or of individuals in an Organisation):



Some **remarks**:

- **VALUE** and **WASTE** are as typically defined by Lean principles.

- **VALUE-LOSS** means either: insufficient or decreased VALUE (to the Customer and/or the Organisation) consequent to any form of non-lean processing.
Typical examples: inadequately engineered product/service - unclear definition of requirements - non-timely responses - and the like.

- In the **Intelligent (LEAN)** Quadrant fall Lean actions and initiatives (targeting at maximising Value to Customers - and to the Organisation through waste reduction) both at individual and corporate level. This applies both to "Traditional" and "Lean" Organisations. It includes all typical Lean Management initiatives.

Interesting to note that also "Traditional" Organisations may behave in an Intelligent, Lean fashion, when they are strongly customer-oriented and customer-focused, and simultaneously try to get organised in an efficient-as-possible way.

Although the overall results are far from being "lean" (with regard to reduction of "traditional waste"), still the overall corporate approach falls in the INTELLIGENT quadrant.

- Initiatives targeting at "own" VALUE with simultaneous VALUE-LOSS for the Customer, or the Organisation (or both), fall in the **Bandit** Quadrant. These actions may be taken at Individual or Corporate level.

Individual initiatives include, for example: employees robbing or pilfering - intentional sabotage for own scope - employees cheating customers for own benefit - etc.

Corporate initiatives' examples: cheating or defrauding customers ("Shark's" behaviour) - malicious gossip about Competitors - etc.

- **HELPLESS** initiatives are well likely to take place both at Individual or Corporate level (in both "Traditional" and Lean Organisations).

In practice they result in VALUE-LOSS for the Organisation and benefit for other Stakeholders.

Individual initiatives include, for example: misinterpreting terms and conditions of Clients and Suppliers - granting special concessions for no reason - managers unable to get collaborators to be productive - etc.

Corporate initiatives' examples: making excessive concessions, promises, etc. to clients - selecting unintentionally unreliable or cheating suppliers - granting excessive discounts by mistake - etc.

Closer to the Intelligence side, Helpless initiatives may be undertaken for promotional/marketing reasons (such as entering a manufacturing contract with a special discount in order to capture a new client).

- **STUPID** initiatives happen systematically and regularly both at Individual or Corporate level (in both "Traditional" and Lean Organisations).

Such initiatives may go un-recognised and un-detected (most likely), and only few of them - in hindsight - will surface and reveal their detrimental impact. All features of Stupidity apply.

Stupid initiatives generate **WASTE, VALUE-LOSS** or both: internally and/or externally - immediately or with a delay - with consequences that are generally overlooked, under-estimated or ignored...

MAIN ITEMS OF STUPIDITY IN "TRADITIONAL" ORGANISATIONS

An interesting, shocking, initial observation is that all main items of **WASTE** - as well Illustrated by Lean Management - are somehow caused, directly or indirectly, by sheer Stupidity and/or by its Allies.

In traditional Organisations, **WASTE** exists, persists and proliferates because:

- **IGNORANCE:** of Lean Methods and their potential
- Management **ARROGANCE:** "...we know too well how things must be organised..."
- **HABIT:** "...we've been doing so well, so long in this way..."
- **FEAR:** of changing, of trying and testing new avenues, of making mistakes...
- Desperate need to **CONTROL** (a by-product of **POWER**...)

In traditional Organisations, **VALUE-LOSS** materialises as:

- **MISSED PROFITS:** consequent to poor overall processing Productivity
- **Missed OPPORTUNITIES:** consequent to lack of magnification of VALUE to Customers - and of unexploited internal, Human potential
- **Missed COMPETITIVENESS:** consequent to inadequate, output VALUE components (Time, Quality, Service...)
- Excessive **COSTS:** associated with Bureaucracy - Control - mis-management - paleo-management - elephant-type structure - hastily decisions in boom times - hastily, wrong decisions in recessive times...

What is this, if not pure Stupidity, with all its Allies and Relatives in action?

MAIN ITEMS OF STUPIDITY IN LEANER ORGANISATIONS

Unfortunately, Organisations "leaner" than "traditional" ones or gradually moving to leaner status are not exempt from the plague of Stupidity.

To begin with, phenomena of **WASTE** and **VALUE-LOSS** are still present, even if some strong actions to reduce / eliminate them are being undertaken.

BUT: this is not stupid at all! A very substantial difference is that, in a Leaner Organisation, Waste and Value-Loss awareness is much greater than in a traditional Organisation. Moreover, Intelligent, Lean initiatives are being taken!

However, while advancing in the Lean road, novel, never-seen-before items of Stupidity may surface!

- **RESISTANCE** and **RELUCTANCE** to begin with! The "old" DNA is still alive and kicking, and may show up at the most unlikely and inconvenient time up with a novel, unseen before, disguise (especially with regard to "traditional" managers).

- Even the most convinced and lean-fanatic Top Managers are not exempt from stupid initiatives during a Lean Transition!

- Likewise, key employees will reveal their "never-seen-before" Resistance/Reluctance - in spite of their fully declared love for Lean practices - by coming up with the entire dictionary of excuses ("*I forgot*" - "*I had no time*" - "*I was too busy*" - "*I thought it was not up to me*" - "*I got no instruction in this regard*" - etc.).

Therefore, the Leaner Organisation now faces a new challenge. Besides fighting hard to introduce Lean methods, a new, major task is assigned to top Lean drivers: "**identify the Stupid Persons in the Organisation and take actions to counterbalance or mitigate their destructive force**".

While assuming that in an Organisation going Lean there are remarkable clusters of built-up Intelligence (active and involved **Lean Project Teams**) it is a fact that a fraction "sigma" of Stupid Persons still exists and acts within the Organisation, ready to strike at the most unpredictable time.

SOME HINTS & TIPS TO FIGHT STUPIDITY (LEANER COMPANIES)

- Identify **STUPID BANDITS**, if any, and get rid of them as fast as possible
- **INTELLIGENT BANDITS**, with overtones of Intelligence, may instead be very valid Personnel, especially in Sales, Marketing, PR, etc.
- Identify **HELPLESS** People and classify them. H1 persons (closer to the Intelligent quadrant) can be made grow through dedicated training. H2 persons (closer to the Stupid quadrant) constitute a big question mark...
- Identify **STUPID** Persons (by observing their behaviour with great attention) - classify them. Most probably, in a modern, Leaner Organisation, there will be neither Super-Stupid Persons nor predominant-Stupid Persons. There will rather be some Helpless Persons with overtones of Stupidity, as well as many Intelligent People with "frequent" or "substantial" overflows of Stupidity. The issue is how "frequent" (recurring) and how "substantial" (intensity) are these episodes of Stupidity!
- Pay great attention to any **Bureaucrat's approach!** Most probably, behind a Bureaucrat, there is an overtone of Stupidity (acting frequently and systematically).
- Pay great attention to any excessive or intensive **CONTROL**-driven approach. What sits behind it is probably a Paleo-Manager mentality (maybe associated with some tendency to Bureaucracy and/or - even worse - some inclination to POWER or Autocracy): anyhow, some Stupidity is present.
- Pay great attention to "**failures**" of any sort, analysing them systematically with the *5Why* tool. High % of similar failures are probably caused by some stupid action hidden behind complex processes.
- Investigate closely any recurring episodes of "**missed deadlines**" (the classic excuse being "*because too busy*"). Here there is a signal of non-intelligence (since skipping deadlines is originated by inadequate planning). So, if it is not "sabotage", it's stupidity in action.

- A **Lean Project Team** represents an "**INTELLIGENCE-CLUSTER**". Build up as many of them as possible (Teams and sub- Teams) and request performance in the form of Lean Improvements. Built-up Intelligence is the best antidote to Stupidity!
- Likewise, stimulate **Creative Thinking** company-wide. Stir-up troubles, intentionally if necessary, and provoke thinking. People busy thinking creatively have less time to fall into Stupidity traps!
- Pay great attention to "non-listeners" or "excessive-talkers": because behind it...
- Stimulate **Curiosity**, and create a "**Learning**" environment. Observe: who falls behind?
- Cut "**Complexity**" to its roots and beneath, and request exasperate "**Simplicity**" at all times. Observe: who falls behind?
- **INTELLIGENT MISTAKES MANAGEMENT!!** The Lean road is full of mistakes, of trial-and-error initiatives, and possibly of some failed Pilot Projects. THIS MAY HAPPEN... What is vital, is to learn from Mistakes of any sort and magnitude. Actually, making some deliberate mistake through a "CONTROLLED-RISK" approach (Controlled Risk = the risk associated with the consequences of a failure cannot be greater than...) is a LEAN behaviour!
- Be extremely careful when entering into agreements or anyhow associating with Stupid Employees of your Clients or your Suppliers. Traditional Organisations may have a massive amount of Stupid Employees (according to the STUPIDITY OF POWER Corollaries): dealing with them may prove nefarious!
- Under this angle of view, it might be wise to conduct a "**stupidology analysis**" of key representatives of your service providers, clients, suppliers, associates, etc.
- Last (actually: first), if you are a Manager or a Top Manager, please do some regular "**stupidology analysis**" of your own actions, decisions and initiatives. Knowing your own stupid behaviours may represent the starting point of fighting more effectively any form of Stupidity within your Organisation...

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