Factors promoting value creation in lean management within public social and healthcare organisation

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Abstract: Several public social and healthcare organisations have adopted Lean to address operational challenges. It is implemented in many ways, but to achieve good results, the culture should be transformed comprehensively. The organisation should understand what creates value and design service processes accordingly. In this study, value is understood as a positive change in well-being, which can occur at the individual, organisational, or societal level. This article is based on qualitative research, where interview data was collected from Lean-trained social and healthcare managers working in a public organisation aiming for a comprehensive Lean cultural change. The purpose of the study is to explore managers' views on value creation in Lean management. The results indicate that achieving customer value requires the creation of internal value within the organisation, and that a genuine cultural transformation necessitates management changes at both the organisational and individual levels.

Keywords: lean management; lean development; lean culture change; value creation; public organisation; healthcare; social services; Finland.

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1   Introduction

Lean is an innovative management approach and one of the current best practices in the field (Ballé and Jones, 2017; Toussaint and Berry, 2013), which has yielded positive outcomes in public healthcare organisations. It has led to improvements in the quality of care and well-being of staff, streamlined processes, established structures, eliminated waste, optimised space utilisation, and reduced both inventory and costs (Romano et al., 2024; Harolds, 2023a; Ballé et al., 2019; Salam and Khan, 2016; Toussaint and Berry, 2013). However, only a few organisations achieve comprehensive improvements (Reponen et al., 2023), and some of the good results can be seen merely as corrective actions for initially poorly designed processes that do not generate real value. Such superficial improvements leave behind dysfunctional processes, adding no value (Radnor and Osborne, 2013).

To achieve favourable outcomes through Lean management, an organisation should prepare for a comprehensive cultural shift (Radnor and Osborne, 2013; Scherrer-Rathje et al., 2009). Managers embracing a comprehensive Lean mindset have the potential to instigate significant and enduring operational changes (Ballé et al., 2019), whereas managers using Lean merely as a supplement to traditional management may only achieve short-term improvements without fostering a lasting cultural transformation. A crucial aspect of comprehensive management is also understanding the emotional experiences of individuals and the need for psychological support, as emotions profoundly influence processes (Taylor et al., 2021). As the sense of psychological safety is strengthened, the organisation's capacity to implement Lean principles effectively increases (Fenner et al., 2023).

Implementing cultural change is challenging, and organisations do not always succeed in it (Radnor and Osborne, 2013; Scherrer-Rathje et al., 2009). Instead of pursuing a culture change, organisations attempt to replicate a successful Lean organisation (Ballé et al., 2017) and introduce tools without a comprehensive understanding of Lean principles and the context in which it operates. Disregarding the respect for individuals is also a significant factor leading to failures (Ljungblom and Lennerfors, 2021; Van Dyk et al., 2019; Ballé et al., 2019; Lander and Liker, 2007). The focus of Lean development in public services has often been solely on internal customers and efficiency, neglecting external customers. Lean can fully realise its benefits in public services only when the end-user is recognised as the primary beneficiary of the service culture change and actively participates in its implementation. To succeed in Lean cultural change, public organisations increasingly require co-creation with end-users, defining value from their perspective (Saleeshya and Harikumar, 2022; McAdam et al., 2022; Radnor and Osborne, 2013).

The concept of value is multifaceted and challenging to define, widely discussed in various disciplines like moral philosophy and ethics (Ng and Smith, 2012). Research has aimed to understand, define, and classify values from different perspectives (Ng and Smith, 2012; Van der Wal and Huberts, 2008; Van Gestel et al., 2008; Jørgensen and Bozeman, 2007; Bowman and Ambrosini, 2000). Defining customer value is also challenging because the experience of value is subjective and tied to customer needs (Efe and Efe, 2016). Defining and prioritising customer value in accordance with Lean principles requires solving strategic problems and adopting a customer-centric approach to management processes (Ballé and Jones, 2017). In this study, value is understood as a

positive change in well-being that can occur at individual, organisational, or societal levels (Cui and Aulton, 2023).

Public organisations provide services intended to create value for citizens. However, processes may, in reality, contain significant waste [Liker, (2021), Principle 2], challenging the assumption of value creation in services. Critical perspectives reveal that public services can produce unwanted outcomes, such as value failure or destruction (Liljeroos-Cork and Luhtala, 2024; Eriksson et al., 2023; Parker et al., 2023; Dudau et al., 2019; Järvi et al., 2018), and poorly designed processes can potentially deteriorate the quality of life for service users (Cui and Osborne, 2023). Lean management can eliminate waste and streamline processes [Womack and Jones, (2003), pp.23–24], but without user-centred design, processes may still fail to meet user needs (Radnor and Osborne, 2013). Thinking in terms of public service logic offers a counterbalance to traditional pursuit of efficiency, emphasising individual needs and value experiences (Skarli, 2023; Alford, 2016). Together with Lean management, these approaches can create a comprehensive organisational culture that constantly strives to improve and deliver user-centred services (Osborne et al., 2021a; Grönroos, 2012).

Lean implementation in healthcare varies greatly between organisations. Its impacts have been studied, but the research is partly of low quality and the results are conflicting. (Reponen and Torkki, 2022) Lean is said to be one of the best management practices and an effective way to improve processes and increase their value. However, further research on the application of Lean methodologies in healthcare is needed within the academic community to strengthen the associated theory (Antony et al., 2019). Successfully implementing it requires a comprehensive cultural change and a shift in leadership models towards coaching leadership. Implementing a comprehensive cultural change is not simple, nor is defining and enhancing value, as the experience of value is subjective and varies among individuals. Partly for this reason, the research on Lean is weak because the organisations under study are still immature in implementing comprehensive Lean cultural change (Reponen and Torkki, 2022). Public organisations aim to deliver value to citizens, and Lean can assist in this endeavour. To achieve true success, organisations should comprehensively understand Lean and integrate participants, end users, and partners in the cultural change to maximise value creation. What, then, are the practical considerations for Lean management? To answer this question and gain a deeper understanding of successful Lean cultural change management, we need more research to support Lean management (Poksinska et al., 2017; Radnor and Osborne, 2013). We also need more information on how changes in internal processes of public organisations affect service end users, i.e., customers, and their perceived value (Radnor and Osborne, 2013). Additionally, further research is required on the impacts of Lean cultural change on people's emotions (Taylor et al., 2021).

This article is based on qualitative research, with interview data (n = 15) collected from social and healthcare managers trained in Lean. The purpose of the study is to explore managers' views on factors influencing value creation in Lean management within a public social and healthcare organisation undergoing a comprehensive cultural shift. The research question is: What factors promote value creation in Lean management of public social and healthcare services? The study enhances the understanding of the organisational environment necessary for implementing Lean management and identifies the factors that public sector Lean management should emphasise to maximise value, such as well-being.

This research contributes to management theory by emphasising customer value and co-creation as central goals of Lean management, as internal or external value alone does not have added value (McAdam et al., 2022; Radnor and Osborne, 2013). It provides insights into Lean practices within the public social and healthcare sectors, focusing on internal value creation as crucial for achieving customer value. The article highlights the need for comprehensive leadership changes at both the organisational and individual levels to foster genuine cultural transformation.

The article is structured as follows: first, data collection and analysis are addressed, followed by a focus on the background. Thirdly, the study results are presented, and fourthly, conclusions are drawn.

2   Research methods

2.1   Data collection

This study is a qualitative research project, with data collected through thematic interviews from individuals working in managerial positions within the public social and healthcare services, who have participated in Lean management training ($n = 15$) at the Central Uusimaa Joint Municipal Authority in Finland in 2020. The interviewees held various levels of managerial positions within the organisation, ranging from frontline supervisors to coordinating managers and directors. The objective of qualitative research is to deeply understand the phenomenon under study, and the goal of this study is to generate new knowledge about the perspectives of social and healthcare managers on value creation in Lean management. Interviews were selected as the data collection method because they are an effective way to obtain information about individuals' views, attitudes, values, and personal experiences related to the subject under investigation [Saldana et al., (2011), pp.4–33].

All managers who participated in the Lean training were informed in writing about the opportunity to participate in the interviews during the training, and volunteers were asked to contact the interviewer. Volunteers registered for the interviews via email, and interviewees were selected based on the order of registration. The identities of the interviewees are known only to the interviewer. The interviews were conducted via Teams due to the COVID-19 pandemic. Each interview lasted approximately 60 minutes.

The research question was: what factors promote value creation in Lean management within public social and healthcare services? The overarching theme was factors promoting value creation in Lean management within public social and healthcare services, and sub-themes were derived from the managers' A3 development work. The interviewees were asked about their views on factors promoting value creation at different stages of continuous improvement [plan-do-check-act (PDCA)] from a management perspective. The interviewer allowed the interviewees to freely and broadly analyse their own perspectives, enabling new insights to emerge. The interviewer ensured that the interviewee addressed all sub-themes during the interview and asked clarifying questions when necessary. These clarifying questions included prompts such as 'What do you mean by this?' and 'Can you elaborate on this?'

2.2 Data analysis

The files were transcribed, and the content was analysed using inductive content analysis. Inductive content analysis was chosen to emphasise openness and flexibility and to allow the data to produce new perspectives and a deeper understanding of value creation in Lean management [Saldana et al., (2011), pp.93–95]. The content analysis of the transcribed data began as soon as the interviews commenced and continued until the point of data saturation was reached. The data were reviewed multiple times, and codes corresponding to the research question were extracted. Atlas.ti software was used for coding. Through coding, themes were eventually defined and named based on the data. These themes allowed for the definition of the theoretical framework and the generation of research results.

The interviews, transcription, and data analysis were conducted in Finnish. The results were later translated into English. Filler words have been omitted from the interview quotes without altering the substance of the content.

2.3 Limitations

The limitation of this study is the small sample size. The data were collected from a limited number of Lean-trained social and healthcare managers and from a single organisation, which may affect the generalisability of the findings. However, despite the small sample size and the focus on a single organisation, the study provides an opportunity to explore and analyse the value generated by Lean management in an organisation aiming to comprehensively transform its operational culture. The study also covers a broader spectrum of public services, as the data were collected from managers in both health and social services.

3 Background

3.1 Lean management

The fundamental principles of Lean include creating value in processes, identifying value streams, establishing flow and pull in processes, and fostering a culture of continuous improvement within the organisation [Womack and Jones, (2003), pp.21–229]. Respect for people is a core value, which means respecting all individuals, including customers, employees, and business partners [Liker, (2021), Principle 10]. However, Lean is not about individual elements but rather the sum of these elements, representing a comprehensive cultural change that requires commitment from top management (Kessy et al., 2023; Van Rossum et al., 2016; Poksinska et al., 2013; Liker and Morgan, 2006). This change transforms the entire way the organisation operates. It is a management philosophy and a people-centric strategy that requires transforming roles so that managers become mentors and coaches, enabling employees engaged in customer work to develop in their roles and improve the organisation's processes (Ballé et al., 2019; Ballé and Jones, 2017; Toussaint and Berry, 2013). Lean management also involves building an environment of mutual trust [Liker, (2021), Appendix] and shifting the management culture from managing tasks to leading people and processes (Poksinska et al., 2013).

The continuous improvement model, PDCA, is based on the concept introduced by Walter A. Shewhart in 1939, which was later developed by Edward Deming into Deming's cycle and in the 1950s by the Japanese into the PDCA model, known as a central ideology for continuous improvement in Lean. (Johnson, 2016) The goal of PDCA is to enhance organisational learning and make improvement work a continuous, knowledge-based activity. In the Plan phase, an assumption is made, which is implemented in the Do phase. In the Check phase, data is generated from the implemented experiment, and in the final phase (Act), experiments are evaluated based on the information obtained, conclusions are drawn, and necessary operational changes are made. Development and improvement are based on knowledge, rather than assumptions, and are continuous, meaning that from the Act phase, one move back to the Plan phase again [Liker, (2021), Principle 12.10]. The A3 is a problem-solving tool used by Toyota aimed at continuous learning and improvement, based on the PDCA cycle (Schwagerman and Ulmer, 2013). The A3 has also proven to be effective in improving healthcare processes. At best, it can prevent management from wasting resources such as money or time unnecessarily and help employees working in processes to think beyond team boundaries towards customer-centric thinking (Ghosh, 2012). It is a structured and engaging way to implement PDCA so that short-term problem-solving leads to genuine problem-solving, avoiding the need to repeatedly solve the same problems at regular intervals. The use of A3 aims to solve process problems and learn by identifying root causes and conducting measured experiments towards set goals (Harolds, 2023b).

Respect for people enhances physical and psychological safety and the opportunity to develop one's work and grow as an employee. Respect is fostered through management and is also key to the development of management itself (Ballé et al., 2015). A Lean manager continuously strives for new learning (Ballé and Jones, 2017) and creates an environment where everyone can develop, challenging employees to take responsibility for process problems with minimal support from supervisors (Ballé et al., 2019).

While Lean originated in the manufacturing sector, its philosophy has spread to the service sectors and can be utilised on the path of continuous improvement and positive learning in all types of organisations and fields (Antony et al., 2019; Radnor, 2010; Lander and Liker, 2007). In social and healthcare services, Lean thinking emphasises continuous improvement, adding value for customers, respecting people, and effectively utilising resources. The goals often include controlling costs, improving quality, and enhancing existing care practices (Maijala et al., 2020).

Lean management is thus a comprehensive and human-centred way of operating and being, applicable across all types of organisations in various sectors. It shifts leadership towards a coaching direction and seeks to enhance the competence of different stakeholders. Continuous improvement is an essential part of Lean management, aiming to address process issues based on information.

3.2   *Lean as a promoter of well-being*

The goal of Lean is, in addition to learning, to create value for the customer and society [Liker, (2021), Principle 2], and defining this value precisely and customer-centrically is one of the first steps in Lean thinking. Value is inherently a difficult and contested concept with many different meanings and connotations. It has been addressed for over 2000 years in moral philosophy and ethics, considering what is good or bad, right or wrong, and what their societal impacts are (Vakkuri and Johanson, 2020; Ng and Smith,

2012; Van der Wal and Huberts, 2008). Researchers across various disciplines have attempted to understand, define, identify, classify, and measure values. Efforts have been made to define values as either public or private (Van der Wal et al., 2008; Van der Wal and Huberts, 2008; Jørgensen and Bozeman, 2007), categorise values into different categories (Ng and Smith, 2012; Bowman and Ambrosini, 2000), or find the placement of values (Van Gestel et al., 2008). In this study, value is understood as a positive change in well-being that occurs at the individual, organisational, or societal level (Cui and Aulton, 2023).

Another difficult-to-understand concept is the customer value. Defining customer value is challenging because the experience of value is subjective (Efe and Efe, 2016). Only the customer can define value, and value becomes meaningful only when it meets the customer's need. Even good service is waste if it does not meet the customer's needs, i.e., if it does not enhance the customer's well-being. In public services, the customer is often understood as the end user of the service, but from a more systemic perspective, the customer can be any party benefiting from an interaction. This perspective focuses more on the relationships between actors at different levels of the system (Chandler and Vargo, 2011). Thus, it could be, for example, a supervisor-employee, service provider-service user, or public service-citizen relationship, where value is created through interaction or resource exchange. Prioritising the customer, in accordance with Lean principles, is a management process aimed at solving strategic problems (Ballé and Jones, 2017).

The implementation of Lean can change the work of employees and increase responsibility for the development and management of daily work. Generally, increased responsibility and autonomy are perceived as empowering and value-adding for employees (Drotz and Poksinska, 2014). However, changes in work can also cause doubts and resistance among employees. Even in negative attitudes, positive changes can be recognised when employees' skills are utilised, and good results are achieved in development work. Improvements achieved through Lean have been found to have a positive impact on job satisfaction, work atmosphere (Damián Sanz et al., 2019; Ulhassan et al., 2014), team spirit, communication, and organisational culture (Lima et al., 2021). Successful Lean implementation requires close collaboration between different professional groups, which, when realised, reduces the perceived hierarchy among employees. A key task of a closely collaborating team is to identify value streams and continuously improve operations, shifting professionals' focus from themselves to their customers. Teamwork, inclusion, and focusing on value streams increase job satisfaction, strengthen skills, and improve organisational performance (Drotz and Poksinska, 2014). Conversely, unsuccessful Lean implementation can, at worst, even deteriorate employees' well-being (Ulhassan et al., 2014). There is a clear link between job satisfaction and customer satisfaction, with both benefiting each other. Employees' commitment to work and job satisfaction are tied to customer satisfaction, and when customer satisfaction increases, so does employees' job satisfaction. Therefore, employees' job satisfaction should also be a goal when implementing Lean methods (Hwang et al., 2014).

Lean's goal is also to increase value, which in this study is defined as an improvement in well-being. Defining value is not easy, as each individual experiences value in their own personal way. Successes and positive results achieved through Lean enhance the perception of value for both employees and customers, and these two are clearly interrelated.

3.3   Value-creating public service

From a Lean perspective, value is created by the service provider, which, from the customer's viewpoint, exists precisely to generate this value [Womack and Jones, (2003), pp.24–31]. Osborne (2021) and Grönroos (2019) emphasise that public sector organisations should understand what creates value for service users and design the service process accordingly. Additionally, they should continuously gather feedback on how citizens respond to opportunities for improvement through action and change (Voorberg et al., 2015). Public service logic posits that the primary task of public service organisations is to organise service provision in a way that enhances or assists the citizen's and service user's ability and participation in improving the service – thereby creating value and well-being in their lives (Virtanen and Jalonen, 2024; Cui and Aulton, 2023; Grönroos, 2019; Osborne, 2018). Public service logic thinking, which has emerged over the past decade, was developed in response to the shortcomings of public management theory, particularly as a reaction to the new public management (NPM) approach, which emphasised efficiency through centralised results, performance control, and outsourcing (Skarli, 2023; Alford, 2016). Womack and Jones (2003, pp.24–31) assert that there should always be dialogue between the service provider and the customer in Lean development to ensure the recognition and creation of value. However, this is not always the case, as value in public sector operations is often defined from the service provider's perspective (McAdam et al., 2022).

Work that requires resources but does not create value for the end user is waste. Processes always contain waste, and typically, a significant portion of a process is waste [Liker, (2021), Principle 2]. Thus, the assumption that all services provided by public organisations generate positive value is distorted. Critical perspectives challenge this, emphasising the emergence of undesirable actions and outcomes in the value creation process (Liljeroos-Cork and Luhtala, 2024; Eriksson et al., 2023; Parker et al., 2023; Dudau et al., 2019; Järvi et al., 2018). These undesirable outcomes are referred to in the literature by terms such as value failure (Bozeman, 2002), value loss (Hartley et al., 2019), value destruction (Koolma and van Dreven, 2019), value diminution (Benington, 2011), value displacement, displacement (Hartley et al., 2019), and disvalue (Cluley et al., 2021; Esposito and Ricci, 2015). Poorly designed or delivered public services can, at worst, even worsen the lives of service users (Cui and Osborne, 2023). Typical forms of waste include overproduction, inventories, waiting, unnecessary movement, transportation, rework, and over-processing. In public service production, value has been found to be destroyed in situations where the service provider is unable to deliver the service, errors occur in service production, the service provider lacks bureaucratic skills, or the service production suffers from a lack of transparency (Engen et al., 2021). In a more complex environment, such as a social and healthcare ecosystem, value has been found to be co-destructed through misintegration of resources (Liljeroos-Cork and Luhtala, 2024).

Lean can help eliminate waste and accomplish more in less time with fewer resources, simultaneously increasing the proportion of value in processes [Womack and Jones, (2003), pp.23–24]. However, when waste is eliminated from poorly designed processes, the problem often persists, and processes do not meet customers' needs despite waste removal (Radnor and Osborne, 2013). Therefore, management should acquire information about the target group's goals early in the process (Osborne et al., 2021b). It is also essential to use frontline workers' knowledge about the needs for developing the

organisation's processes, routines, and skills. Furthermore, street-level bureaucrats need discretionary room and enabling structures to be able to best serve the customers (Visser, 2024). Preparatory work and continuous feedback from both service users and frontline employees are crucial to avoid value destruction (Osborne et al., 2021c; Grönroos, 2019; 2012).

The goal of a public organisation is to deliver services that create value for its customers and furthermore, create public value in the form of delivering legitimate service, achieving social outcomes and maintaining trust and legitimacy (Virtanen and Jalonen, 2024). However, processes always contain waste, and sometimes poor service can even reduce the customer's perceived well-being. Lean can help reduce the waste in processes while simultaneously increasing the value provided by the service. The problem, however, is that organisations often focus solely on internal value, neglecting customer value. Public service logic can support Lean in this regard by placing customer value back at the centre of development efforts and strengthening the involvement of various stakeholders.

4   Result

The findings of the study suggest that a sense of safety, inclusiveness, and success (hereafter referred to as the SIS-model) contribute to value creation in Lean management within public healthcare organisations from both the employees' and end-users' perspectives. Achieving a sense of safety strengthens inclusivity, which, in turn, enhances the organisation's chances of success. When all three elements safety, inclusiveness, and success are realised, employees feel satisfied with their work, and customers benefit from better services.

4.1   A sense of security

The sense of security promotes the creation of value in Lean management and is a cornerstone of continuous improvement, arising from organisational structures that enable Lean development, clear operational goals, experimentation, and data-driven Lean management.

4.1.1   Organisational structures enabling lean implementation

An organisation implementing Lean should have structures in place that facilitate the execution and management of Lean practices in daily operations as part of routine work. The organisational commitment to Lean should be communicated from the top management. Managers and employees within the organisation need to be aware of the organisation's goals related to Lean activities, and they should have the opportunity to receive training to meet these goals. Managers act as role models for Lean development and enable the strengthening of Lean competencies. As Lean competencies are strengthened, it becomes possible to find a common language and approach to implementing Lean development.

Figure 1   Lean SIS and PDCA cycles
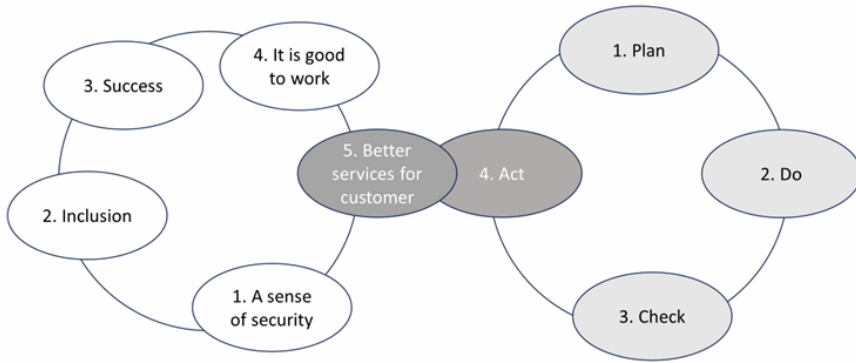
Successful Lean management requires structures and dedicated time. Regular short daily management meetings and longer development meetings provide opportunities to implement Lean management and development within routine work. Although Lean is part of everyday work, it does not happen automatically. Work teams should have the opportunity to discuss, solve problems, and make collective decisions during allocated time.

Individuals need to know that Lean development is permitted. In Lean development, professionals are considered the best experts in their own work and should be primarily responsible for developing their own tasks. Therefore, it is essential for employees to have a clear understanding of the level of decisions they can make independently.

> "Well, it's the foundation where such a culture can develop. It's the structure. Without structure and that foundation, it doesn't... It dies. The desire and will of individual people to do it dies if there isn't structure and support around their own activities."

4.1.2   Clear goals for operations

Clear, well-known goals are a prerequisite for implementing Lean development. When goals are clear, managers can commit to them and motivate employees to achieve them. Clear goals enhance the sense of security, as managers are assured that they are steering operations in the desired direction. Shared goals unify the efforts of managers, fostering a collective sense of direction. Visual management, such as daily management practices, makes goals visible to everyone and keeps them in constant focus.

Organisational-level goals need to be adapted to be applicable to daily work at different levels of operations, so they become part of everyday management and activities. Strategic goals may not directly apply to all operational levels as they are. In such cases, it is necessary to consider how to articulate the goal at different levels of operation to enable layered management toward set objectives. Goals require accompanying metrics to identify the current state of operations relative to the set goals.

In Lean development, the goal, or 'North Star', is often set high. Such high goals can cause confusion, resistance, and anxiety among employees. Therefore, high goals should be broken down into smaller sub-goals. Sub-goals create a sense of progress in Lean development and make it feasible to achieve high objectives over time.

> "One could say that sufficient clarity at least provides me with a sense of security that I'm on the right path. It's a bit like driving in the right lane; you're less likely to collide with anyone, and no one should be coming toward you from the opposite direction."

4.1.3 Experimentation

Experimentation is a core component of Lean development, facilitated by managers. Employees, being experts in their work, and customers, as experts in the service, play crucial roles in experimentation. The goal of experimentation is to quickly and agilely achieve set objectives by testing and measuring new operational models.

Not all changes in experimentation will yield desired results, and failures are inevitable. For experimentation to be conducted safely, it should be embedded in the organisational structures and accepted as a standard practice. Commitment to a culture of experimentation allows for failure. Failures should be seen as learning experiences rather than setbacks.

> "From the top management, it has been communicated that this is allowed, and that experimentation and continuous improvement are organisational choices. The organisation's desire and expectation are clearly stated, that while performing one's own work, it is also developed, and that failed experiments are part of the process from which we learn things we otherwise wouldn't have learned."

4.1.4 Data-driven lean development

The sense of security is strengthened by Lean management that is based on data. Commitment to goals requires continuous measurement of operations, which in turn provides more information to support management. Change often encounters resistance. When change is justified with facts, it increases employees' sense of security. Data can be used to motivate employees to participate in development work and to reduce resistance to change. Data-driven Lean management focuses on addressing root causes of problems rather than just observable issues. Solving root causes requires facts, i.e., measured information about the current state of operations.

> "For example, with our resource boards, before, comments were like 'we have it so tough,' or 'we have it much harder than others.' But then, when you see what our situation is compared to others – how many nurses they have versus how many we have – then we can discuss the actual workload. It brings a shared understanding of the real state of affairs, rather than the loudest voice getting the most attention."

4.1.5 Customer perspective

Lean management should integrate customers into Lean development. Customers' insights are essential for operational development, often bringing new perspectives compared to employees. Integrating customers into development work is not a given. There should be organisational approval and agreed-upon practices for leveraging customer expertise.

Genuine organisational interest and respect for customers' views are prerequisites for involving customers in Lean development. On a secure platform, customers feel

confident to express their opinions, maximising the benefits of their participation. It takes time for customers to believe and trust that their opinions truly matter.

> "And they (customers) have said that being accepted, having your words mean something, and being allowed to be who you want without judgment – that social environment is the most important thing, undoubtedly."

By focusing on clear organisational structures, goal-setting, experimentation, data-driven management, and integrating the customer perspective, public healthcare organisations can create a culture of continuous improvement and secure high-value service delivery.

4.2   Inclusion

The sense of safety reinforces the inclusion of employees and customers in Lean development. The inclusion of employees and customers enables success in Lean development. Advancing inclusion requires a coaching approach from Lean management.

4.2.1   The manager leads lean development determinedly

Lean development requires regular and determined management towards the goals set for operations. Management should occur at all levels of the organisation. By their actions, managers demonstrate that Lean development is important and meaningful.

Managers genuinely care about their employees' work and development, regularly participating in development meetings and discussions. They are aware of how operations are developed and give their employees space to solve problems. They support their employees in development work and are ready to participate when needed.

> "But the understanding that through this Lean method and continuous improvement, we achieve top results when we do it. Determinedly, and it's demanding work, sleeves have to be rolled up. It's not just superficial management; it's really hard work, and it requires effort from the doers."

It is the manager's responsibility to ensure that Lean development is a daily part of everyday operations and progresses in the desired direction. If a manager recognises that Lean development is not progressing or is progressing contrary to the goals, they should take action. Inaction sends a message that development is not important.

4.2.2   Working together

All managers in the organisation are involved in leading Lean development. Managers play a crucial role as managers and enablers of development, while employees and customers act as developers of operations. In successful Lean development, different actors perceive inclusion as meaningful and want to contribute to improving operations.

Professionals are seen as the best experts in their own work, generating more and better ideas than if development work were done solely by managers. Managers are the right people to develop managerial work. Therefore, employees should have the opportunity to participate in improving operations. However, inclusion alone is not enough; expertise should also be utilised. When employees' opinions and ideas are genuinely heard and used as part of improving operations, their expertise can likely be utilised in the future to improve operations. If ideas are not utilised, employees' motivation for Lean development fades.

"Well, it starts from the team, and I see that the organisation around the team also has an impact, so that it becomes such that... Like the whole organisation blowing in the same direction, that we... As we have our strategy thoughts and others that we want to be the best, it comes from the whole... Not just from individual teams, but from the entire organisation. It's not an attitude of just doing this, but that we want to do the best together."

Lean development and management are at their best when implemented in all teams of the organisation, and there is active collaboration between teams. Cross-organisational collaboration is also significant from the perspective of improving customer processes. If Lean development is only implemented in some teams, the risk of sub-optimisation is real.

4.2.3   Customer perspective

Customers commit to Lean development when given the opportunity to do so and when they feel they are an important part of improving operations. Customer inclusion requires organisational willingness to utilise customer expertise and mutually agreed-upon action models for implementing cooperation.

"That the voices and experiences of those customers are genuinely, really heard, and they are involved in the planning, development, implementation, and evaluation of operations, so that... It's not just an annual customer feedback survey that is not reviewed, and it doesn't matter what's been said or told there."

Customer inclusion is strengthened when feedback is collected regularly, and the information obtained from feedback is utilised in improving services, thus reinforcing the understanding that customer inclusion affects improving operations. Organisations should try different ways suitable for customers to strengthen customer inclusion.

4.3   Success

Effective Lean management leads to success and adds value to both the organisation's employees and customers. A sense of safety at work and the opportunity to participate in Lean development enable successes, employee well-being, and better services for customers.

4.3.1   Good results

Success is particularly meaningful for the continuity of organisational Lean development when employees and customers have been included. Successes bring joy and reinforce the belief that improvement is possible and goals are achievable.

"Moreover, those moments of excellence and success, they bring motivation, and we know we're heading in the right direction, which in turn encourages further development."

Clear objectives enable the verification of success through metrics, and even small moments of success strengthen belief in the possibilities of Lean development. High goals are not always achieved quickly or in one attempt. Therefore, it's important to break down the goal into sub-goals, making achievement easier and faster.

> "For an individual, it somehow feels meaningful that at least some small
> progress is made – that small step."

The role of Lean management in success is significant. Managers play a crucial role in achieving a sense of safety and enabling inclusion. Successes should be highlighted within and outside the organisation. Good results and success motivate employees to participate in Lean development and reinforce the sense of achievement within a successful team. The role of the manager in highlighting successes is crucial.

4.3.2 Customer perspective

The role of customers in Lean development is important. Their perspective cannot be overlooked or replaced. Customers are the best experts on their own needs, and they benefit from successes in the form of better services.

> "On the other hand, when we see that those for whom we do this, our residents,
> benefit from it, it's good that we made efforts for this. Then there's gratitude
> from oneself and from others, and it's a holistic experience of success, which
> helps to persevere."

When customers have been included and the organisation achieves success through Lean development, highlighting success is important for increasing awareness. Successes increase enthusiasm and reinforce inclusion among customers as well.

5   Conclusions

The aim of this study was to investigate the viewpoints of managers in the social and healthcare sector regarding the factors influencing value creation in Lean management. The research question was: What factors promote value creation in Lean management of public social and healthcare services?

A core value of Lean is customer value, and the purpose of processes is to deliver maximum value to the customer [Liker, (2021), Principle 2]. According to Radnor and Osborne (2013), organisations should not focus solely on end-users and delivering end-user value, but rather on improving operations in collaboration with end-users. Safety and the environment have a significant impact on the success of an organisation's development work (Boutayeb et al., 2024), and additional benefits will follow when professionals focus on improving processes (Datt et al., 2024). Based on the results of this study, it can be stated that focusing solely on end-users does not lead to good outcomes. Well-being, which equates to value, depends on a sense of security, inclusion, and achieving success and good results. A successful Lean cultural shift begins by changing the organisation's operational models and structures, thereby enhancing employees' perceived value, particularly their sense of security. Experiencing security creates the conditions for leveraging the full potential of both employees and customers in co-developing services, ultimately leading to successes and creating customer value in the form of better services.

Security arises from organisational structures enabling Lean development, clear operational goals, experimentation, and knowledge-driven Lean development. Emotions are part of organisational psychological capital, and developing the emotional climate should be part of the organisational structure. When employees experience a range of

emotions in their work, their desire and courage to contribute fully increase, affecting their problem-solving ability. The most effective way to influence people's thinking and actions is to affect their emotions. While psychological safety alone is not sufficient, it is essential for peak performance [Rantanen, (2020), pp.181–188, pp.213–214]. Inclusion and collaboration foster creativity and sustainable growth (Ballé et al., 2015; Drotz and Poksinska, 2014). In a Lean organisation, everyone is needed to identify and solve process problems to create customer value (Toussaint and Berry, 2013). Professional expertise is fully utilised when shared with and applied for the customer's benefit (Radnor and Osborne, 2013). The involvement of managers, employees, and customers promotes Lean development success. Social and healthcare service managers view customers as essential partners in service development. Respecting and involving people are crucial aspects of successful Lean management (Kaur Paposa et al., 2023; Coetzee et al., 2019). Security and inclusion enable Lean development success and achieving good results. Successes motivate organisations to continue Lean development and customers to participate in co-development. Lean improvements enhance employee satisfaction and positively impact the work atmosphere (Damián Sanz et al., 2019; Ulhassan et al., 2014). Good results reinforce belief in goal achievement and inspire setting higher objectives (Toussaint, 2009).

Focusing solely on internal efficiency or customers does not yield sufficient results in public organisation Lean management. Internal processes should be developed and integrated with customer involvement to identify customer value and improve services according to their needs (Osborne et al., 2021c; Radnor and Osborne, 2013). Successful Lean management requires standardised organisational practices and structures, yet practical inclusion requires the presence and strong management of an individual manager. Success also requires will, commitment, and a great amount of work. The value created through successful Lean management benefits both customers and employees (Chandler and Vargo, 2011), and there is a clear connection between job satisfaction and customer satisfaction. Job satisfaction increases customer satisfaction and vice versa (Hwang et al., 2014).

The problem has been that Lean management has been implemented only partially, for example, by merely utilising tools and aiming for cost-efficiency and economic savings. A genuine Lean cultural change should be comprehensive and focus on increasing value (Korhonen et al., 2016). Public service logic can support Lean in a comprehensive cultural change by placing the service user's value and service co-creation back at the centre. Public service logic emphasises understanding value from an individual perspective and aims to co-create services that improve users' quality of life and well-being. By integrating these two approaches, an organisation can deliver services that are not only efficient and cost-effective but also deeply customer and employee-centric, and value-adding. Together, these approaches can shape the organisation's culture towards continuous improvement and customer-centric service. The core understanding is that value creation is an ongoing activity, carried out in collaboration with the service provider, the customer, and stakeholders. A public organisation should be ready to adapt to changing customer needs and continuous improvement of operations.

By combining the ideologies of Lean and the public service logic, along with the findings of this study, we propose that Lean management should be implemented by integrating SIS and PDCA cycles to maximise value and achieve comprehensive cultural change. Our study provides insights into the factors to consider in Lean management

within public organisations to maximise value creation and achieve successful cultural transformation. Successful Lean management improves organisational security and enhances inclusivity. By integrating these factors (SIS cycle) into the continuous improvement model (PDCA cycle), significant and sustainable successes can be achieved in terms of goal attainment, learning, employee well-being, and the delivery of better services.

Future research should include a larger sample to validate these results and provide a more comprehensive understanding of value creation in Lean management within public social and healthcare organisations. The use of the SIS model should also be tested and examined in various organisations and environments. Further research should also focus on how managers can enhance their skills in leading for security, inclusion, and success. Additionally, there is a need to explore customer perspectives in organisations implementing Lean management.

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