

What can Western companies learn from Ukraine's industry?

07 November 2023, 16:10

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How Ukrainian industry is adapting to war

At the ELEC2023 conference, Serhii Komberianov of the Lean Institute Ukraine shared some valuable insights derived from the transformation of the Ukrainian industry, catalysed by the war. What can Western companies learn from this process? We have summarised his key findings for you.

The Ukrainian economy has been profoundly disrupted by the Russian invasion. In its aftermath, a staggering 57% of companies were forced to halt their operations, and exports experienced a sharp 50% decline. Furthermore, the conflict results in the destruction of numerous factories, while Overall Equipment Effectiveness (OEE) analyses identify air raid sirens as the primary cause of production interruptions. In the face of these formidable challenges, Ukrainian companies have embarked on a journey of adaptation and resilience.

We have summarised five essential lessons from the Ukrainian industry's experience. It is remarkable how universally applicable these lessons are. They hold value, not only in times of crisis but remain equally valid for companies operating under more routine and everyday

circumstances.

Lesson 1: Small, decentralised teams outperform large organisations

Ukrainian companies have discovered that operating in smaller, decentralised teams is more effective than striving to thrive as a large enterprise. These teams are often structured around product families rather than specific processes, making the organisation more agile and better equipped to navigate a rapidly changing environment. It has also become clear that relocating such factories is a more manageable task.

Lesson 2: Small tasks and small goals prevail over ambitious objectives

Working with small tasks and small goals has proven to be more viable than pursuing grand visions. Large tasks and lofty goals can intimidate and immobilise people. Breaking down these objectives into smaller, more manageable components has shown its effectiveness in motivating people in challenging situations.

For instance, Ukraine has learned that when evacuating a village, it is more effective to provide step-by-step guidance to the population: start by gathering your belongings, then proceed to the nearest bus station, rather than issuing a direct evacuation order. This principle applies to companies as well. Consider the scenario of instructing employees to evacuate and relocate a threatened factory. Monumental tasks can overwhelm individuals, leading to procrastination.

This highlights the importance of breaking down your overarching corporate objectives and primary targets into smaller, achievable milestones for individuals. Each small goal achieved represents a minor victory and contributes to building a new, more productive working culture.

Lesson 3: Training Within Industry (TWI) strikes back

One of the most pressing challenges faced by the industry is the significant loss of experienced personnel. Approximately 20% of Ukraine's workforce is actively serving in the military, and a substantial number have fled the country, particularly women with children. Consequently, accelerating skill development has become imperative, and this was achieved through the implementation of the ‘Training Within Industry’ (TWI) programme. Originally developed in the United States during the Second World War to accelerate the training of female workers entering the American industry, the TWI programme encompasses a range of methods, such as the ‘Job Instruction’ method, which instructs supervisors in the most effective means of training new hires. This programme is now being introduced in Ukraine, with remarkable outcomes. For example, one factory managed to reduce the training period from 14 days to a mere 4 hours.

Lesson 4: Cross-training fosters resilience

The Ukrainian industry has also recognised the critical importance of cross-training to address staffing challenges. By committing to cross-training, companies bolster their resilience in the event of losing individuals with specialised skills. The adoption of a skill matrix has emerged as an exceptionally effective tool for managing a team's skill sets. This is particularly pertinent for specific groups, such as maintenance teams, which often comprise predominantly male employees who could be called up for military service at any given moment.

Lesson 5: Good leadership and a sense of purpose propel individuals

Last but not least, leadership behaviour has proven to be of crucial importance, as times of war unveil the true character of leaders. Company leaders who mistreated or fired their employees during the early, challenging months of the war find themselves lacking a support base. On the flip side, leaders who demonstrated genuine care for their employees now enjoy the loyalty of a workforce willing to voluntarily contribute to the reconstruction of damaged factories. This underscores a crucial lesson for leaders to take to heart: employees have long memories, and their loyalty is deeply rooted in the past actions of their leaders.

The war has also instilled a higher purpose in the hearts of Ukrainians. They no longer merely work for monetary gain; they work to save their country. Consequently, people have become more motivated and are more willing to take up new challenges and tasks.

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