

KAIZEN IN PRACTICE

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The Introduction

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Many companies invest a lot of money into education, surveys of companies and projects of implementation named KAIZEN. The problem is that you can't learn KAIZEN or study in some way. KAIZEN is not implemented. KAIZEN begins with self-reflection and humility, which underpins the ability to learn and improve.

The emergence of KAIZEN

In business, the concept of KAIZEN is deep saved in the minds of managers and employees. Often, they even do not realize it. During the two decades before the oil crisis, the world economy enjoyed extraordinary growth, looking for new technologies and products. It was the period when, in particular, some innovation strategies realized, which were built on the rapid growth and high rates of profit and, mainly, in the environment which might be summarized in the following characteristics:

- rapidly growing markets,
- consumers focused on quantity rather than quality,
- sufficient resources at low prices,
- the idea that the success of new products will make up the poor ones in traditional manufacturing processes,
- multiple management aimed at increasing the volume of sales as cost reduction.

The oil crisis in the 1970s radically changed irrevocably and for years the international business environment. The new situation can be described as the sharp increase in prices of materials, energy and labor, overcapacity of production facilities, also as increased competition in saturated or shrinking markets, changing consumer values and increased demands on quality and the certain need to implement quickly new products to reduce the boundaries of profitability. KAIZEN is the basic concept for a good management background. It's a sort of unifying idea of all processes, systems and tools that have been created in the Japanese economy in the course of several decades. Its main mission is to improve, while trying to do the things better.

What is KAIZEN

KAI = to change ZEN = goodness, kindness KAIZEN = to change for better
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KAIZEN means the improvement and improving. It represents the constant ongoing improvement of all members of management, starting from managers up to the workers. KAIZEN it is the thinking source which is aimed at process. To achieve the improved results, we have to improve processes, which lead to them. KAIZEN is focused on the people and on their working efforts.

KAIZEN is a rooftop term, which includes:

- the orientation on the customer

- absolute quality check
- robotics
- rings of quality control
- the improvement system of proposals
- automation
- discipline at the workplace
- absolute maintenance of the production means
- kanban
- improvements of the quality
- just in time system
- no spoiled goods
- activities of small groups
- good relations in management - staff.
- development of new products [2]

KAIZEN is a continuous improvement in the use of creative potential of employees. The improvement should be permanent and should be a normal part of the workload staff which should run not only in the meeting rooms of the deliberations, but at meetings of the team, and mainly in the service (see table No.1).[3]

Senior management	Middle management	Senior staff	Workers
The decision to implement KAIZEN as a corporate strategy	To realize the goal of senior management, according to the regulation, KAIZEN through implementation plans and multifunction of management	Use KAIZEN in individual functions	Participation in KAIZEN system through improving the proposals and activities of small groups
KAIZEN strategy is to provide support and guidance to the allocated resources	Use KAIZEN in filling work	To formulate plans for KAIZEN and lead workers	To comply the discipline in the workplace
To establish plans for KAIZEN and multi-function targets	To deploy, maintain, and enhance standards	To improve communication with workers	To pursue continuous self-improvement, becoming better problem's solver
To realize the goals of KAIZEN through appropriate plans and audits	To intense training programs amplifying consciousness of KAIZEN for staff	To promote the activities of small groups and to improve the individual system design	To strengthen the knowledge and skills by leveraging the experience and education
To build systems, processes and structures to support the strategy of KAIZEN	To assist staff to acquire experience and tools needed to solve the problems	To implement workplace discipline, to provide suggestions for KAIZEN	

(improvement)

Table No. 1: The Hierarchy of Participation in KAIZEN Strategy, Source: [2]

KAIZEN is the source of thought which is focused on the process to achieve better results, so we have to improve the processes that lead to them. Furthermore, it is focused on people and on their working efforts. Traditional management says that in the enterprise there are two groups of people, those who think, innovate, and design and those who only work. There is a conclusion that workers should not think about anything else besides work. KAIZEN is based on the fact that people in the company must use the mind as well as muscles and hands. [1] On the background KAIZEN is a strategy minding the fact that if the management of each company wants to create a profit, it must strive to meet the needs of the customer and the improvement in areas such as quality, costs and deadlines. KAIZEN is a strategy to improve, which is driven by the customer needs. The basis of this strategy is the view that all activities should be ultimately leaded to increase the customer satisfaction. KAIZEN strategy has created the system of access and tools for solving problems, especially for the realization of this objective. [2]

KAIZEN and innovation

It should be noted that the efficiency and competitiveness cannot be based on small partial improvements, on which the principle of KAIZEN is built. Businesses cannot avoid even radical changes in their business, such as major changes in technology, radical replacement of parts of the infrastructure (new generation machinery and equipment, construction of new halls, comprehensive redesign of the manufacturing process, etc.), marked change in product mix in response to market developments, changing marketing and business strategy, a strong intervention in the production (other cycles, benefits, periods, dates, etc.). For this reason, these types of changes are called *innovation*. *Innovation* is defined as the applied knowledge, which increases the added value to the implementation of the step change. The term in this context suggests the following differences between the KAIZEN and *innovation* (see table No.2). You are in need to ensure a different type of procedure and a specific type of aid management. *Innovation* and KAIZEN is not against each other, and are not in conflict between each other, but they serve the system of approaches for implementing different types of changes. There is, therefore, a question, which of these approaches is more useful, more efficient or correct. Executive businesses use both of them at the same time. [4]

	KAIZEN	Innovation
The Effect	Long-term, continuous, but un - dramatic	Short, but dramatic
The Tempo	Small steps	Big steps
The timeframe	Continuous and incremental	Intermittent and non-incremental
Changes	Gradual and permanent	Sudden and transient
The Participation	All	A few selected samples
Access	Collective, group efforts, system access	Rugged individualism, individual ideas and efforts
Type of changes	Maintenance and improvement	Rebuilding from scratch
Boost	The conventional know-how	Technological discoveries, new inventions, new theories
Practical requirements	The minimum investment, but a great effort for the maintenance	The high investment, but little effort to maintain
Focused efforts	People	Technology
The evaluation	Processes and efforts to achieve	The results and profit

criteria	better results	
Advantages	Works well in a slow-growing economy	Are working for the fast-growing economy

Table No. 2: the Comparison of the Main Features of KAIZEN and Innovation, Source: [2]

While innovation is a one-off thing, which effects will erode the influence of the strong competition gradually and the decline of standards, KAIZEN is continually ongoing the efforts, which are cumulative. They represent a gradual, but sustained rise. KAIZEN requires a personal effort of all the members. KAIZEN is focused on people, while innovation is focused on the technology and money. [2] KAIZEN and innovation are the two main strategies which people use to achieve some change. While innovation requires radical and shocking reforms, all you do for KAIZEN is a small continuous deal with comfortable steps leading to some improvement. [5]

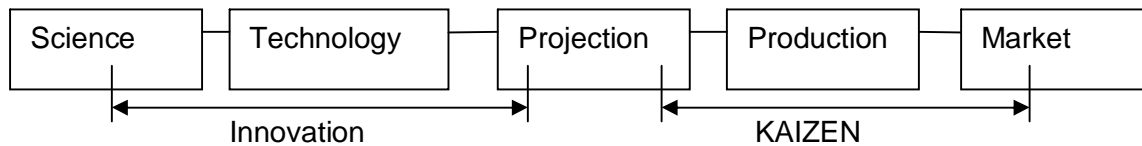


Figure No.1: The Total Production String
Source: [2]

Figure No 1 represents the chain leading from scientific laboratories to the market. Scientific theories and experiments are used in the form of the resulting technologies, developed in the projection, and then they materialize in the production, but still the problems occur in the market. Two components of the improvement, innovation, and KAIZEN, may be used at any stage in this chain. KAIZEN is applied in research and development, as well as the innovation is a part of the marketing. The impact of KAIZEN strategy is usually visible in the manufacture as well as in sales, while innovation is visible in science and technology.

Table No.3 compares the KAIZEN and innovation in this chain. [2]

INNOVATION	KAIZEN
Individuality	Adaptability
Specialization	Teamwork
Attention to the great leaping	Attention to details
Focus on technology	Multi-function focus
Information (closed, custom)	Information (open, common)
Focus on special features	Multi-function focus
The search for new technologies	Based on existing technologies
The hierarchy of leadership + staff	Multi-function organization
Limited reverse link	All accessible reverse link

Table No. 3: Innovation and KAIZEN
Source: [2]

KAIZEN and the competition

Among Japanese companies, there is an intense of domestic competition, which is also considered to be a driving force for the Japanese success in foreign markets. Under the normal circumstances, the driving forces are: competitiveness in price, quality and level of service. But in Japan, it is possible to say that the determining reason for the competition is the competition itself. If the most important criterion for business is success, it is possible to imagine that the company will not change in 25 years. However, if the companies compete, the forcing of the program

KAIZEN must be improved at the same time improving continuously ongoing process. KAIZEN ensures that continuous improvement will appear just due to the continuous improvement. [2]

KAIZEN and the management

In the context of the concept of KAIZEN, management has two main functions: maintenance and enhancement (Figure No.2). Maintenance relates to activities aimed at maintaining the existing technological, managerial and operational standards through education and discipline. In the context, this function carries out its management role entry, so that all could follow the standard operating procedure. On the other hand, improvement concerns the activities aimed at the improvement of existing standards. The Japanese view on management, therefore, can be summarized into a single principle by **keeping and improving standards**.

As you can see in Figure No. 3, the improvement can be classified either as KAIZEN, or as innovation. KAIZEN improvement is a result of the slight constantly ongoing process. Innovation brings significant improvement as a result of large investments in new technologies or equipment. On the other hand, KAIZEN puts on the top the human effort, morale, communication, education, teamwork, commitment and self-discipline as the approach to built business on common sense and low cost. [6]

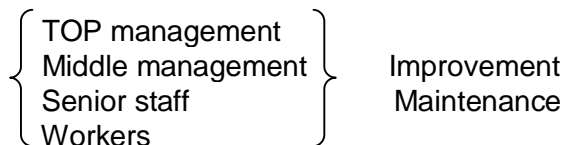


Figure No. 2: Japanese Perception of Individual Job Positions
Source: [6], graphic processing, own

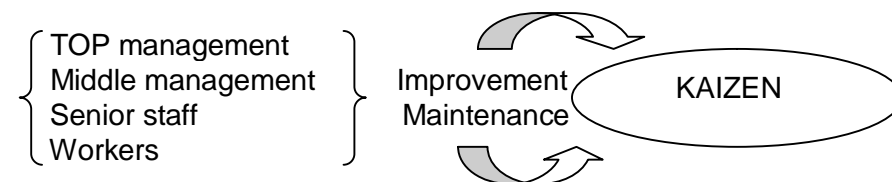


Figure No. 3: Improvements to Split between Innovation and KAIZEN
Source: [6], graphic processing, own

Literature

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