

Kaizen

Kaizen - continuous improvement in the production process.

Continuous improvement is also an important aspect of lean production and continuous improvement is a theme of all world class businesses. These world class businesses take the view that one of the main objectives of their existence is to be continually making small incremental steps in quality of output, improvements in design and in reduction of waste. The key method of continuous improvement is Kaizen.

Kaizen (a Japanese word meaning, unsurprisingly, continuous improvement) is one of the 'in' business buzz words. Managers often refer to the need for a 'Kaizen orientated work force', or managers who 'live and breath Kaizen'.

Before Kaizen.

Before the use of Kaizen became widespread amongst leading British businesses, improvements in quality of output were made in large one-off steps. These stepped improvements were often forced upon businesses because of actions of competitors. So a business would be under competitive pressure to invest in retooling the workplace, or purchase new technology, and there-by creating a one-off improvement in productivity. Things would then remain pretty much the same until external pressures forced a new process to be implemented, or staff to be retrained etc.

The problem with this approach was that firms were often playing 'catch-up' in terms

of quality and productive efficiency. As soon as firms had finished implementing new processes, that were supposed to make them competitive, the competition had already moved on. This was because the competition, often foreign, was using the idea of continuous improvement. Also British firms had other problems which resulted from using the stepped approach. Large-scale changes in production processes often meant lower demand for workers - redundancies were required. This led to a breakdown in relationships with trade unions, and large scale disruptions in the workplace. Also because of the high cost of the large one-off improvements, implementing these depended on raising finance - this was often expensive or unobtainable.

Using and applying Kaizen.

Kaizen builds into the production process the idea of continuous improvement. This means an ongoing and continual increase in productivity, increase in quality, and reduction in waste.

The main working element of Kaizen, is the use of Kaizen groups. These are groups of workers who have a common stake in part of the production process. So for example, a Kaizen group may involve the designer of a component, the installation workers from the production line, and the production managers. These groups will meet regularly to discuss problems and to suggest improvements. Often improvements can be made at nil, or minimal cost. This means that over time the whole cost base of the firm can be reduced whilst indicators of quality, and levels of production

increase. All this is achieved with minimal capital investment. All employees from the Managing Director down should be asking: 'how can I do what I do better, and how can we do what we do better?'

Kaizen does not ignore the need for new technology, or large-scale capital investment, but it does recognise that these are not the only methods of achieving increased competitiveness.

To obtain the correct culture, so that Kaizen can thrive, there are several requirements:

A motivated work force - the workers must be committed to the firm.

A management with belief in the capabilities of the work force. Theory Y please!

A trained work force - the workers must have the ability to understand their roles, and complete their tasks efficiently.

Effective communication systems. Workers must be able to communicate suggestions to superiors, and other relevant employees.

This can be done through Kaizen Groups, but other methods of communication must also be available.

Security of jobs. Workers will not suggest process improvements if their jobs are threatened by these improvements. Kaizen does suggest that demand for labour will fall, but this should be achieved through natural wastage.

Understanding of the production processes. This applies to both managers and workers.

Each must understand the whole process, so the managers can organise, control, and plan, and so workers can try to meet the needs and quality requirements of the 'consumers', within the organisation.

Benefits of Kaizen

- Increased productivity
- Increased Quality
- Decrease in waste
- Improved motivation of work force
- Reduction in need for large-scale capital investment
- Increased competitiveness
- Reduced disruption and labour unrest.

Kaizen will only work if there is a committed management and work force. Each group must believe in the integrity and ability of the other group, so that all continually work towards the same goals. Kaizen is ongoing, it is a way of running a business, a system of beliefs, not something that can be used as a when management please and ignored when trading becomes difficult or times get a little rough.

Notes