

JAPANESE EXPERIENCE IN ENSURING ENTERPRISE COMPETITIVENESS – THE PRACTICE OF KAIZEN

¹Sheraliyev Jakhongir Abdurakhmanovich, ²Kuziyev Jakhongir Kodirovich

^{1,2} «Shah – Polan M» LTd, Tashkent, Uzbekistan

<https://doi.org/10.5281/zenodo.7632585>

Abstract. *This article describes the Kaizen philosophy, which is considered the key to the success of Japanese enterprises, and how it can increase the efficiency of strategic management of enterprises and strengthen their competitiveness, as well as issues of improving management.*

Keywords: *business management, strategy, competitiveness, lean production, Total Quality Management, Total Productive Maintenance.*

As it is known, MBA and all areas related to business management studied in modern education were created in the West and their wide application in practice was formed at a high level. These sciences have been further perfected since the great geographical discoveries and later, from the era of industrial revolutions to the present day. Of course, for the formation of theories and doctrines, a great need for it should be felt. For example, as the market and its participants take shape, the demand to study it increases, this is simple logic. And in turn, in-depth study of sciences also leads to strong economic development. A clear example of this is the existence of 300-year-old and even 500-year-old enterprises in the West [1]. In addition, in order to regulate mutual competition of enterprises, strong legal frameworks were formed, and special emphasis was placed on competition in a number of disciplines, such as economic theory, marketing, and management. Due to the sharp reduction of resources due to the world wars, new trends in business management such as "lean manufacturing" (Lean Manufacturing) were introduced to the science, while effective strategies to cope with the competition were also formed [2].

This certainly does not mean that the development did not happen in the East. In the East, economic booms were observed in certain regions in certain centuries. One such country is Japan, whose national products are superior in competition not only in the interregional but also in the domestic market, and which has become one of the leading countries in the world with its stable and high economic indicators in the last century. Currently, there are 400 enterprises over 300 years old, 30 enterprises over 500 years old, and 7 enterprises over 1000 years old [3]. These enterprises have been formed and developed for centuries. Many companies have managed to survive and remain competitive. The key to such success in business is called "kaizen" in Japan. In 1986, after Masaki Imai published his book *Kaizen: The Key to the Success of Japanese Companies*, the rest of the world became interested in this concept. It is known that, based on the principle, implementation of ensuring competitiveness should be a long and continuous priority of the enterprise. Kaizen management philosophy also envisages a long-term strategy.

Kaizen is derived from the Japanese word "改善" which is composed of two words "kai" (change) and "zen" (wisdom). That is, kaizen means continuous improvement. Masaaki Imai considers kaizen to be a true philosophy that can be applied to both business and personal life with equal success [4]. Kaizen practice is a comprehensive concept that encompasses management philosophy, theory and tools to achieve competitive advantage.

In the economic sense, this concept refers to efforts aimed at continuous improvement of all link management functions of the enterprise, from production to its management, from leaders to lower-level workers. Kaizen as a teaching concept was formed almost at the same time as the teaching concept of "Lean Manufacturing" founded by the Japanese **Taiichi Ohno**, and later mainly during the period of economic recovery after the Second World War during the development of several enterprises in Japan, and after that the whole world spread across. The most famous practical application of this concept was developed for the Japanese corporation "Toyota Motor Corporation". Kaizen in the corporation is mainly based on the method of "Total Quality Management" (Total quality management) and includes measures to deal with waste, losses, as well as innovation and new standards. The strategy of "always improvement" is the most important concept in Japanese management and is the key to successful Japanese competition. Kaizen is actually a lifestyle philosophy. It involves continuous improvement in every aspect of life.

"Always improvement" includes key factors such as quality, employee engagement, employee involvement, commitment to change, and communication. Kaizen involves abandoning old-fashioned views of the management process; not looking for excuses, but thinking about how to perform the task; not striving for perfection right away, putting it into practice immediately, even if it is only 5% of the goal set on the contrary; correct errors immediately; kaizen activities do not always require material costs; overcoming obstacles and finding solutions; five times "Why?" It includes principles such as finding the real reason while asking, and gathering everyone's opinion, not just the opinion of a few people.

If the company wants to use the kaizen strategy to gain an advantage over others, it would be appropriate to implement the following systems:

TQM (Total Quality Management) – comprehensive quality management.

Total quality management (TQM) is managed on the basis of quality control (TQC) of all stages of the process [5]. It is emphasized that quality control is a priority in every process. People should not only look at TQM/TQC as a quality control activity, but also as a development strategy to increase the competitiveness and profit potential of the enterprise through continuous improvement of various aspects of work. The "Q" in the term TQM/TQC stands for quality priority and also includes the objectives of cost and lead time control. The concept of "T" means "around, everywhere and all workers and employees", which means that all employees in the enterprise must participate in this quality management, from top to bottom, from senior management to middle managers, to production line operators. Also included are suppliers, agents and resellers. "T" also stands for Top Management. That is, the top managers of the enterprise require leadership responsibility for the successful implementation of TQM. The "C" in the term system stands for Control, which means control over the process. With TQC/TQM, workers and employees can understand the essence of the work process and continuously improve it. In TQM activities, the task of enterprise managers is to evaluate the process using the results. The results of this evaluation are the basis for process improvement, not for criticizing workers and employees. The theory of TQC/TQM includes tools such as organization of enterprise strategy, quality assurance system, standardization, training-qualification-experience improvement, cost management and supervision of activities of small collective groups for quality control.

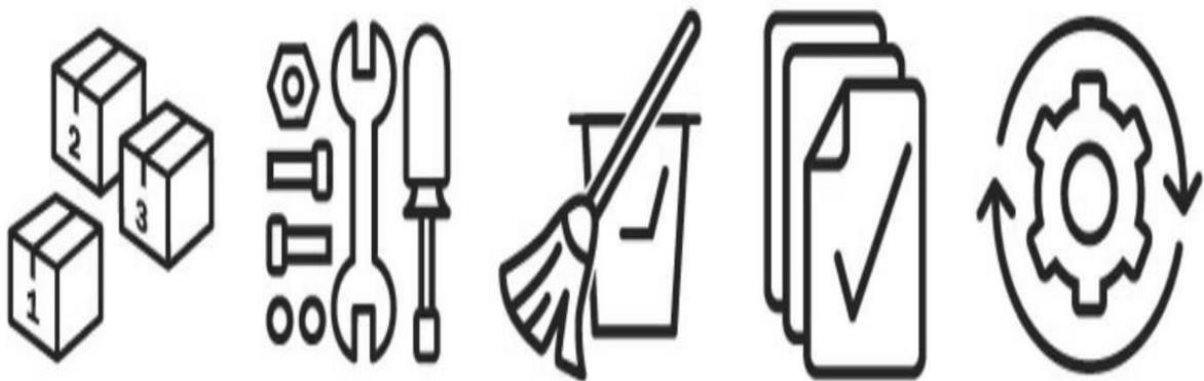
TPM (Total Productive Maintenance) – All-round effective maintenance.

Through this activity system, it is implemented to gradually become a good habit for all workers and employees to implement the model of efficient production and technical service. Effective comprehensive maintenance of equipment is a concept of effective management of production equipment. While total quality management (TQM) focuses on improving the efficiency of the entire enterprise, particularly product quality, total performance maintenance (TPM) focuses on improving the efficiency of equipment. In order to extend the life of the equipment and maximize the overall efficiency of the equipment, it is necessary to rely on this system. TQM requires the participation of all employees of the entire enterprise, while TPM requires the participation of all production-related personnel, including production personnel and maintenance personnel.

The 5S activities related to cleanliness and order (i.e., seiri (整理) "sort", seiton (整頓) "order", seiso (清掃) neatness, seiketsu (清潔) standardization, sitsuke (躰) continuous improvement) are the basis of this TPM. Implementation of 5S can lead to surprising results in increasing the competitiveness of the enterprise [6].

- 1. Sorting**
- 2. Tidiness**
- 3. Neatness**
- 4. Standardization**
- 5. Constancy**

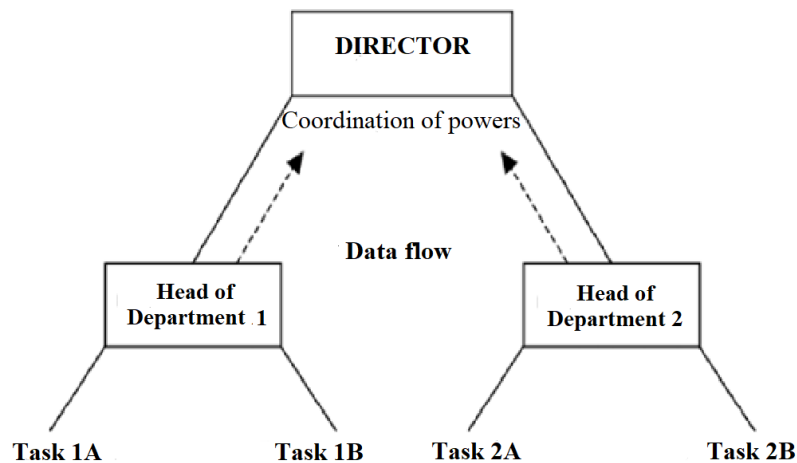
1. SORTING 2. TIDINESS 3. NEATNESS 4. STANDARTIZATION 5. CONSTANCY



“5S” Strategies

JIT (Just In Time) – Meeting the deadline.

The compliance system was originally developed for the Japanese corporation "Toyota Motor Corporation", and later it was widely used in other manufacturing enterprises. The goal of the system is to create an efficient production system that can flexibly respond to changes in market demand by eliminating any non-value-added activities within the enterprise. The methods or strategies used to create a production system that adheres to deadlines are: rhythm and cycle time adjustment, continuous circular motion, active production, elimination of all hidden threats that cause equipment failure, "U" shaped production organizational structure, "kanban" tool and reducing the time to bring the equipment to a ready state, etc. [7].



"U" shaped production organizational structure

To achieve this perfect "just-in-time production system", it is necessary to continuously promote and implement kaizen and eliminate all non-value-added work processes in the production line. A production system based on deadlines and deadlines is also effective in reducing the costs of the enterprise, and at the same time, it can guarantee the delivery time of the product and increase the profitability of the enterprise. In turn, this system gives the enterprise a great advantage in the competition with all other similar participants in the market.

In order to achieve the goals of effective control of quality, cost, and delivery, and to increase competitiveness through customer satisfaction, businesses must implement the three key systems listed above. Each of these three main systems has its own direction, the enterprise:

- based on the first system (TQM) comprehensively manages all parts of the work process and links at all levels;
- based on the second system (TPM) focuses on the performance and quality of all equipment in the process and timely maintenance;
- the third system (JIT) focuses on meeting deadlines and two very important aspects of the process, namely costs and product delivery time.

It will be possible to gradually introduce the third system only when the first and second systems are effectively implemented in the enterprise.

INTELLIGENT RECOMMENDATION SYSTEM. In the Kaizen practice, the system of reasonable recommendations implies a strategy to ensure the active participation of employees, to improve their work quality and morale. Reasonable suggestions and recommendations can increase the interest of all employees to participate in kaizen and encourage employees to come up with as many suggestions and recommendations as possible, even though sometimes some suggestions are not beneficial. Business leaders also don't expect every referral to be of great benefit to the business. It is important for them to develop employees who actively participate in kaizen and train themselves with self-discipline. In the West, the business community's view of a rational recommendation is mainly focused on the economic benefits they can bring.

SMALL TEAMS. In such a system, it usually means a certain structure that is engaged in a certain work within the enterprise to achieve a certain goal. The quality control team works not only on quality, but also on cost, safety and efficiency. For example, in a cement production line, several such small quality control teams can be organized, including a team that checks the physical properties of raw materials, a team that checks chemical properties, a team that checks equipment oils, an electrical team for KIP, a team for informational information, etc. In Kaizen,

the priority task of enterprise leaders is measures to ensure the quality of products and services, that is, to create a quality assurance system, to train employees, to plan, to form strategic goals of the enterprise, and to implement all this. By interconnecting different systems, the entire enterprise can achieve predetermined goals [8]. If the company's small quality control teams are achieving great success, it means that the managers of the company support the activities of these small teams.

Implement Kaizen

The implementation of Kaizen and the application of its operational systems and management tools are carried out step by step and start with small changes. Kaizen is a vital skill that can be formed depending on the company's resources and the level of training of all employees. Implementation of ERP computer application systems for electronic, online management and monitoring of inter-departmental and inter-unit processes will further increase the competitiveness of the enterprise and ensure its position in the market will be stronger and more stable.

Kaizen's goals are focused on excellence. Therefore, in the process of kaizen activities, business leaders should actively formulate specific goals and feel the responsibility of leadership to achieve the set goals. During the implementation of Kaizen, the process must be closely monitored with solid preparation. The management of the enterprise must first plan the long-term development strategy, and then clarify the goals. Then, he should develop an "implementation" plan based on the long-term development strategy, and then divide it through the organizational structure from top to bottom, forming a step-by-step action plan based on the assigned tasks. For example, if the company's goal is to reduce its costs by 10% in order to maintain its competitiveness, it can be achieved by increasing production capacity, reducing inventories and defective products, or improving production processes.

Kaizen without a goal is like a journey without a destination. Kaizen is most effective when it is based on a common goal supported by all employees and company leaders.

REFERENCES

1. O'Hara, William T. «Family Business – The World's Oldest Family Companies». 22 January 2013
2. John Krafcik. «Triumph of the Lean Production System». Sloan Management Review. Massachusetts Institute of Technology.1988
3. Yasuhiko Nakazawa. «Japan's oldest company defies time with merit-based succession» 31 December 2020
4. Masaaki Imai. «Kaizen: The Key to Japan's Competitive Success». New York, itd: McGraw-Hill (1986)
5. Tauseef Aized. «Total Quality Management and Six Sigma». Published by InTech. 2012 year. PP 220-221
6. David Visco. «5S Made Easy: A Step-by-Step Guide to Implementing and Sustaining Your 5S Program». Productivity Press; 1st edition (October 7, 2015)
7. Abbas Nawar Al- Musawi. «Just-in-Time Production». Research Gate. December 2019
8. Diana Lyjak, Krzysztof Ejsmont. «Small group activities as a method of solving problems within company - examples». IZIP 2016.