### Creating a Kaizen Culture

Align the Organization, Achieve Breakthrough Results and Sustain the Gains

# Why do the cultures of some organizations consistently outperform others? What are successful companies doing differently? What exactly is culture, and how do we improve it?

#### Chapter 1: Why We Need a Kaizen Culture

- The ABCs of Organizational Culture
- What is Kaizen Culture?
- Learning How to Adapt from Virginia Mason Medical Center
- Kaizen Culture as Countermeasure to Extension Transference
- Human Adaptability, the Strategic Competitive Advantage
- Is Kaizen Culture Easier within Japanese Culture?

#### Chapter 2: The True Meaning of Kaizen

- The True Meaning of Zen in Kaizen
- A Reintroduction to Kaizen
- The American Roots of Kaizen
- The Creative Idea Suggestion System
- Simple Yet Transformational Kaizen at Franciscan St. Francis Health
- Where did the Kaizen Event Come From?
- Kaizen is a Product of Japan's History, Not Culture
- What's the Japanese for "Teamwork"?
- A History of Adoption and Adaptation of Ideas
- The False Dichotomy of Kaizen and Innovation
- Kaizen in the R&D Team at Electrolux
- The Scientific Method within Organizational DNA

#### Chapter 3: Core Beliefs within Kaizen Culture

- Integrity, Core Beliefs and the Act of Kaizen
- Precepts, Points, Creeds and Principles
- Toyoda Precepts and their Impact on Toyota's Culture
- The Management Creed of a Toyota Executive
- Explicitly Defining Core Values at Zappos
- From Core Beliefs to Shared Purpose
- Alignment with Long-term Purpose at Medtronic
- The Trust and Security to "Stop and Fix" at NUMMI
- Respect for Individuals and their Development
- Serving the Internal Customer as a Coach
- Did Mr. Nakao Just Say, "Two Mules?"
- Urgency, Connecting, Consensus
- Sharing Goodness Beyond the Organizations
- Beliefs, Decisions and Our Destiny



# **Executive Summary**

Organizations with adaptive cultures capable of innovation and change significantly outperform the competition. Making adaptiveness a part of the culture requires practicing improvement routines to build skills and confidence. Visible tools and behaviors must be rooted in shared core beliefs. This involves challenging certain beliefs that block people from doing and being their best. The role of leaders in creating a kaizen culture is to design experiences allowing people to test and strengthen winning beliefs and behaviors.

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#### Chapter 4: The Meta-decision of Kaizen Culture

- Organizational Culture as a Decision-making Filter
- Decision Making Based on Tradition
- Decision Making Based on Authority
- Decision Making by "Majority Rules"
- Decision Making Based on "Trial by Fire"
- Pragmatic Decision Making
- Scientific Decision Making
- Adaptive Decision Making
- From "My Way or the Highway" to the Kaizen Way at HON Industries
- Why Kaizen Transformations Succeed
- Broad-based Skill Building at Chrysler Corporation
- The Strategic Decision to Create a Kaizen Culture

#### Chapter 5 Kaizen as Strategy in Practice

- Strategy as a System of Expedients
- Hoshin Kanri: The PDCA Cycle Adapted to Strategy
- The Vital Few: Kaizen Everything or Just What Matters?
- Catch Ball: Organizational Alignment the Kaizen Way
- Alignment between Process and Results at Lockheed Martin
- From Operational Kaizen to Strategic Kaizen
- No Plan Goes According to Plan

#### Chapter 6: Daily Kaizen

- Maintenance of Standards
- How Much Time Should a Leader Spend on the Gemba?
- Every Day Improvement
- Growing People Every Day at FastCap
- Team Development Program at Sonae Retail
- What's So Hard about Simple Kaizen?

#### Chapter 7: The Emotional Lives of Kaizen Teams

- Ethos, Pathos and Logos
- Helping People Scale the Change Curve
- The Triple Purpose of a Kaizen Event
- Creating Emotional Engagement in Kaizen at Wiremold
- Changing the Scenery within the Week
- The Kaizen Team Presentation Day
- The Facilitator's Role in Leading People through Kaizen
- A Kaizen Event with Shigeo Shingo at Hill-Rom Industries
- Why Toyota Doesn't Do Kaizen Events, but You Should
- What Kaizen Events Teach Us About Our Culture
- Following Up
- From Kaizen Event Results to Kaizen Cultures

# **Executive Summary**

A major shift in making culture more innovative and adaptive is to become better at making decisions. Awareness of decision-making styles and developing these skills at all levels drives workforce engagement.

Strategy design and deployment within an organizational culture strengthens adaptiveness and innovation when it follows practices consistent with the core beliefs. An agile, innovative organizational culture learns rapidly from testing strategies and plans in practice.

Leaders must structure processes in ways that make problems visible on the front lines, empowering people to take early action to prevent, contain and improve their work.

Using cross-functional projects, breakthrough improvements and end-toend process redesigns as opportunities for growth and engagement at an emotional level builds belief in the new culture.

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#### Chapter 8: Sustaining a Kaizen Culture

- The Odds Against Survival
- To Sustain is to Change
- Sustaining through Habits
- Positive and Negative Reinforcement Loops
- Modeling the Desired Behavior
- Sustaining through Communication at Vibco
- Sharing to Sustain
- Top-down Leadership Support at Herman Miller
- The Trick to Sustaining Kaizen at Kaas Tailored
- The Way We Do Anything

#### Chapter 9: Organizational Readiness for Kaizen Transformation

- Top-Management Commitment
- Aligning Kaizen with Long-term Purpose
- Believing in Service Excellence at the Rotorua District Council
- Stability, Safety and Security
- Readying Middle Management for Culture Change at Bosch
- Leaders as Teachers: from Span of Control to Span of Support
- Making Time for Kaizen
- Finding a Smooth Starting Point
- Embracing Change at Oregon Community Credit Union
- Starting with the Idea of Changing Culture

#### Chapter 10: Facing Up to the Culture Monster

- Why Transformation Programs Are Failing
- Overcoming Cultural Obstacles to Kaizen at Franciscan St. Francis Health
- Turning the Big Wheel of Culture PDCA
- What Problem Are You Solving?

# **Executive Summary**

The work of sustaining the gains from rapid improvement activity is never done – rather it is part of a set of routines, layered audits and coaching opportunities. Designing in such specific practices and behaviors into daily work ensures sustainment.

Embarking on a culture change requires an honest examination of the level of readiness of the organization, especially at the top levels. Avoiding certain pitfalls, making prudent preparations and building in early success factors is advised.

Creating a kaizen culture is best treated as a both a long-term objective and the means to solving practical short-term challenges. A thorough commitment to the PDCA cycle of improvement and learning is needed.

The only thing of real importance that leaders do is to create and manage culture.

-Prof. Edgar Schein, MIT

Learn more: www.CreatingAKaizenCulture.com