

# The Japanese Model of Strategic Management of Human Resources Quality in a Modern Organization

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**Abstract**—The article studies the main tasks of quality management. It emphasizes the importance of human resources quality management in the aspect of modern quality management and strategic development of an organization on the pattern of Japanese quality management strategy.

**Keywords**—organization; strategy; knowledge economy; quality management; human resources management; human resources quality; labor culture; labor motivation; innovations; kaizen

## I. INTRODUCTION

The current socio-economic situation dictates stringent demands for the quality of business processes in an organization. Today, in the conditions of growing competition, the requirements for the quality of human resources are also increasing, as they ensure the viability of an organization in rapidly changing environmental conditions [1], [2], [3]. Modern life requires the introduction of new methods and technologies that implement the tasks of increasing customer satisfaction, creating a flexible model of adaptation to changes in the competitive environment, and ensuring the profitability of production.

One of the most significant qualitative characteristics of human resource development is the ability to acknowledge the formation of innovative behaviors, which primarily focus on modern quality standards; and the ability to implement entrepreneurial and creative initiatives at the individual and collective level, the formation of a modern entrepreneurial and overall organizational culture [4], [5], [6].

## II. THE ESSENCE OF THE JAPANESE BUSINESS MODEL

The Japanese business model provides a unique example of profound qualitative changes in individual and collective consciousness, consolidation of completely new cognitive approaches to organizing labor-activity and effective ways to ensure the quality of organizational processes. From the 70s of the 20th century, practical implementation of strategic thinking models and the development of strategic development plans based on strategic creativity is a distinctive feature of Japanese management development, but not the rigid standard planning, as it was in the United States of America. The Japanese strategic planning system

was mostly focused on the interests of an organization and its customers, as well as on deep analysis of competitors. The main strategic idea of organizing a business was to recognize the interests of consumers and satisfy them in the best possible way, doing it faster than competitors do. In the 60-s and the first half of the 70s of the 20th century Japan was considered a country that imitated Western business practice, and then just in a decade, a powerful qualitative leap in the development of new goods and services took place. Very soon, the Japanese became known as innovators and strategists. According to one of the most prominent specialists in the field of strategic management, Kenichi Ohmae, “strategic thinking is an extremely powerful weapon, a laser beam that, if given freedom, will erase all boundaries and form a single economic space where people can create new things, freely compete and consume the best of what is produced in the world” [7].

Taking into account the complexity of the economic development of modern Russia, it is important to understand what the amazing talent of Japanese managers is and what secrets of Japanese quality management there are.

First of all, it is deep awareness of the system of organization of work, involvement in the production process, an orientation towards gradual and continuous improvement of systems and processes. The modern model of Japanese management is connected with the theory and practice of kaizen, which translated from Japanese, means “continuous improvement.” In the broadest sense, this concept includes the process of continuous improvement of personal, family, social and working life. With regard to the production sphere, kaizen implies involvement of all employees of the organization in the process of improvement.

One of the well-known Japanese experts in the field of quality, Masaaki Imai, paid considerable attention to the distinctive characteristics of the Japanese and Western approaches to the introduction of innovations. He noted that the key difference in Japanese innovation management is that introducing innovations today, Japanese companies are ready for their further improvement tomorrow, continuously improving the process. Accordingly, M. Imai describes kaizen as “an addition to innovations, ensuring their maximum efficiency”. Moreover, the effect of continuous improvement is comparable to the result of innovation, and

the cost of ensuring the quality of the process is less. Kaizen is a system of small, but continuous, qualitative improvements in business processes, while innovations are most often focused on fundamental changes in technologies, systems, processes. Kaizen is a long-term strategy that is aimed at “achieving specific goals which engages each employee, regardless of their functions and position”. The main task of kaizen is to ensure a high level of employee involvement in organizational processes, quality assurance, including management quality assurance.

Let us highlight that kaizen is a management concept, focused primarily on people, as the core of the Japanese management model. Kaizen philosophy and practice are based on a humanistic approach that forces one to rethink the role of a person in an organization. The indispensable conditions for the introduction of kaizen into production, according to M. Imai are: “Firstly, the commitment of top management, secondly, the commitment of top management and, thirdly, the commitment of top management” [8]. That is, profound qualitative changes in the field of human resource management are achieved by changing the professional and personal attitudes of employees, and the top managers of an organization and the full acceptance and adherence to kaizen philosophy. Kaizen as a strategy is aimed not so much at solving, but more at a strategic foresight and avoiding possible problems. The main recipe for avoiding problems is to focus on high quality standards. The main regular function of the managers of an organization is to continuously improve the processes, voluntary and conscious recognition of leadership responsibility and the development of partnerships in a team.

### III. THE JAPANESE SYSTEM OF QUALITY MANAGEMENT AND WORK ORGANIZATION

To characterize the quality management system of the Japanese business model, as a rule, the following key provisions of the labor organization are distinguished:

- The system of life-long employment, ensuring employees' stability, their loyalty and confidence in an organization.
- Effective system of employees training in the workplace, that maintains at a high level of motivation for continuous professional development and all-rounded personal development.
- The system of personnel rotation, allowing to master all organizational processes and realize the multifunctionality of production tasks.
- The introduction of a system of merit, recognizing the importance and value of each employee, ensuring the possibility of their adequate self-esteem in terms of awareness of their own strengths and weaknesses.
- A reward system based not only on seniority, but also on forming a high level of commitment to the organization, effective feedback system.

M. Imai, who substantiated the essence of kaizen, draws attention to the connection of this strategy with total quality

control (TQC), a system in place prior to the introduction of a model of total quality management (TQM). However, a complete analogy between kaizen and total quality management cannot be made. The competitiveness of an organization is based on three components: quality, price and delivery discipline. If the task of quality management is related to appropriate prioritizing, the task of kaizen is to continuously improve the processes taking into account the formation of quality, price, and delivery discipline. Ensuring the effectiveness of the kaizen model is based on a deep humanistic approach with respect for employees, a creative start to work, and a decent remuneration for work.

In modern conditions, the essence of quality is interpreted ambiguously. In a broad sense, quality means everything that can be improved. By quality, they often mean product quality. The specificity of kaizen strategy is that quality is understood primarily as the quality of people, human resources. Improving the quality of human resources initially involves the formation of a unique system of thinking - kaizen thinking.

Kaizen strategy, as a model of theory and practice of improvement, is a fundamental way of thinking associated with the continuous process of maintaining and raising standards through gradual improvements. The reason for improvement is the *varus-kagen*, that is, a situation that does not pose a problem, but is no longer perfect. The main subject capable of identifying such a situation is an ordinary employee at a particular workplace. He will be the first instance, triggering the process of improvement.

As M. Imai emphasized, the fundamental difference between the Japanese management model and the Western one is that the kaizen approach and process-oriented thinking characteristic of it prevail in Japan. Kaizen is a methodology based on the inexhaustible desire of each and every person to improve, deep personal motivation to work better, the continuous search for technologies and methods that ensure quality and increase customer satisfaction. The Western one is characterized by a focus on innovation and the result. The prerequisite for the development and implementation of kaizen strategy was a serious change in the economic situation. Thus, in this respect there were tendencies in the increase in raw materials prices, energy, labor; increased competition; changes in value priorities of consumers, and increasing quality requirements; high dynamics of creation and promotion of new products; awareness of the need to reduce production costs, etc.

The Kaizen system includes a wide range of activities at all levels of production organization, including:

- customer orientation;
- total quality control;
- a proposal system focused on fixing the role of an employee;
- production automation, ensuring the quality of products and processes;
- discipline in the workplace;

- total care for equipment;
- kanban, as a means of communication, ensuring timely delivery;
- quality improvement;
- the system "just in time";
- zero defects;
- work in small groups entrusted with the solution of specific tasks;
- relationship of cooperation and trust between managers and workers;
- productivity increase;
- new products development.

The implementation of the kaizen system presupposes three main directions: 1) kaizen for managers, focused on organizing orderly and systematic activities, rational and efficient production as a whole, as well as professional development of management; 2) kaizen for a group, based on improving the "plan — do — check — act" cycle, as a variant of modification of the Deming wheel (constant interaction between research, design, production and marketing). Kaizen of a group helps to identify problems in a timely manner, prevent their worsening based on a deep analysis of causes and effects, ensure quality control, establish quality standards and follow them; 3) kaizen for the personality contributes to the realization of the idea of "work not more, but smarter". The starting position in the kaizen system at the personal level is considered to be an employee's positive attitude towards changing and improving his working methods, personal initiative and a high degree of personal responsibility. All this implies a high level of moral culture at the individual, group and collective level and forms the corresponding behaviors.

Behaviors that are distinguished by a high level of personal professional culture are determined by the unique style of strategic thinking [9], [10], [11]. To emphasize it again, the specificity of the Japanese style of thinking is based on the dynamic interaction of a company, customers and competitors. This process includes a deep creative, often intuitive, understanding of everything that is happening and rejection of standard, patterned thinking. Strategic planning with rigidly established rules and procedures, standards and regulations, peculiar to the Western model of management, is fundamentally different from the Japanese strategic thinking, which is more creative and intuitive. According to K. Ohmae, strategic thinking contradicts regulated corporate culture. At the same time, he notes that in the Japanese management style, there are obstacles to the emergence of bold innovative strategies. In particular, these are features of the career advancement of an employee based on work experience, which complicates the positions of creative and actively minded young people to influence organizational strategy. To solve this problem, K. Ohmae proposed to form a group of young "samurai" in an organization. They were assigned a dual role: corporate strategists and generators of

innovative strategic ideas, as well as staff analysts on evaluating the effectiveness of business processes.

Developing an organization's business strategy according to the Japanese vision requires "method, mental discipline, and systematic hard work." This is primarily a creative process. As K. Ohmae claims, "... you cannot be taught creativity, but you can learn it". From a rational point of view, this process implies the need to isolate and develop those thinking skills which contribute to creativity, and at the same time understand the conditions and factors limiting this process (in K. Ohmae's expression of three "main R": reality, ripeness and resources. Sensitivity to the designated R is considered as a prerequisite for creative intuition, creative inspiration, and creative energy.

#### IV. CONCLUSION

Thus, the modern tasks of an organization's strategic management are inextricably linked with the need to form an effective quality management system, the essential component of which is the quality management of human resources. The generalization and creative embodiment of the Japanese business model provides great opportunities for qualitative changes at the individual, group and collective level in almost any organization.

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