

NJATC

The Lesson of Kaizen and Our Bottom Line

By Mark Breslin

Last year Toyota Motor Corp. received one million suggestions from their employees on how to improve productivity, quality and the workplace. Also last year, Toyota began its final challenge to GM as the number one automaker in the world. Their net market worth is \$ 103 billion. GM is begging and broke. I believe that all these facts are inter-related. I also believe the reason for Toyota's success and our lesson to learn is embodied in a concept they call "kaizen". (Kaizen (Japanese): "kai" the action to correct / "zen" for good).

Why is this important? Because the new game in our already tough market is how to keep every dollar we've got rather than chasing new ones. We had fifteen years of relatively fat times. Now, the new plan is getting and doing more with less. And the real question is how much money is our union industry leaving on the table by not tapping into our own apprentices and journeymen's buy-in and best ideas? This does not happen by putting out some lame suggestion box. Kaizen defines Toyota's approach to everything they do. For it to work it must operate with three principles in place:

- Leaders and workers consider both work process and the results (not results alone)
- Leaders and workers are taught why things are done & given the big picture
- Managers (foremen?) promote a learning, non-judgmental, non-blaming approach to allow re-examination of existing practices

This simple and yet obviously powerful business strategy is applied from the CEO down to the production employees; all with one central theme—continuous improvement. How much time are we spending on this subject with our students and supervisors on this subject and why should you? There are a number of reasons:

1. The GM Lesson: if you don't focus on continuous improvement and instead depend on old school thinking, your competition will eventually kick your ass. You can't increase (or even maintain) wages and benefits indefinitely just because the members want them. What got us here, won't get us there in the future. Construction is still in many ways a very traditional business model. It generally does not actively encourage a structured focus, discipline or commitment to continuous improvement vs. price vs market relevance. We need to breed this kind of thinking from the first moment of apprenticeship.
2. The Culture Lesson: a central theme that employees come to understand, embrace and act upon is what defines an industry culture. Our culture needs to be High Value, High Performance. Nothing less can be priced at our level. In a tough market you need to start reinforcing this culture; asking your guys to take initiative and telling them that their jobs depend on it.

3. The Empowerment Lesson: the second most powerful at-the-workplace motivator, behind praise and recognition, is participation in decision making. One million times per year Toyota employees rise to the challenge of improvement within their company. They know for absolute certain that everyone has the opportunity and obligation to create value. And supervisors are listening respectfully. What does this do for performance and unity? Again, how does our construction culture measure up? Or can even one great idea make it past the foremen's desire to maintain his authority? Do we teach that big picture or just how to perform the task at hand?

How? = A New Way of Managing & Teaching

The current management system and model in construction is something out of the dark ages. Contractor management systems are generally pretty good until you get to the field. Kaizen dies a horrible death on ten thousand jobsites every day in North America. In our industry, a great suggestion to a foreman is usually treated as a challenge to his authority. Especially by an apprentice. After he is shot down what lesson has been taught them loud and clear?

My Italian contractor grandfather was a hard-ass yeller and screamer. And much as I revere his memory, some traditions die hard, but die they must. A culture of High Performance must be built on new ways of managing. Engagement, motivation, empowerment, codes of performance, peer-to-peer accountability and, of course, constant improvement. Fat times are over. Faster and smarter is required to even hope to compete with our open shop counterparts. From apprentice to foremen we need to communicate effectively about this NOW. Their job is not to have all the answers, but to harness the talent of the team. It is not about ego and authority; it is about results.

Apprenticeship development needs to take a quantum leap forward. It will always be about skills, but perhaps most importantly it needs to focus on teaching people **to think**.

- **How do I fit into the big picture of this industry?**
- **How do my individual efforts matter?**
- **How does my compensation relate to my performance and those around me?**
- **How do I contribute to improvement of processes and productivity?**
- **How do I lead to obtain buy-in and consistent improvement?**

Toyota's kaizen is about teaching people to think differently. That is what has provided them with world-class products and market leadership. GM has been about mis-placed pride, conformance, and tradition. The lessons are obvious. The solutions difficult. The time is now.

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