Signature Assignment: Appraise Research Opportunities for a Ph.D.-BA

Lean Leadership and the Respect for People Principle

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Abstract

The focus of this paper is on the Respect for People Principle (RFP) as popularized by Toyota (Toyota Motor Corporation, 2001) and relies on primary and secondary literature reviews. RFP is a popular topic of concern amongst business professionals, as evidenced by its prominence in social media and other literature. Also explored is a detailed review of the origin and history of RFP as well as related seminal works. Influenced by the rapid development of technology, such as Industry 4.0, business leaders experience increasing challenges. At present, no solutions appear to exist to the RFP problem. Exhaustive research will be required to identify gaps worthy of an interesting and meaningful Ph.D. dissertation.

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Lean Leadership and the Respect for People Principle

Potential Problem: Lean Implementation Success Rate and RFP

The low success rate of Lean implementation can be attributed to the disproportionate focus on Lean tools and techniques at the expense of the human factor, as expressed in the RFP principles mentioned in Lean literature (Coetzee, Jonker, van der Merwe, & van Dyk, 2019).

Why Select Respect for People as a Topic?

Business Trend

RFP is a popular topic in the Lean community, evidenced by its social media popularity. A LinkedIn search for "Respect for People" generated 362,573 search results (LinkedIn.com, 2020). Dr. Jeffrey K. Liker's book on the Toyota Way describing the RFP principle has sold over 950,000 copies in 26 languages (IEEE Xplore Digital Library, n.d.).

Art Byrne, the CEO who led the successful Wiremold transformation, has indicated that the RFP concept has been ignored or abused by many companies over the years due to layoffs associated with Kaizen improvements. He has experienced low employee morale and skepticism throughout businesses exposed to this management practice (A. Byrne, personal communication, December 15, 2019).

The RFP Principle

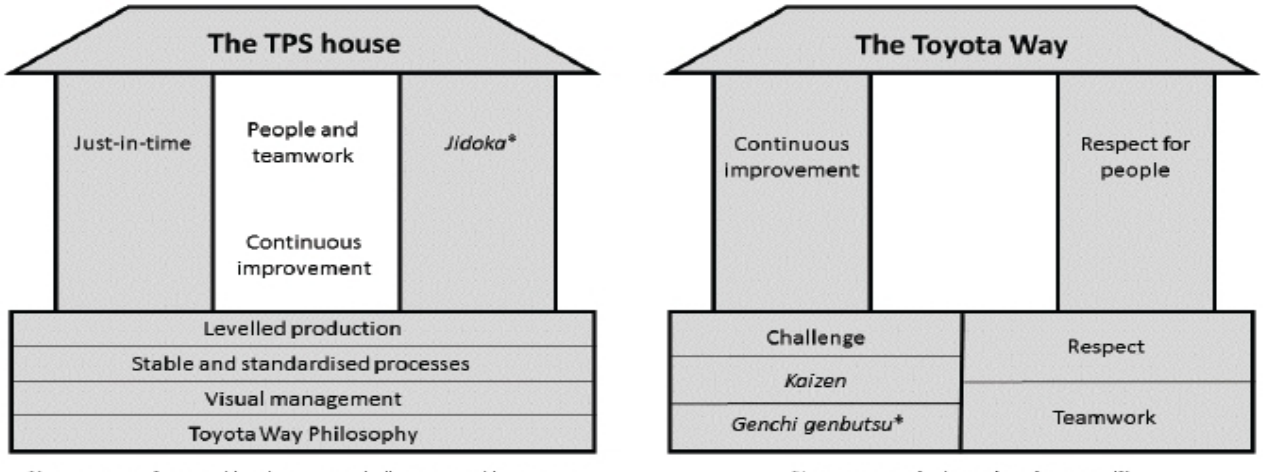
The RFP principle, conceptualized by the Toyota Motors Corporation in their seminal guide, Toyota Way 2001 (Toyota Motors Corporation, 2001), is characterized by Toyota's Chairman of the Board, Fujio Cho (Cho, 2020):

> Daily Kaizen (continuous improvements) began to take root at production sites.
>
> The philosophy that makes such possible is "Respect for People." Honestly make

a diligent and steady effort, and cultivate people so that they can think on their own and improve the workplace. That is what is meant when Toyota says: "Making things means making people."

Figure 1

Original Toyota Production System House vs. The Toyota Way 2001



Note. (Lean Six Sigma definition, 2020)

Figure 1 depicts the evolution of the original Toyota Production System House to the Toyota Way. The Toyota Way consists of two significant pillars:

Continuous Improvement

Toyota is never satisfied with the status quo and always works to improve their business. (Toyota Motors Corporation, 2001). The Japanese word for Continuous Improvement is Kaizen, where Kai means change, and Zen means for the better (Macpherson, Lockhart, Kavan, & Iaquinto, 2015).

Respect for People

Toyota respects all stakeholders and believes that individual effort and good teamwork creates business success (Toyota Motors Corporation, 2001). The term "people" represents stakeholders as defined by Toyota as employees, suppliers, customers, investors, communities,

and competitors, hence, humanity (Emiliani, 2015). There are many stakeholders, as defined by the "people" in RFP. This paper focuses on the employee as a stakeholder.

John Shook became the first American manager (kacho) appointed to work in Japan by Toyota. Shook worked for Toyota for 11 years and was instrumental in bringing Toyota to the United States through the New United Motors Manufacturing Inc. joint venture with General Motors. John offered his understanding of the RFP principle as follows:

> The term “Jidoka” is, as you know, especially difficult. The Toyota special re-definition of the Japanese term embeds in it very deep “respect for people.” So, any “Ohno bible” (the 1973 TPS training manuals) I’m sure contains reference to Jidoka. Jidoka with the “Ninben” or human character added to the automation character embodies respect for people (that was the reason for creating a new character) as coined by Sakichi (Toyoda) in the first decade of the 1900s (J. Shook, personal communication, March 16, 2020).

According to Shook, the Toyota Way 2001 publication was not revealing a new concept at Toyota. RFP existed for decades, and research could not uncover why Toyota waited over a half-century to formally publicize this principle (J. Shook, personal communication, March 16, 2020).

Seminal Theories Which Influenced the Respect for People Principle

Scientific Management - Frederick Winslow Taylor

According to Warner (1994), Frederick Winslow Taylor is the founder of Scientific Management. Taylor promoted time and motion studies, production-control methods, and incentive pay. Through these techniques, Taylor set out to optimize the human effort in manufacturing, thereby achieving enhanced productivity performance. Taylor passed on his work

to the American Society of Mechanical Engineers, which ultimately led to the development of Industrial Engineering.

Taylor's system was viewed as dehumanizing and accused of reducing men and women to the level of machines. Many have widely criticized Taylor and Scientific Management, although it was never fully understood or appreciated by his critics (Locke, 1982). However, critics ultimately recognized that Taylor's work was more mature than initially understood. Taylor's intent to focus on the organization eventually became understood and accepted (Warner, 1994).

When comparing the components of Scientific Management with the tenants of the Toyota Production System, there are more similarities than there are differences. See Table 1.

Table 1

Scientific Management vs. The Toyota Production System

Similar/Different	Scientific Management	Toyota Production System
Similarities	Prosperity of employer and employee	RFP and no-layoff policy
	Shop floor experimentation	Kaizen
	One best way	Standard Work
	Time studies	Time observations
Differences	Piece rate – Individual	Team rewards
	Standards set by educated employees (Engineers)	Standards set with the involvement of operators

Note. (Emiliani, 2016)

As detailed by Emiliani (2016), Taylor promoted the prosperity of the employee as well as the employer, which parallels the RFP principle of Toyota.

Total Quality Management - W. Edwards Deming

According to the American Society of Quality (ASQ, 2020), Walter Shewhart is formally known as the father of Total Quality Management (TQM). Shewhart's TQM consisted of statistical methods and analysis of quality control. In 1950, W. Edwards Deming taught these methods to Japanese engineers and executives. Deming's teachings are considered the origin of TQM and he has been described as a folk hero in Japan, where he was instrumental in the spectacular rise of Japanese industry after World War II. Today, TQM is the name for the philosophy of a broad and systemic approach to managing quality which had many influential contributors, as outlined in Table 2.

Table 2

Influential Contributors to Total Quality Management

Contributor	Contribution
Walter Shewhart	Officially the father of TQM, developed methods for statistical analysis and control of quality, including the control chart
W. Edwards Deming	Taught methods of TQM to Japanese industry, developed problem-solving techniques of Plan-Do-Check-Act (PDCA) and Deming's 14 Points for Management
Joseph M. Juran	Taught concepts of controlling quality and managerial breakthrough
Armand V. Feigenbaum	Authored the book *Total Quality Control*, which was a forerunner to the present understanding of TQM
Phillip B. Crosby	Promoted the concept of zero defects
Kaoru Ishikawa	Adopted TQM concepts which have contributed to Japan's ascendency as a quality leader, creator of the Ishikawa diagram (also known as the Fishbone Diagram)

Note. (American Society for Quality [ASQ], 2020)

Deming's 14 Points for Management. Most research of TQM focused on the technical aspects of quality, such as statistical techniques, inspection methods, problem-solving methodologies, and other quality tools. However, Deming's work included both the technical and human aspects of quality management. In his 1982 book *Quality, Productivity, and Competitive Position,* Deming published the 14 Points for Management (see Table 3). Ten of the fourteen points deal with the human aspect of management, with five bearing a strong correlation to the RFP principle.

Table 3

Deming's 14 Points and the Correlation to Toyota's RFP Principle

	Description	Correlation to RFP ● Strong ❍ Casual
1	Create constancy of purpose for improving products and services	❍
2	Adopt the new philosophy	❍
3	Cease dependence on inspection to achieve quality	n/a
4	End the practice of awarding business on price alone	n/a
5	Improve constantly and forever every process	❍
6	Institute training on the job	●
7	Adapt and institute leadership	❍
8	Drive out fear	●
9	Break down barriers between staff areas	❍
10	Eliminate slogans, exhortations, and targets for the workforce	●
11	Eliminate numerical quotas for the workforce and numerical goals for management	●

	Description	Correlation to RFP ● Strong ❍ Casual
12	Remove barriers that rob people of pride of workmanship, and eliminate the annual rating or merit system	●
13	Institute a vigorous program of education and self-improvement for everyone	●
14	Put everybody in the company to work accomplishing the transformation	●

Note. (Deming, 2020) The 14 Points, presented by Deming, do not represent an order of priority. The corresponding number is a part of the identity of each specific point.

Respect for People Principle: Current Research, Theories, and Practices

Current Research

As indicated in Table 4, there is a high correlation with employees' participation in Kaizen events and employee morale, job satisfaction, and overall well-being. However, employees' concern for job security due to productivity improvements remains an issue.

Table 4

Respect for People Principle: Current Research

Topic	Key Findings	Reference
South African perspective on Lean manufacturing and RFP	South Africans surveyed identified that Japanese RFP principles are applicable but added job security and an aligned commitment to their definition of RFP	(Coetzee et al., 2019)
Lean production: resistance and plateauing	Job satisfaction directly correlates with success, job security threatened with productivity improvements, longer-tenured employees are less content with the Lean transformation, 50% of employees felt management would not follow through on open issues	(Sim & Chiang, 2013)

Topic	Key Findings	Reference
Lean continuous improvement effects on employees	Employees involved in Lean improvement projects displayed higher commitment, higher job satisfaction, and reduced stress	(Gaiardelli, Resta, & Dotti, 2019)
Impact on employee well-being through the use of Kaizen	Employees engaged in Kaizen show positive outcomes in terms of well-being	(von Thiele, Nielsen, Karina, Stenfors-Hayes, Terese, Hasson, & Henna, 2017)
Correlation of abilities developed during a Kaizen event and employee attitude, motivation, and impact on the work area	A high correlation of abilities developed during a Kaizen event with employee attitude and motivation, resulting in high impact on the work area	(Cavazos-Arroyo, Maynez-Guaderrma, & Valles-Monge, 2018)

RFP Theories & Practices

Respect for Persons - Kant's Moral Theory. According to Payne (2019), Immanuel Kant states that persons, conceived of as autonomous rational moral agents, are beings that have intrinsic moral worth and hence beings that deserve moral respect. Kant developed two formulations:

Cia – Treat individuals as an end in themselves, not a means to an end.

Cib – The actor's reasons for acting determine the moral status of an action.

According to Kant, morality is not a matter of following rules laid down by some higher authority. Rather, it is a matter of writing rules for ourselves that are compatible with the rational, autonomous nature we share with the other persons (Payne, 2019).

Respect-Based Communication Theory. This theory asks what the basic element of communication is and suggests that it is respect. The approach integrates Kantian respect for persons and Millian utilitarianism (Riley, 2009). Respect-based communication brings two

divergent schools of thought together: a person can demonstrate compassion and consideration while working to achieve the desired outcome that benefits the greatest number (Charles, 2017).

No-Layoff Policy. Byrne has implemented and advocated a no-layoff policy when identifying excess labor due to Kaizen improvements (Byrne, 2013).

Relationship to Ever-evolving Technology and its Use in Business

Industry 4.0

Industry 4.0 is a current trend in the manufacturing industry by use of automation technologies, such as cyber-physical systems, the Internet of Things (IoT), and cloud computing (Sony, 2018). Of particular importance to Jidoka is IoT technology.

The IoT describes the network of physical objects (things) embedded with sensors, software, and other technologies to connect and exchange data with other devices over the internet (Oracle, 2020). According to Potoczak (2017), the goal of quality management is not only to catch occasional mistakes but to catch product defects by identifying key product characteristics that trend out of control. Potoczak suggests that IoT technology can play an important role in regard to assuring product quality.

Jidoka – Automation with a Human Touch

The Toyota Production System, created by Taiichi Ohno, was based on the contributions of Sakichi, Kiichiro, and Eiiji Toyoda. Table 5 details the contributions of the Toyoda family as well as Taiichi Ohno. Of particular technological interest is the contribution of Sakichi Toyoda, who invented the technique of Jidoka. Jidoka is a device that will detect a defect and stop a machine from producing additional defects. Jidoka was invented in 1897 at Toyoda Automatic Loom by Sakichi Toyoda. Toyoda observed that when a thread breaks, the machine is not

stopped immediately, thereby producing defective woven fabric (Toyota Motor Corporation, 2012).

According to Sakichi Toyoda, it was not practical nor fair to expect a loom operator to visibly detect defects consistently. As previously mentioned, Shook indicated that the Japanese character "ninben" meaning "human" was added to the automation character to represent the notion of Jidoka, automation with a human touch (J. Shook, personal communication, March 16, 2020).

Table 5

Contributions to the Toyota Production System

Contributor	Year	Contribution
Sakichi Toyoda	1897	Jidoka: Machine stops when a defect is detected
Kiichiro Toyoda	1936	Just-In-Time: Produce product when it is needed, in the quantity it is needed
Eiji Toyoda	1936 - 1950	Conceptualized and perfected the concept of Kaizen
Taiichi Ohno	1950 – 1975	Father of the Toyota Production System – incorporated the concepts of Sakichi, Kiichiro, and Eiji. Developed Kanban, Standard Work, Heijunka Scheduling, and other tools to create the Toyota Production System

Note. (Toyota Motors Corporation, 2020)

Human intervention would only be required when a defect is detected. Hence, automation (in the form of Jidoka) has played an important role right from the inception of Lean manufacturing. Industry 4.0 can be considered an advancement in this field (Sanders, Elangeswaran, & Wulfsberg, 2016).

Potential Topic for Dissertation

The modern Lean movement began at Danaher's Jake Brake Division in 1987 (Womack & Jones, 1996). True transformational success is the exception rather than the norm (Byrne, 2013). There is a strong focus on the technical and physical aspects of Lean, such as inventory management (Kanban), cell design of equipment, product and service quality techniques, equipment flexibility, visual management, and other facets of Lean. Experience has shown that there is very little focus on the invisible side of Lean, that is the notion of RFP. Experience has shown that companies that did not reach their potential failed in the fulfillment of RFP principles, while companies who excelled in people management, engagement, and morale experienced a successful transformation.

Relation to Business Specialization

The RFP principle relates to the human side of a business transformation. The Ph.D. in Business Administration, with a specialization in Management, clearly addresses the skills and techniques necessary to manage and lead people in today's global business environment (Northcentral University, 2020).

Why is Further Study Required?

As noted, RFP is a popular topic. Research has found many studies that have identified the lack of RFP with a Lean transformation. However, research has yet to discover potential solutions to this issue. Should this be identified as a potential gap, solutions to the RFP problem statement may prove a meaningful contribution to the Lean transformation body of knowledge.

Summary

Toyota is held in high regard by its employees as evidenced by earning Glassdoor's Employees' Choice Award and the Best Places to Work award in 2018 (glassdoor, 2018). Toyota

received high scores based on the higher level of employee participation in Kaizen events which resulted in higher attitude, motivation, job satisfaction, and morale levels. Given these favorable outcomes, a conclusion can be made that participation in Kaizen events supports the RFP principle.

As Lean Kaizen improves productivity, fewer employees will be required. As a result, job security will become a significant employee concern if not addressed at the onset of a Lean transformation (A. Byrne, personal communication, December 15, 2019). According to Byrne, the ideas of employees are vital in driving Lean improvements and cannot result in layoffs as a result. Leaders must make a no-layoff policy declaration before undergoing a Lean transformation.

Finally, all stakeholders, including employees, need to be addressed in order to fulfill the RFP principle. Toyota believes that satisfying all stakeholders is a crucial ingredient to their business success.

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