

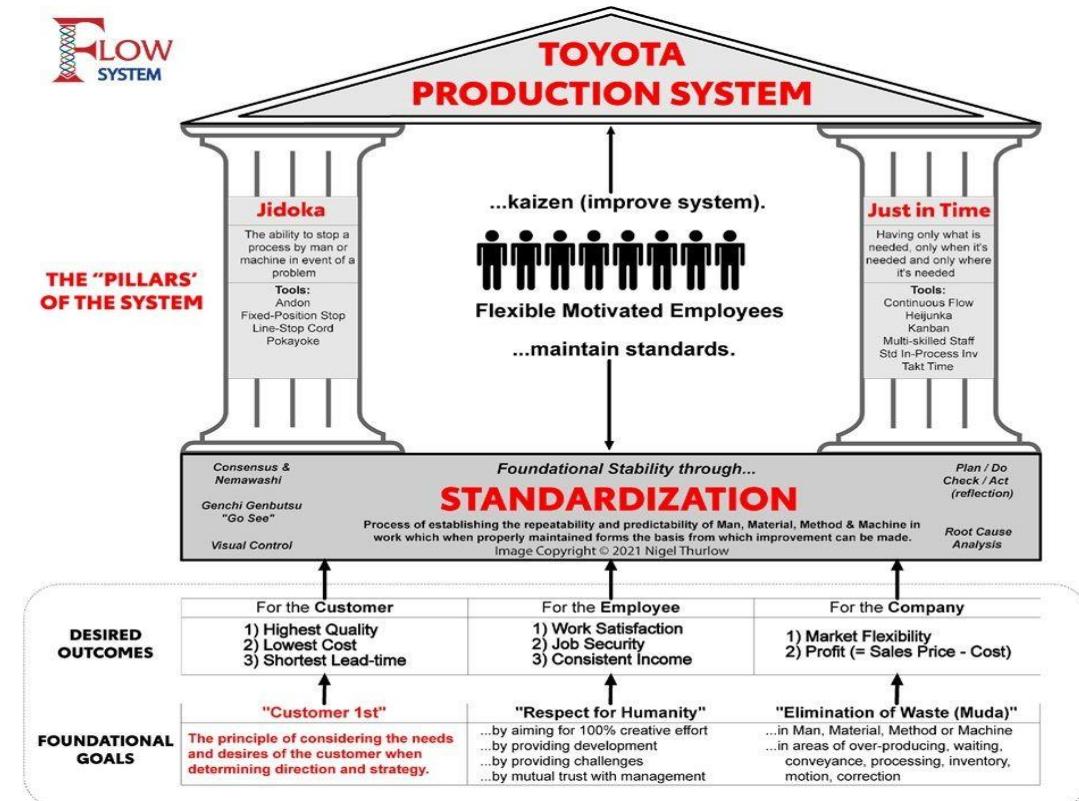
Unit 2 : Management Trends and Practices - Let Us Explore

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- 2. Comparative Management Styles and Approaches**
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- 8. Management of Diversity & Select Cases (Domestic & International Corporations)**

Toyota – From Crisis to Continuous Improvement (Lean & Kaizen)

- **Before:** Post–World War II, Toyota was struggling with limited resources, unable to compete with U.S. automakers.
- **Change:** Adopted **Lean Manufacturing & Kaizen** → Just-in-Time, waste elimination, employee-driven improvements.
- **After:** Became the world's most efficient automaker, benchmarked globally for quality and productivity.
- **Key Trend Reflected:** Continuous improvement, employee empowerment, process innovation.



IBM – From Hardware Giant to Services & Cloud Leader (Agile Transformation)

- **Before:** In the 1990s, IBM was losing market share as PCs and servers became commoditized.
- **Change:** Lou Gerstner shifted focus from hardware → **services, consulting, and cloud computing**. Adopted **Agile management practices** and customer-centric models.
- **After:** Rebuilt brand as a global IT solutions and AI leader (Watson, hybrid cloud).
- **Key Trend Reflected:** Business model innovation, agility, customer-centricity.

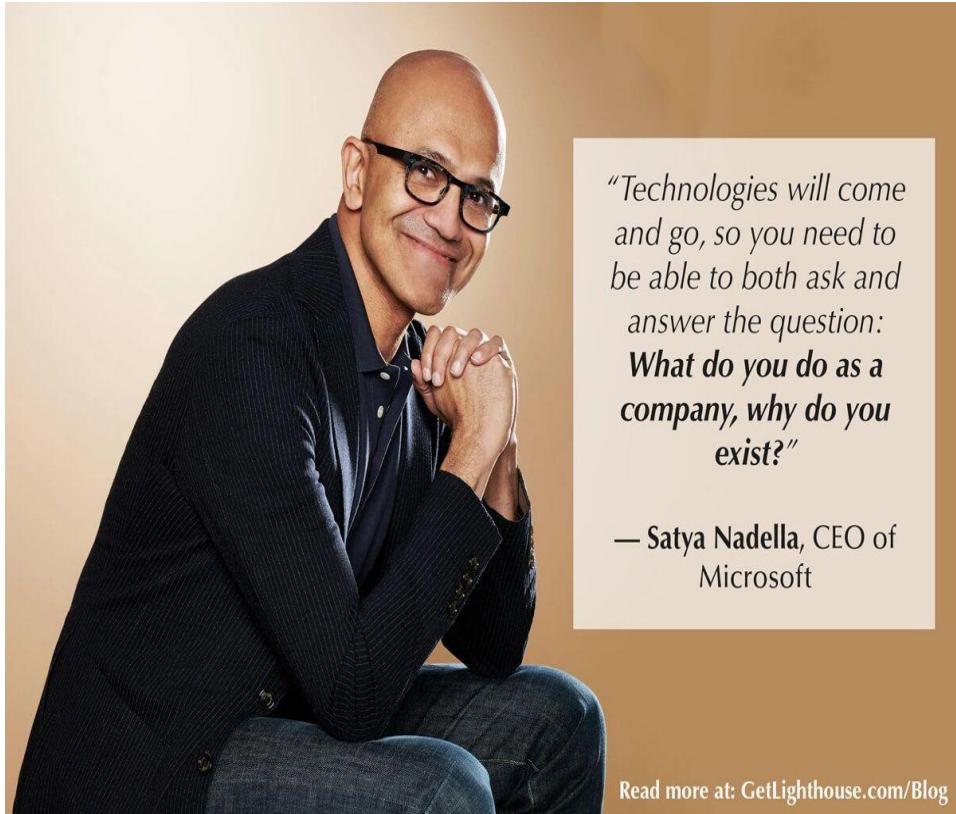
Netflix – Reinventing Entertainment (Data-driven & Freedom Culture)

- **Before:** Started as DVD rentals → Blockbuster dominated.
- **Change:** Pivoted to **streaming model** (2007), embraced **data-driven decisions** for content, adopted “freedom & responsibility” culture.
- **After:** Disrupted the global entertainment industry, set a new standard in personalized media.
- **Key Trend Reflected:** Agility, data-driven management, innovation culture.



Microsoft – Satya Nadella's Leadership (Cultural Transformation)

- **Before:** Under Steve Ballmer, Microsoft was criticized as rigid, bureaucratic, and lagging in mobile/cloud adoption.
- **Change:** Satya Nadella (CEO, 2014) introduced a “**growth mindset**” culture, encouraged collaboration, focused on **cloud-first, AI-first strategy**.
- **After:** Microsoft rebounded, became a top cloud services provider (Azure), market cap soared above \$3 trillion (2025).
- **Key Trend Reflected:** Cultural agility, innovation, inclusive leadership.



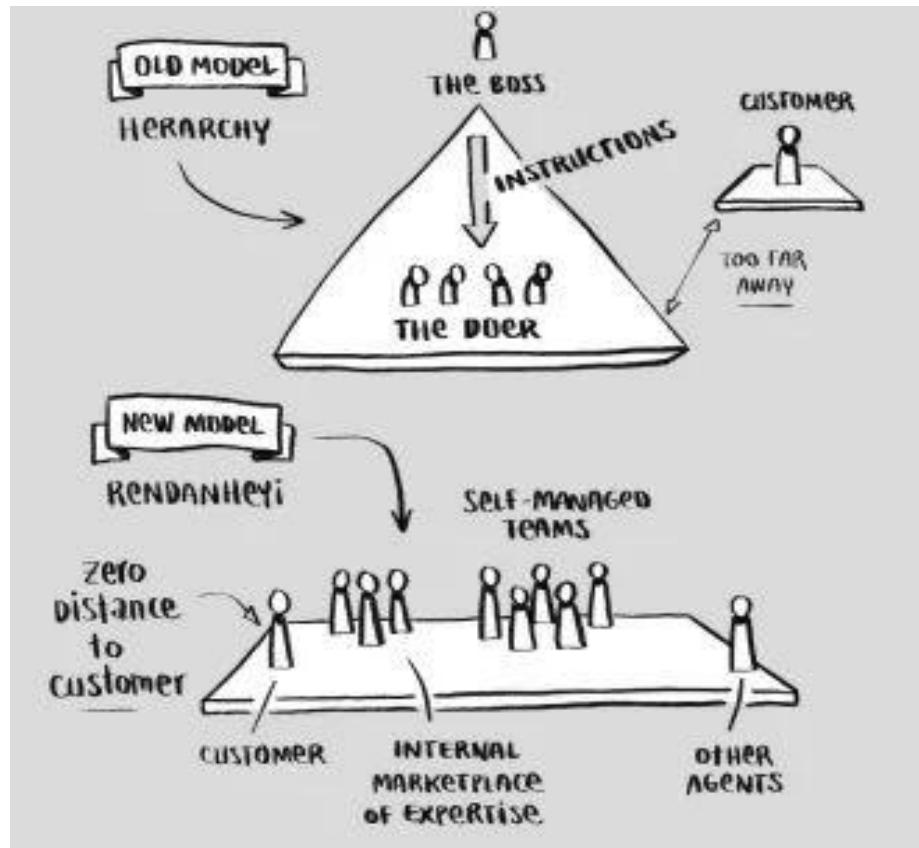
“Technologies will come and go, so you need to be able to both ask and answer the question: What do you do as a company, why do you exist?”

— Satya Nadella, CEO of Microsoft

Read more at: GetLighthouse.com/Blog

Haier (China) – From Bureaucracy to Micro-Enterprise (Decentralization Trend)

- **Before:** Traditional hierarchical manufacturer of appliances.
- **Change:** CEO Zhang Ruimin dismantled bureaucracy, created **micro-enterprise units** where employees act as entrepreneurs (Rendanheyi model).
- **After:** Became one of the world's leading appliance makers with fast response to consumer needs.
- **Key Trend Reflected:** Decentralization, self-management, entrepreneurial management.



Types of Leadership Styles



1. Comparative Management Styles and Approaches

Country	Authority & Power Distance	Decision-Making Style	Communication Style	Work Orientation	Leadership Style Preferred
USA 	Low power distance → egalitarian	Decentralized, fast, individual-driven	Direct, low-context	Achievement, short-term focus	Transformational / Participative
Japan 	High respect for hierarchy, but collective	Consensus-drive n (ringi system)	Indirect, high-context	Long-term, disciplined, collectivist	Consensus-orient ed / Collective
India 	High power distance, status matters	Centralized, respect for seniority	Indirect, relationship-foc used	Mix of short- & long-term, adaptable	Paternalistic / Hierarchical
Germany 	Moderate power distance, formal	Structured, rule-based, consensus	Very direct, precise	Sequential, efficiency-drive n	Rule-based / Expert-led

1. Comparative Management Styles and Approaches

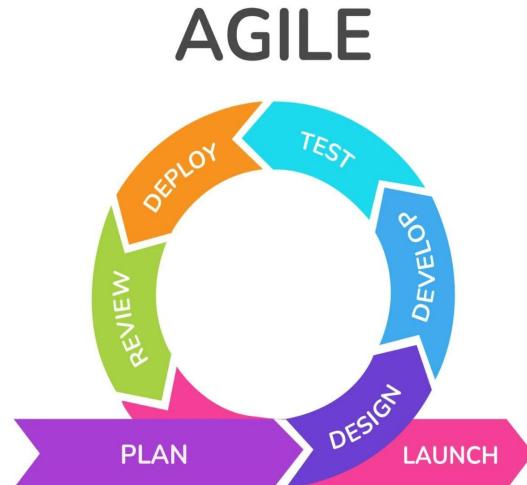
Country	Authority & Power Distance	Decision-Making Style	Communication Style	Work Orientation	Leadership Style Preferred
China 	Very high power distance	Centralized, top-down	High-context, indirect	Collectivist, long-term	Paternalistic / Authoritative
France 	High power distance, intellectual authority	Centralized, analytical	Formal, logical	Rule-driven, hierarchical	Authoritative / Intellectual
UK 	Low–moderate power distance	Consultative but leader-driven	Polite, indirect	Balance of work & personal life	Participative / Consultative

1. Management Trends and Practices – Let Us Explore

- **Definition:** The evolving philosophies, tools, and techniques used by managers worldwide to adapt to changing environments.
- **Key Global Trends:**
 - **Agile & Scrum:** Flexibility, iterative delivery, customer involvement.
 - **Lean & TPS (Toyota Production System):** Waste reduction, efficiency, continuous improvement.
 - **Design Thinking:** Human-centered innovation, empathy → ideation → prototyping.
 - **Data-driven management:** Analytics, AI, and big data for decision-making.
 - **Remote & Hybrid work:** Technology-enabled collaboration, digital leadership.
 - **Sustainability & ESG:** Triple bottom line (People, Planet, Profit).
 - **Employee well-being & psychological safety:** Fostering trust and inclusivity.

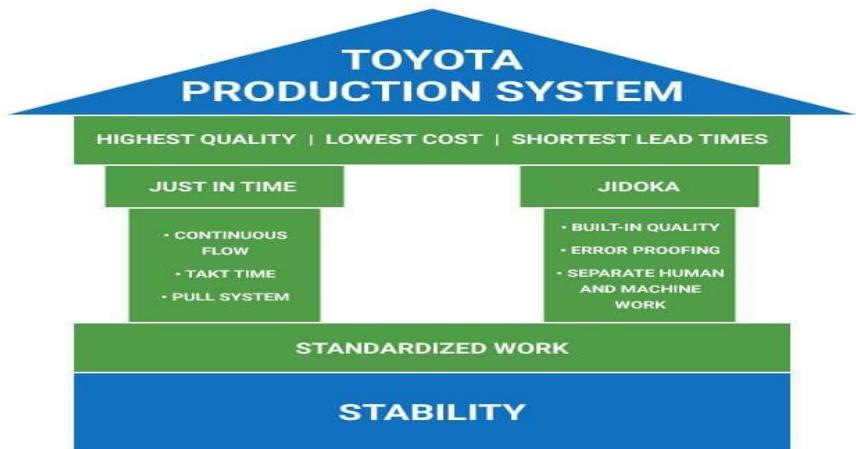
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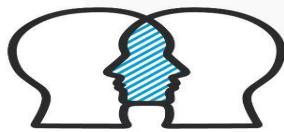
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Design Thinking



Empathize



Define



Ideate



Prototype



Test

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17 Hybrid Work Model Examples



1. Management Trends and Practices – Let Us Explore

- **Sustainability & ESG:** Triple bottom line (People, Planet, Profit).



Environmental

Safeguarding of the environment, including policies to address climate change, biodiversity, and energy and water efficiency.



Social

Social impact, community relations, fair working conditions, labour policies, and supporting equality and diversity.



Governance

Ethical and anti-corruption practices, compliance, transparency, and commitment to shareholder and voter rights.

2. Japanese Management Practices

Quality & Improvement

1. **TQM (Total Quality Management / CWQC – Company-Wide Quality Control)**
2. **Kaizen** – continuous, incremental improvement.
3. **Quality Circles** – small employee groups solving quality issues.
4. **5S (Seiri, Seiton, Seiso, Seiketsu, Shitsuke)** – workplace organization.
5. **Ishikawa Diagram (Fishbone / Cause-and-Effect)** – by Kaoru Ishikawa.
6. **Hansei** – reflection and learning from mistakes.
7. **PDCA Cycle (Plan–Do–Check–Act)** – popularized in Japan (by Deming, embraced deeply by Japanese firms).
8. **QC Tools (Seven Basic Tools of Quality)** – Pareto chart, control chart, histogram, check sheet, cause-effect diagram, scatter diagram, flowchart.

1. QM (Total Quality Management / CWQC – Company-Wide Quality Control)



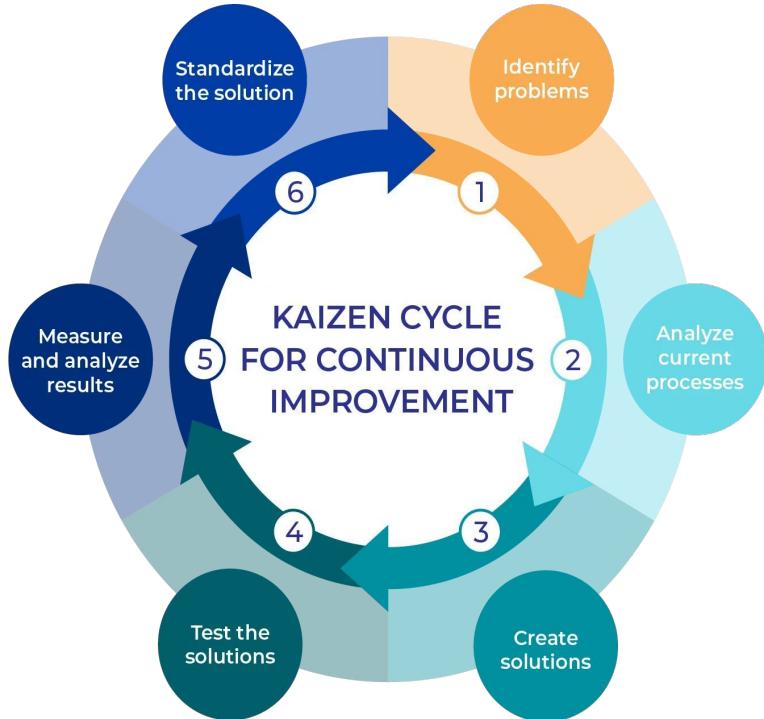
Definition:

A continuous management approach that focuses on improving quality of products, processes, and services by involving **all employees** to achieve **customer satisfaction**.

Key Principles of TQM

- Customer Focus** – Quality = meeting/exceeding customer needs.
- Continuous Improvement (Kaizen)** – Ongoing small changes → big results.
- Employee Involvement** – Quality is everyone's responsibility.
- Process Approach** – Improve processes, not just outputs.
- Fact-Based Decision Making** – Use data & tools (SPC, Six Sigma).
- Leadership Commitment** – Management leads quality culture.

2. Kaizen – continuous, incremental improvement.



Meaning:

Japanese word → *Kai* = Change, *Zen* = Good → “**Change for the better.**”

Continuous, small, incremental improvements in processes, products, and work culture → leading to **long-term excellence**.

Principles of Kaizen

1. Continuous improvement (step by step).
2. Involvement of everyone (workers to managers).
3. Focus on process, not just results.
4. Eliminate waste (**Muda**).
5. Standardize best practices.

3. Quality Circles – small employee groups solving quality issues.

A **Quality Circle** is a **small group of employees** (usually 5–10) from the **same workplace or department** who voluntarily meet at regular intervals to:

- **Identify problems** related to their work.
- **Analyze root causes** using tools (like Ishikawa diagrams, Pareto charts).
- **Propose and implement solutions** to improve quality, productivity, and safety.



4. 5S (Seiri, Seiton, Seiso, Seiketsu, Shitsuke) – workplace organization.



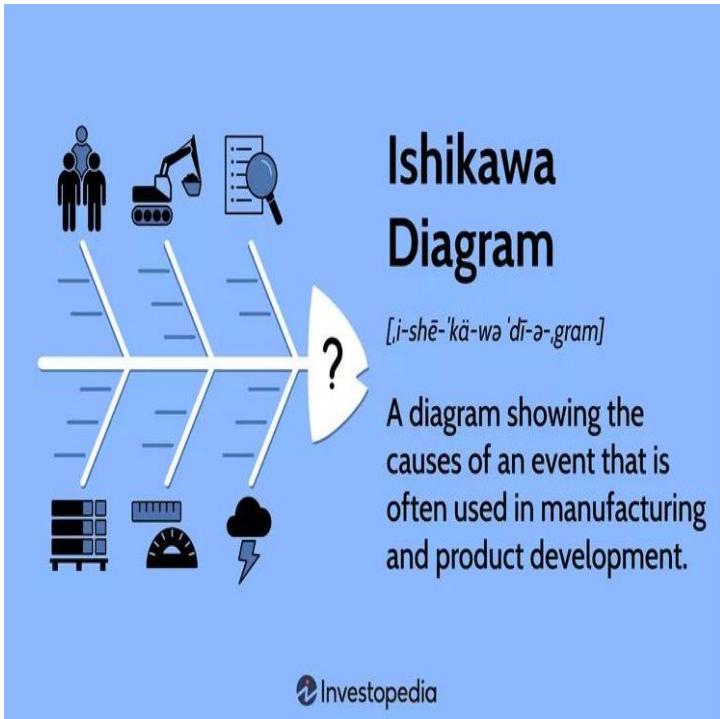
Definition:

A Japanese workplace organization method to make the environment **clean, safe, efficient, and disciplined**.

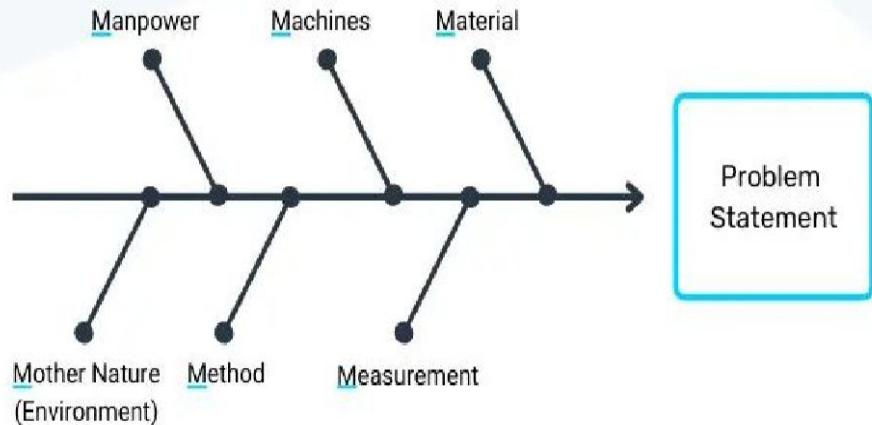
Key Principles (5 Steps):

1. **Seiri (Sort)** – Remove unnecessary items
2. **Seiton (Set in order)** – Arrange items neatly
3. **Seiso (Shine)** – Keep workplace clean
4. **Seiketsu (Standardize)** – Create rules & standards
5. **Shitsuke (Sustain)** – Maintain discipline consistently

5. Ishikawa Diagram (Fishbone / Cause-and-Effect) – by Kaoru Ishikawa.

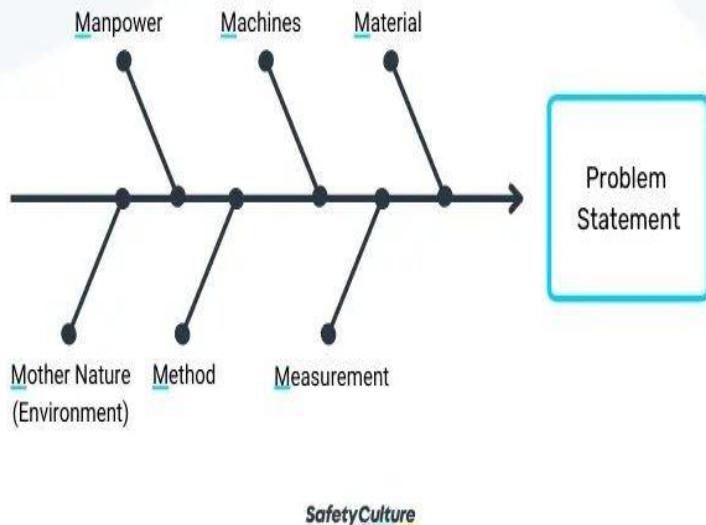


Ishikawa Diagram: The 6Ms



5. Ishikawa Diagram (Fishbone / Cause-and-Effect) – by Kaoru Ishikawa.

Ishikawa Diagram: The 6Ms



- ◆ **Definition:**

A visual tool developed by **Kaoru Ishikawa** (1960s, Japan) to identify, analyze, and display possible causes of a specific problem (effect).

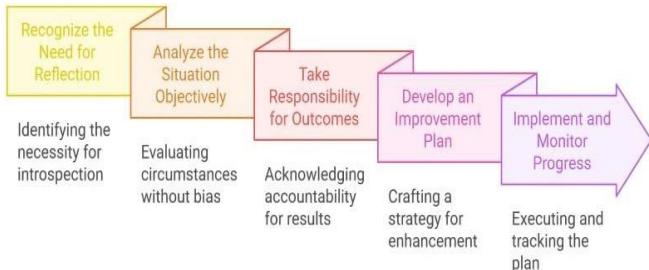
Key Categories of Causes (6Ms for Manufacturing):

1. **Man** → Human errors, lack of training
2. **Machine** → Equipment failure, maintenance issues
3. **Material** → Poor raw materials, defects
4. **Method** → Inefficient processes, wrong procedures
5. **Measurement** → Inaccurate data, poor inspection
6. **Mother Nature (Environment)** → External factors (weather, regulations)

6. Hansei – reflection and learning from mistakes.

SX

The Hansei Process



◆ Definition:

A Japanese term meaning “**reflection**” or “**introspection**.”

In management, **Hansei** is the practice of **honestly reflecting on mistakes, shortcomings, and missed opportunities** with the aim of continuous self-improvement.

Key Principles of Hansei

1. **Admit Mistakes** – Accept responsibility rather than blaming others.
2. **Reflect Deeply** – Analyze *why* the mistake happened.
3. **Learn Lessons** – Identify gaps in skills, planning, or process.
4. **Take Corrective Action** – Implement changes to prevent recurrence.
5. **Continuous Improvement** – Treat failure as a stepping stone, not the end.

7. PDCA Cycle (Plan–Do–Check–Act) – popularized in Japan (by Deming, embraced deeply by Japanese firms).

Plan, do, check, act

Identify the issue

Define the problem, gather relevant data, and formulate a hypothesis. What exactly are you trying to achieve? What resources do you need?

Launch or adjust

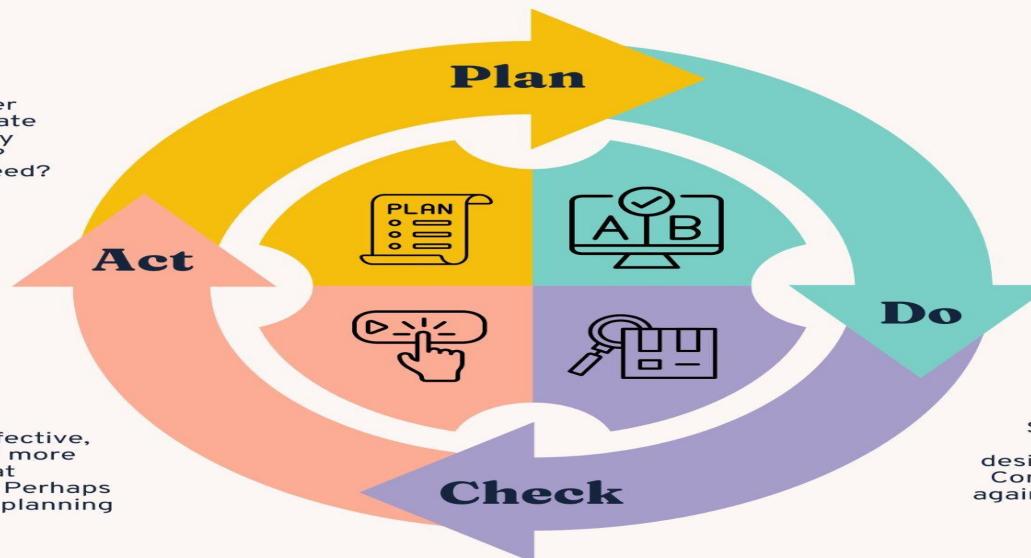
If your solution proved effective, how can you implement it more widely? If it fell short, what adjustments are needed? Perhaps you need to return to the planning stage with new insights.

Quickly try out a solution

Implement your plan – but start small. This stage is a controlled experiment, not full-scale deployment.

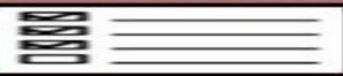
See if it works

Step back and examine what happened. Did you get the desired result? Why or why not? Compare your actual outcomes against your predictions, looking for insights and unexpected consequences.



8. QC Tools (Seven Basic Tools of Quality) – Pareto chart, control chart, histogram, check sheet, cause-effect diagram, scatter diagram, flowchart.

7QC TOOLS



Check Sheet



Fishbone Diagram

Histogram

Pareto Chart

Control Chart

Scatter Diagram

Stratification

3. Japanese Management Practices

Production & Efficiency

9. **Just-in-Time (JIT)** – produce only what is needed, when needed.
10. **Kanban System** – visual signaling for production flow.
11. **Lean Manufacturing (Toyota Production System – TPS)**.
12. **Jidoka (Autonomation)** – machines stop when a defect occurs.
13. **Poka-Yoke** – mistake-proofing mechanisms.
14. **Heijunka** – production leveling / smoothing demand fluctuations.
15. **Muda, Mura, Muri** – 3 enemies of efficiency: waste, unevenness, overburden.
16. **Hoshin Kanri** – policy deployment, aligning strategy across levels.

3. Japanese Management Practices: Production & Efficiency

Just-in-Time (JIT)

A **lean production strategy** that ensures materials, components, and products are produced or delivered **only when needed**, in the right amount, and at the right place.

Key Principles of JIT

1. **Eliminate Waste (Muda)** – Reduce excess inventory, waiting time, defects.
2. **Continuous Flow** – Smooth production without delays.
3. **Pull System** – Customer demand triggers production (not forecasts).
4. **Small Lot Sizes** – Produce in small batches for flexibility.
5. **Strong Supplier Relationships** – Reliable, on-time deliveries are crucial.



3. Japanese Management Practices: Production & Efficiency

Kanban System

A **visual workflow management system** developed in Toyota's production system to improve efficiency by controlling work in progress (WIP).

Key Principles of Kanban

1. **Visualize Work** – Use boards/cards to show tasks (e.g., *To Do* → *In Progress* → *Done*).
2. **Limit Work-in-Progress (WIP)** – Avoid overloading teams.
3. **Pull System** – Work is pulled based on capacity, not pushed by demand.
4. **Focus on Flow** – Ensure smooth movement of tasks through the process.
5. **Continuous Improvement (Kaizen)** – Regularly refine processes.

Kanban Best Practices



3. Japanese Management Practices : Production & Efficiency

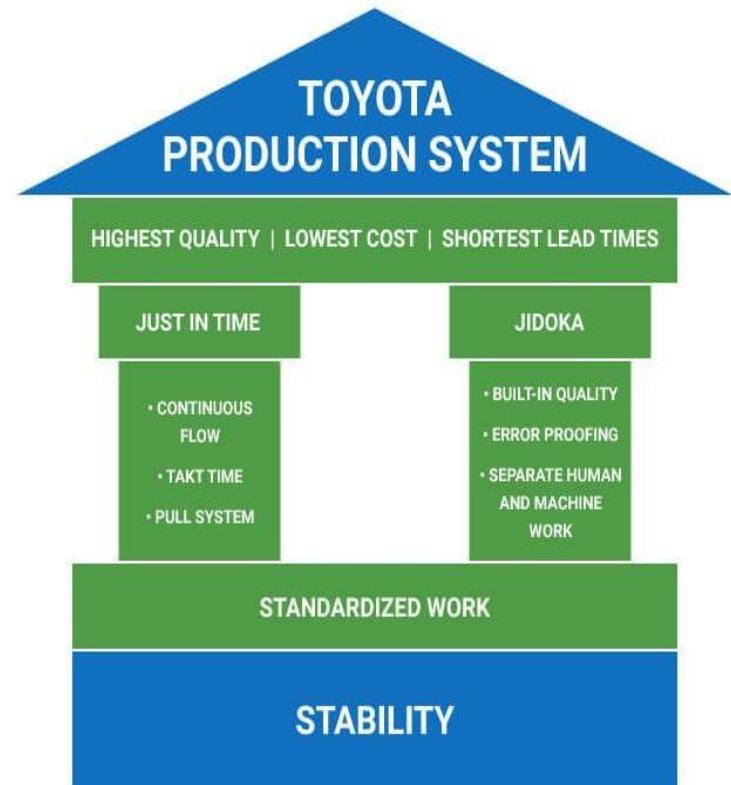
Lean Manufacturing (Toyota Production System – TPS).

- ◆ Definition:

A production philosophy focused on **maximizing value** for the customer while **eliminating waste (Muda)** in every step of the process.

Key Principles of Lean (5 Lean Principles):

1. **Value** – Define what the customer truly values.
2. **Value Stream** – Map all steps in the process, remove waste.
3. **Flow** – Make processes continuous and smooth.
4. **Pull** – Produce only when there is customer demand (JIT).
5. **Perfection** – Continuous improvement (Kaizen).



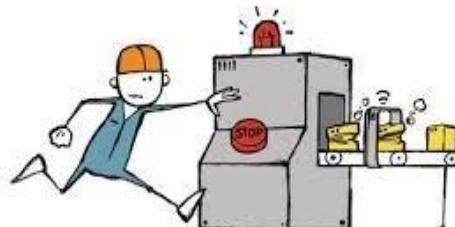
3. Japanese Management Practices: Production & Efficiency

Jidoka (Autonomation) – machines stop when a defect occurs.

A key pillar of the **Toyota Production System (TPS)** which means **stopping production automatically when a defect occurs**, so problems are fixed immediately instead of passing them down the line.

Key Principles of Jidoka

1. **Detect Abnormalities** – Machines/systems identify defects.
2. **Stop the Process** – Halt production immediately when an issue arises.
3. **Fix the Problem** – Identify and correct the root cause.
4. **Prevent Recurrence** – Standardize improvements to avoid repetition.



The Jidoka Process



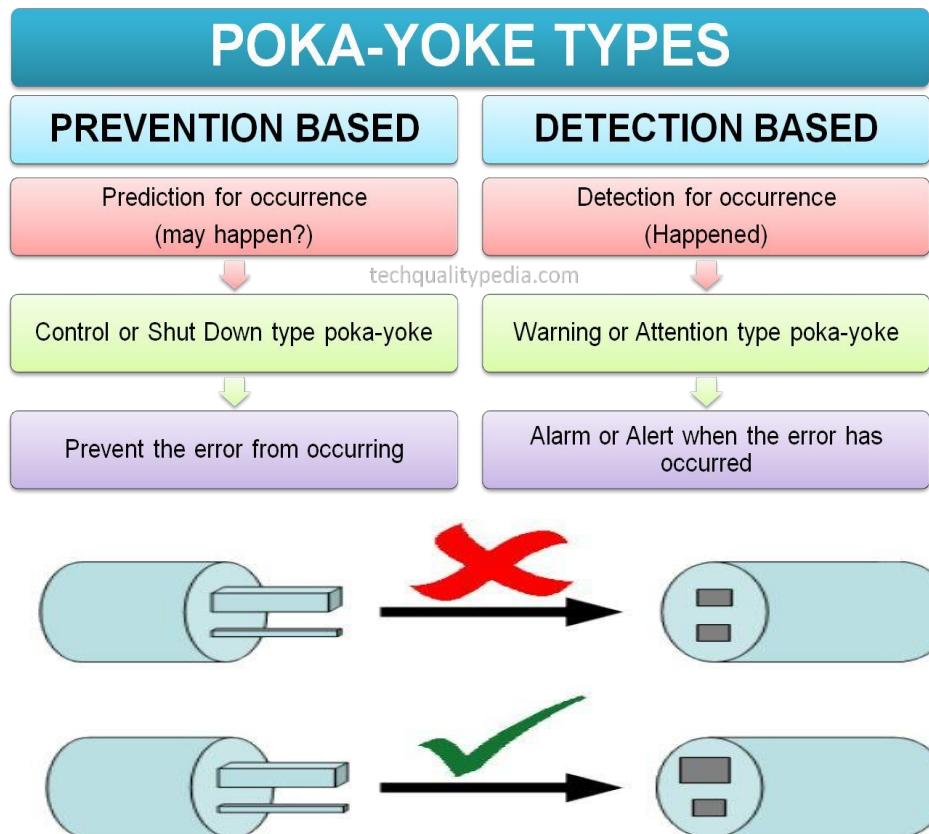
3. Japanese Management Practices: Production & Efficiency

Poka-Yoke –

A Japanese quality management concept developed by **Shigeo Shingo (Toyota)** that means “mistake-proofing.”

Key Principles of Poka-Yoke

1. **Prevention > Detection** – Design so mistakes cannot occur.
2. **Immediate Feedback** – If an error happens, it is detected instantly.
3. **Simple & Low-Cost Solutions** – Small changes can prevent big defects.
4. **Focus on Human Errors** – Assume mistakes are natural, systems must catch them



3. Japanese Management Practices: Production & Efficiency

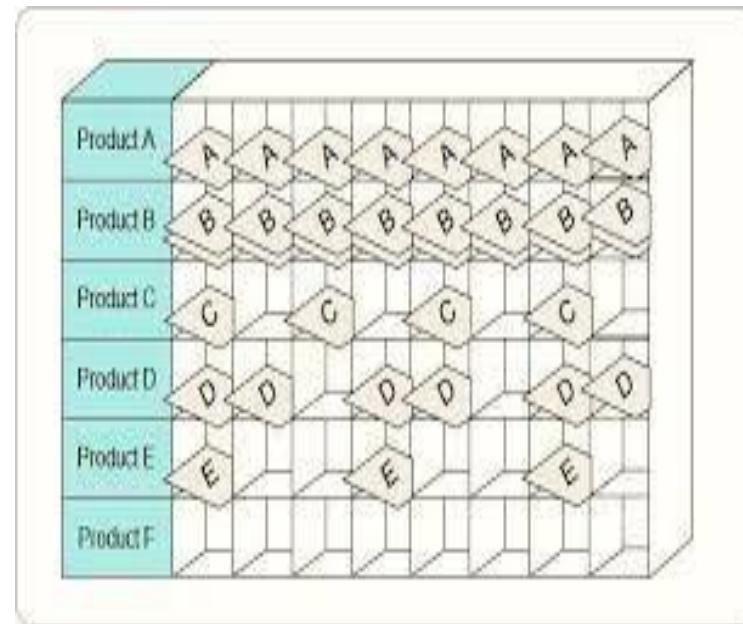
Heijunka – production leveling / smoothing demand fluctuations.

A lean manufacturing concept (from the **Toyota Production System**) meaning **production leveling**.

It focuses on **smoothing out fluctuations** in production by distributing work evenly over time

Key Principles of Heijunka

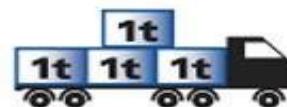
1. **Level the Product Mix** – Produce a balanced mix of products instead of big batches.
2. **Level the Production Volume** – Spread production evenly over time to match demand.
3. **Small Batch Production** – Reduces inventory & lead time.
4. **Flexibility** – Quick changeovers allow multiple products on the same line



3. Japanese Management Practices: Production & Efficiency



Muri = overburdened



Mura = unevenness, fluctuation, variation



Muda = waste



No Muri, Mura, or Muda



3. Japanese Management Practices: Production & Efficiency

Muda (Waste)

- ◆ **Meaning:** Any activity that **consumes resources but adds no value** to the customer.

Types of Muda (7 wastes in Lean):

1. Overproduction
2. Waiting time
3. Transportation
4. Over-processing
5. Inventory
6. Motion (unnecessary movement)
7. Defects

Mura (Unevenness)

1. Irregularity or inconsistency in production, demand, or workflow.
2. Causes overburden at times, underuse at others.
3. Leads to inefficiency and stress on systems.

Muri (Overburden)

Pushing people or machines beyond their natural limits, causing breakdowns, mistakes, and safety risks.

3. Japanese Management Practices: Production & Efficiency

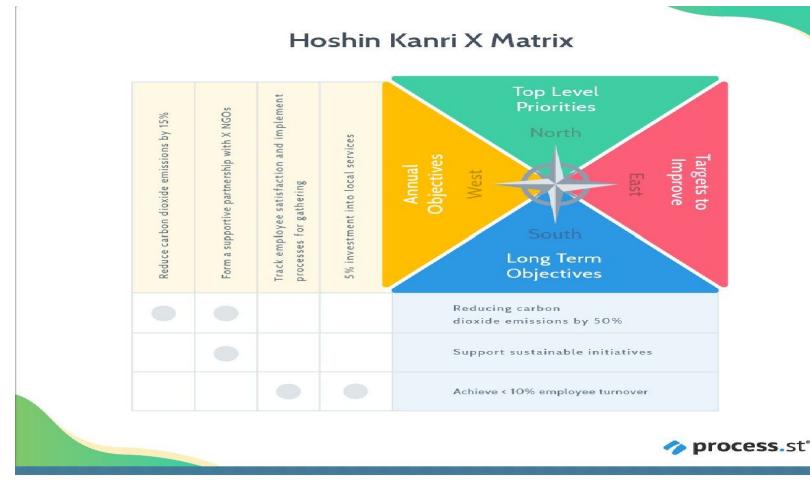
Hoshin Kanri

A **strategic planning and execution method** from Japan that aligns a company's long-term vision with its day-to-day operations.

It ensures everyone in the organization is **working towards the same breakthrough goals** while continuously improving processes.

Key Principles of Hoshin Kanri

- Focus on a Few Breakthrough Objectives** – Big, long-term priorities (3–5 years).
- Catchball Process** – Two-way communication between top management & employees to refine goals.
- Alignment Across Levels** – Company → department → team → individual.
- PDCA Cycle** – Plan–Do–Check–Act ensures ongoing progress monitoring.
- Continuous Improvement (Kaizen) + Breakthrough Innovation** –



Hoshin Kanri
What does it mean?



3. Japanese Management Practices

People & Organization

17. **Ringi System** – bottom-up consensus decision-making.
18. **Nemawashi** – informal consensus building before formal decisions.
19. **Wa (Harmony)** – emphasis on group harmony.
20. **Shūshin koyō** – lifetime employment.
21. **Nenko System** – seniority-based wages and promotions.
22. **Senpai–Kohai System** – mentoring relationship (senior–junior).
23. **Paternalistic Leadership** – managers as guardians.
24. **Enterprise Unions** – unions tied to one company, not industry-wide.

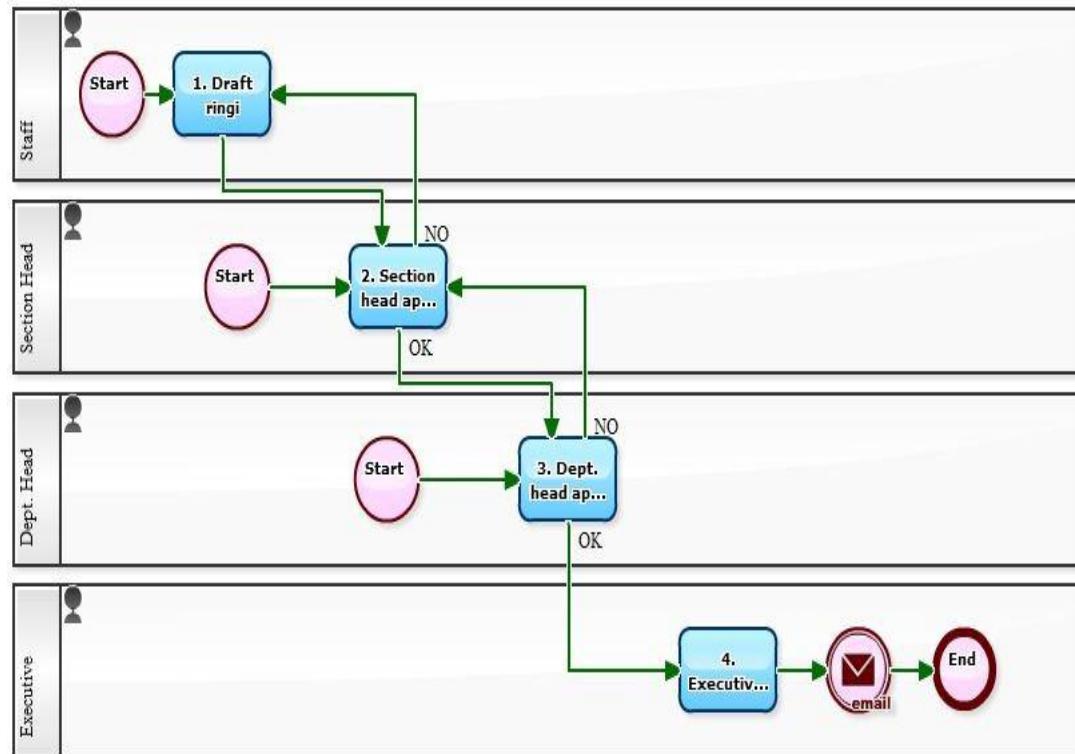
3. Japanese Management Practices: People & Organization

Ringi System

A **Japanese decision-making process** where a proposal is circulated among all stakeholders for feedback and approval before implementation.

Key Principles of Ringi

1. **Consensus-Based** – Decisions are made collectively, not imposed top-down.
2. **Circulation of Proposal (Ringi-sho)** – A written proposal document is passed around.
3. **Stamps of Approval (Hanko/Inkan)** – Managers and team members give approval by stamping their seal.
4. **Bottom-Up Participation** – Lower-level employees contribute ideas, ensuring practicality.
5. **Harmony (Wa)** – Preserves group unity and prevents conflict.



3. Japanese Management Practices: People & Organization

Nemawashi

Nemawashi literally means “**preparing the roots**” (like preparing soil before planting a tree).

In management, it refers to **informal consensus-building** before a formal decision is made.

Managers **discuss proposals quietly with stakeholders in advance**, so by the time it's presented officially, most people are already supportive.

Key Principles of Nemawashi

1. **Informal Discussions First** – Talk to stakeholders one-on-one before official meetings.
2. **Consensus Building** – Gather feedback and adjust the proposal.
3. **Respect & Inclusion** – Everyone's voice is heard before decisions.
4. **Smooth Implementation** – Reduces opposition when the formal decision is announced.



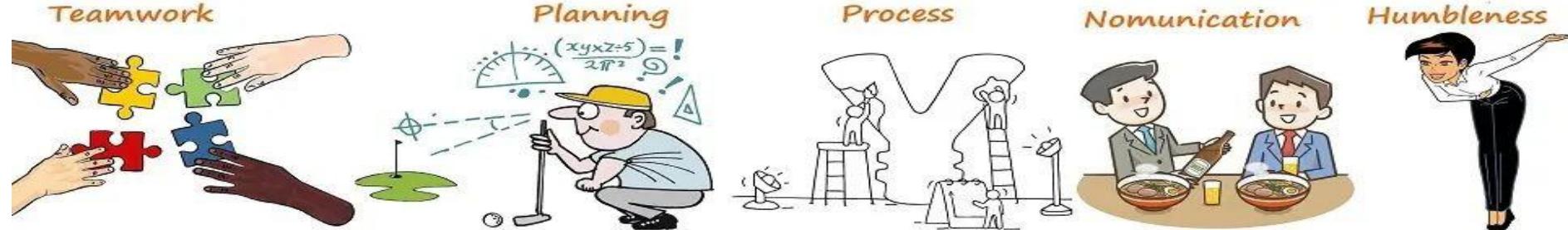
3. Japanese Management Practices: People & Organization

Wa (Harmony) – Wa” means harmony, peace, or balance.

In Japanese management, Wa refers to maintaining **group harmony, unity, and mutual respect** in organizations.

Key Principles of Wa in Management

1. **Group Harmony > Individual Ego** – Decisions aim to preserve relationships.
2. **Consensus (Nemawashi, Ringi)** – Tools like Nemawashi and Ringi are used to achieve harmony in decision-making.
3. **Respectful Communication** – Avoid open conflict; disagreements are handled subtly.
4. **Loyalty & Team Spirit** – Employees identify with the group/company rather than just themselves.
5. **Long-term Stability** – Harmony ensures sustainable cooperation and trust.



3. Japanese Management Practices: People & Organization

Shūshin koyō – lifetime employment.

Shūshin-Koyō is the Japanese practice of offering **lifetime employment** to employees, typically from graduation until retirement.

It creates a **bond of loyalty** between employee and employer, emphasizing stability, trust, and long-term growth.

Key Principles

1. **Job Security** – Employees are rarely dismissed; they stay until retirement.
2. **Seniority-Based Promotion (Nenko Joretsu)** – Pay and promotions depend on age & years of service, not just performance.
3. **Mutual Loyalty** – Employees commit their careers to one company; employers care for workers like family.
4. **Long-Term Training & Development** – Companies invest heavily in skill development.
5. **Collective Identity** – Employees see themselves as part of a



3. Japanese Management Practices: People & Organization

Nenko System

Nenko Joretsu means seniority-based promotion and pay system.

Employees' salaries, bonuses, and promotions are determined mainly by age and years of service, rather than just performance.

Key Principles

1. **Seniority = Reward** – The longer you stay, the more you earn and rise.
2. **Job Security** – Works together with **Shūshin-Koyō** (lifetime employment).
3. **Loyalty Over Talent** – Stability and patience are valued more than short-term performance.
4. **Gradual Climb** – Promotions come step by step, not abruptly.
5. **Group Stability** – Reduces competition inside the company and promotes Wa (harmony).

Composition of Employees Working Greater than 10 Years in The Same Company



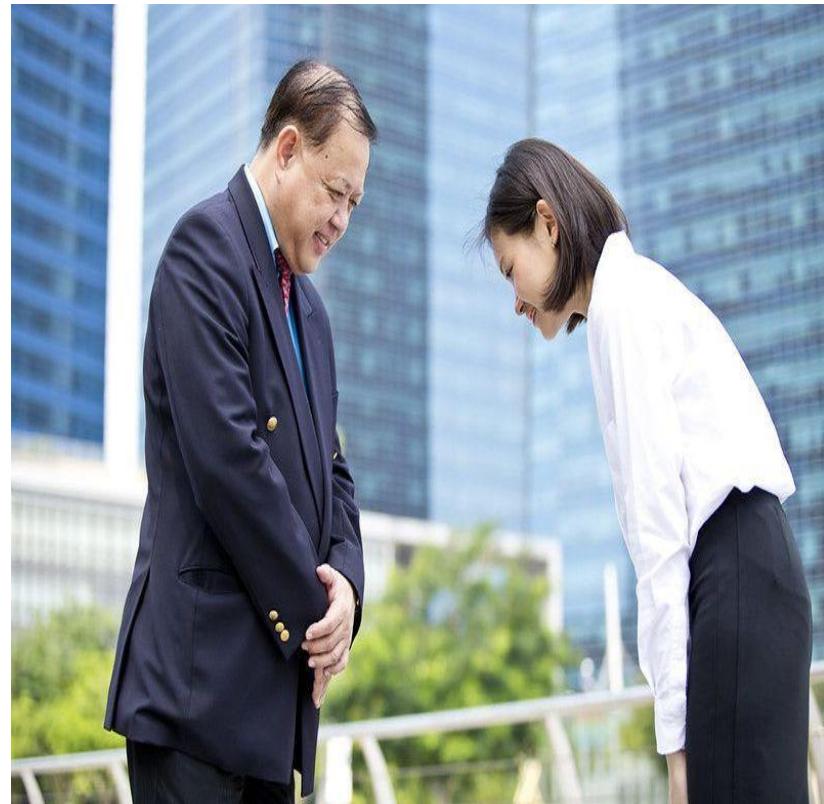
3. Japanese Management Practices: People & Organization

Senpai–Kohai System

The **Senpai–Kōhai** system is a **hierarchical relationship** where **Senpai** (senior/mentor) guides, protects, and supports **Kōhai** (junior/protégé), while the Kōhai shows **respect, loyalty, and obedience** to the Senpai.

Key Principles

1. **Senpai = Mentor/Role Model** – Provides guidance, shares knowledge, offers protection.
2. **Kōhai = Learner/Follower** – Respects authority, learns discipline, supports seniors.
3. **Mutual Responsibility** – The Senpai must care for juniors; the Kōhai must show gratitude and loyalty.
4. **Respectful Communication** – Juniors use honorific language (*keigo*) when speaking to seniors.



3. Japanese Management Practices: People & Organization

Enterprise Unions – unions tied to one company, not industry-wide.

An **Enterprise Union** is a labor union organized **within a single company** (enterprise), rather than across an entire industry or trade.

Key Principles

1. **Company-Based Membership** – Union members are **employees of the same company**, not an entire trade (e.g., Toyota Union, not a national auto workers' union).
2. **Inclusive Membership** – Covers all employees (blue-collar + white-collar), except top managers.
3. **Cooperative Approach** – Instead of being adversarial, unions often **work with management** to ensure long-term company success.
4. **Focus on Stability** – Protects **job security, wages, and working conditions** in line with lifetime employment.
5. **Collective Negotiation** – Annual **Shuntō (Spring Wage Offensive)** negotiations where enterprise unions across Japan push for wage increases at the same time



3. Japanese Management Practices

Innovation & Learning

25. **Gemba (現場)** – “the real place” → go to the shop floor for solutions.
26. **Monozukuri** – spirit of craftsmanship and making things with pride.
27. **Shitsuke (Discipline)** – part of 5S, but also broader work culture.
28. **Genchi Genbutsu** – “go and see” (first-hand problem analysis).
29. **Ba (by Nonaka)** – shared space for knowledge creation.
30. **Knowledge-Creating Company (SECI Model)** – Ikujiro Nonaka’s model (Socialization, Externalization, Combination, Internalization).

3. Japanese Management Practices: Innovation & Learning

Gemba (現場) – “the real place” → go to the shop floor for solutions.
refers to a philosophy and practice rooted in the concept of Gemba, a Japanese word meaning "the real place" or "the actual place" where value is created

Key Principles:

- Go and See (Genchi Genbutsu)
- Engage with People
- Focus on Process, not just Results
- Identify Waste (Muda) and Problems
- Respect for People
- Continuous Improvement (Kaizen mindset)



3. Japanese Management Practices: Innovation & Learning

Monozukuri spirit of craftsmanship and making things with pride.

Japanese term meaning “the art, science, and craft of making things” — emphasizes skill, dedication, and spirit in manufacturing.

Key Principles:

- Pride and craftsmanship in work
- Focus on quality and precision
- Continuous improvement (Kaizen)
- Respect for people and teamwork
- Customer-first mindset (value creation)
- Integration of tradition with innovation



3. Japanese Management Practices: Innovation & Learning

Shitsuke (Discipline) – part of 5S, but also broader work culture.

Japanese term meaning “discipline” or “sustain” — the 5th ‘S’ in the 5S methodology. It ensures that good habits, standards, and practices are maintained consistently.

Key Principles:

- Develop self-discipline among employees
- Follow rules and standards regularly
- Make 5S a habit, not a one-time activity
- Encourage responsibility and ownership
- Build a culture of continuous improvement



3. Japanese Management Practices: Innovation & Learning

Genchi Genbutsu – “go and see” (first-hand problem analysis).

Japanese management principle meaning “**go and see for yourself**” — emphasizes firsthand observation at the actual place (Gemba) to truly understand problems and processes.

Key Principles:

- Go to the source (actual workplace).
- Observe facts directly, not through reports.
- Engage with frontline workers.
- Understand processes and root causes.
- Use real-world evidence for decisions.
- Foundation for problem-solving & improvement.



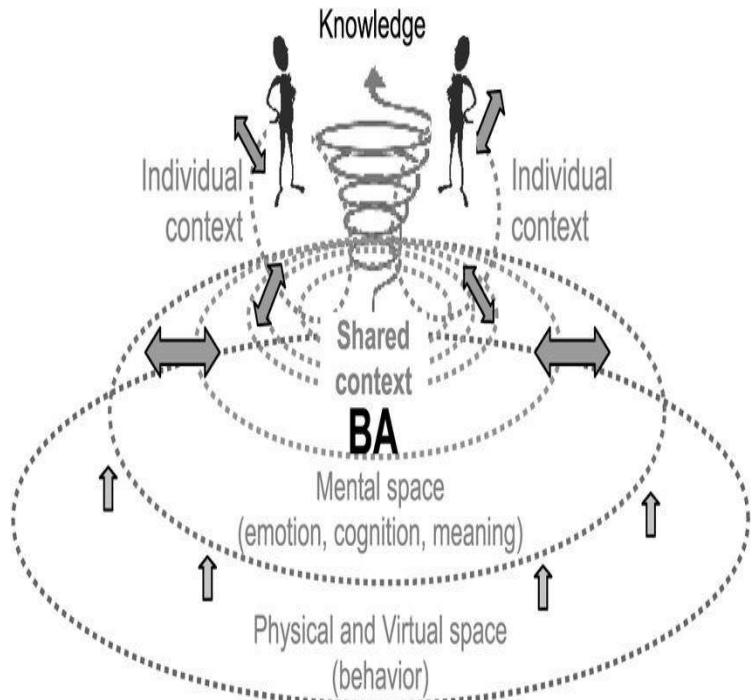
3. Japanese Management Practices: Innovation & Learning

Ba (by Nonaka) – shared space for knowledge creation.

A Japanese management concept meaning “**shared space**” (physical, virtual, or mental) where knowledge is created, shared, and utilized.

Key Principles:

- Create a shared context for knowledge creation.
- Encourage open communication & collaboration.
- Combine tacit (experiential) and explicit (formal) knowledge.
- Foster trust, respect, and mutual learning.
- Enable continuous innovation and improvement.
- Can exist in physical space (office, factory), virtual space (digital tools), or mental space (shared vision).



3. Japanese Management Practices: Innovation & Learning

Knowledge-Creating Company (SECI Model) –

Ikujiro Nonaka's model (Socialization, Externalization, Combination, Internalization).

describes how Japanese companies innovate by continuously creating, disseminating, and applying new knowledge

Types of Knowledge Management System

The image displays a 2x3 grid of white rounded rectangular boxes against a dark blue background. Each box contains an icon and a label describing a type of Knowledge Management System. The icons are colorful illustrations: 'FAQ Content' shows people around large blue letters 'FAQ'; 'Training Programs' shows two people at a desk with a whiteboard; 'Webinars' shows a person at a desk with a computer; 'Collaboration Tools' shows two people at a table with a screen; 'Expert Systems' shows a person sitting at a desk with a large monitor displaying various icons; and 'Social Media Platforms' shows a person at a desk with a laptop and social media icons.

FAQ Content	Training Programs	Webinars
Collaboration Tools	Expert Systems	Social Media Platforms

QuestionPro

3. Japanese Management Practices

- **Core Principles:**
 - **Lifetime Employment:** Loyalty & job security (traditional, now evolving).
 - **Seniority-based pay & promotion:** Respect for tenure and age.
 - **Consensus-based decision-making:** Nemawashi (informal consultation), Ringi (formal approvals).
 - **Quality Circles:** Small group problem-solving initiatives.

4. Organisational Creativity and Innovation

Meaning

- **Creativity** in organisations: The ability of employees, teams, and leaders to generate **novel and useful ideas**.
- **Innovation**: The process of **implementing creative ideas** into practical products, services, processes, or business models that add value.



4. Organisational Creativity and Innovation : Levels of Creativity & Innovation in Organisations

- **Individual Level** → Employee ideas, problem-solving, personal creativity.
- **Team Level** → Group brainstorming, cross-functional collaboration.
- **Organisational Level** → R&D, corporate strategy, open innovation networks.



4. Organisational Creativity and Innovation : Types of Organisational Innovation

- **Product Innovation** – New or improved goods/services (e.g., Apple iPhone updates).
- **Process Innovation** – New ways of production, delivery, or management (e.g., Toyota lean manufacturing).
- **Business Model Innovation** – Rethinking how value is created/delivered (e.g., Netflix subscription model).
- **Marketing Innovation** – Novel branding, promotion, pricing methods (e.g., Coca-Cola personalization campaign).
- **Organisational/Structural Innovation** – Changing hierarchy, work culture, HR practices (e.g., Google's 20% time for creative projects).

Product Innovation



4. Organisational Creativity and Innovation : Key Drivers of Organisational Creativity

- **Leadership:** Visionary leaders who support experimentation.
- **Culture:** Openness, psychological safety, and tolerance for failure.
- **Structure:** Flexible hierarchies, cross-functional teams.
- **Resources:** Time, funding, technology, R&D facilities.
- **Diversity:** Different perspectives → more creative problem-solving.
- **External Environment:** Market trends, competition, customer needs

4. Organisational Creativity and Innovation : Barriers to Organisational Creativity

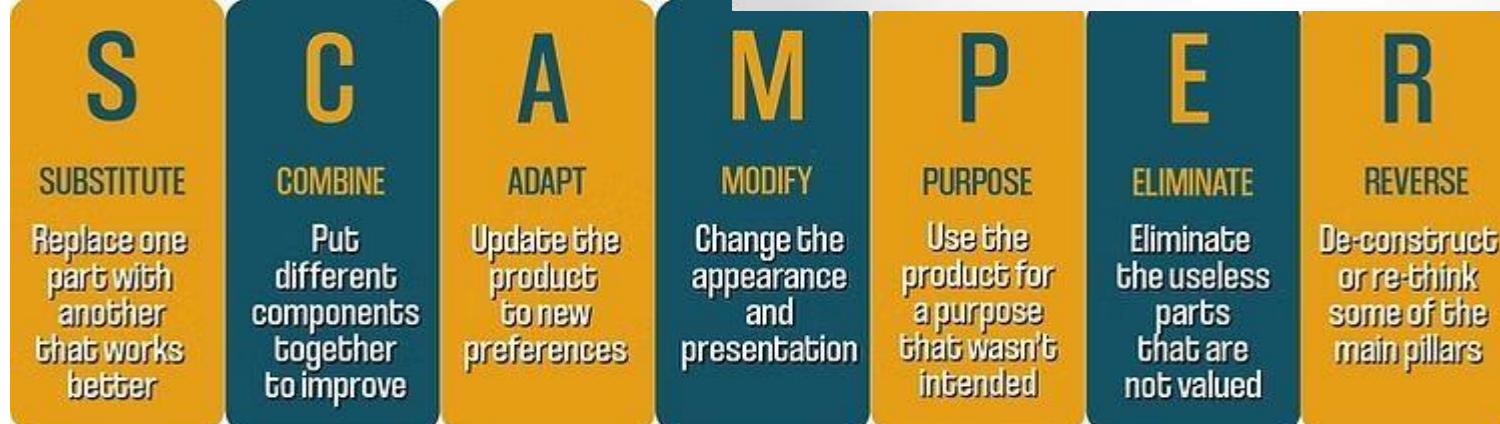
- Rigid hierarchies & bureaucracy
- Fear of failure / risk aversion
- Lack of resources (time, money, technology)
- Resistance to change (employee mindset, organisational inertia)
- Short-term focus (quarterly results over long-term innovation)

4. Organisational Creativity and Innovation :Ways to Foster Organisational Creativity & Innovation

- Encourage **brainstorming & idea-sharing platforms** (innovation labs, suggestion schemes).
- Provide **training & workshops** on creative thinking.
- Promote **knowledge sharing** across departments.
- Reward and recognize innovative efforts (not just outcomes).
- Build a **learning organisation** (continuous improvement, feedback culture).
- Collaborate with **startups, universities, and research institutions**.

4. Organisational Creativity and Innovation :Creativity Tools:

- Creativity Tools:
 - a. Brainstorming / Brainwriting.
 - b. SCAMPER (Substitute, Combine, Adapt, Modify, Put to another use, Eliminate, Reverse).
 - c. TRIZ methodology.



5. Management of Innovation and Entrepreneurship

Meaning

- **Innovation:** Creating and implementing new ideas, processes, or products that add value.
- **Entrepreneurship:** Identifying opportunities, taking risks, and creating ventures to capture value from innovation.
- **Management of Innovation & Entrepreneurship:** The discipline of **managing people, processes, resources, and strategies** to transform ideas into commercially viable ventures or organisational growth.

5. Management of Innovation and Entrepreneurship

Objectives

- Develop a **culture of creativity** in organisations.
- Translate innovations into **profitable business models**.
- Encourage **risk-taking and opportunity recognition**.
- Ensure **sustainable growth** through new ventures and startups.
- Strengthen **competitiveness** in a rapidly changing market.

5. Management of Innovation and Entrepreneurship: Relationship Between Innovation & Entrepreneurship

Both are interdependent: **Without innovation → no new venture ideas.** **Without entrepreneurship → ideas don't reach the market.**

Innovation	Entrepreneurship
Focuses on creating new ideas, processes, or technologies.	Focuses on turning ideas into ventures, products, or services.
Can exist inside established firms (intrapreneurship).	Can exist independently (startups) or within firms.
Example: Inventing a new app.	Example: Launching a startup to market the app.

Entrepreneurial Management

Entrepreneurial Management is the process of applying **entrepreneurial principles** (innovation, risk-taking, opportunity recognition) with **management practices** (planning, organizing, leading, controlling) to create, grow, and sustain businesses. It bridges **entrepreneurship** and **traditional management**.

Key Features

- 1. Opportunity-Oriented** – Focuses on identifying and exploiting opportunities.
- 2. Risk & Uncertainty Handling** – Manages unpredictable business environments.
- 3. Innovation Driven** – Emphasizes creativity, new products, services, and processes.
- 4. Resource Optimization** – Efficient use of limited resources (capital, people, time).
- 5. Growth Focused** – Aims at scaling and sustaining ventures.
- 6. Dynamic Decision-Making** – Quick, flexible responses to changes in the market.

Entrepreneurial Management

Aspect	Entrepreneurial Management	Traditional Management
Focus	Innovation & opportunities	Efficiency & stability
Decision-making	Fast, intuitive, risk-taking	Slow, structured, risk-averse
Structure	Flexible, flat	Hierarchical, rigid
Strategy	Growth & market creation	Control & optimization
Resource Use	Minimal, creative	Standardized, abundant
Goal	Market disruption, scaling	Operational excellence

Benchmarking & Best Management Practices Across the World

Benchmarking

1. **Definition:** A continuous process of measuring products, services, and practices against the toughest competitors or industry leaders.

2. **Types:**
 1. Internal Benchmarking:
 2. Competitive Benchmarking:
 3. Functional Benchmarking
 4. Generic Benchmarking
 5. Process Benchmarking
 6. Performance Benchmarking
 7. Strategic Benchmarking:
 8. Global Benchmarking
 9. Best-in-Class (World-Class) Benchmarking
 10. Collaborative Benchmarking

<https://www.geeksforgeeks.org/business-studies/benchmarking-steps-and-types/>

Benchmarking & Best Management Practices Across the World

1. Internal Benchmarking

Definition: Comparing performance, practices, and processes **across different departments, divisions, or units within the same organization.**

- **Example:** Infosys comparing project delivery time between its Pune and Bangalore offices.
- **Advantages:**
 - Easy access to reliable data.
 - Lower cost (no external data collection needed).
 - Encourages organizational learning and best-practice transfer.
- **Disadvantages:**
 - Limited scope (organization may not be world-class).
 - May create rivalry among units instead of collaboration
 - <https://www.geeksforgeeks.org/business-studies/benchmarking-steps-and-types/>

Benchmarking & Best Management Practices Across the World

2. Competitive Benchmarking

Definition: Measuring performance **against direct competitors** in the same market or industry.

- **Example:** Flipkart benchmarking customer service response times against Amazon India.
- **Advantages:**
 - Provides direct insights into market position.
 - Helps in identifying competitive strengths and weaknesses.
 - Useful for strategic planning.
- **Disadvantages:**
 - Competitor data is hard to access.
 - Risk of imitation instead of innovation.
 - Potential ethical/legal concerns if data collection is improper.

Benchmarking & Best Management Practices Across the World

3. Functional Benchmarking

Definition: Comparing a **specific function or process** with organizations—whether inside or outside the same industry—that excel in that function.

- **Example:** A hospital studying **FedEx's logistics system** to improve medicine distribution.
- **Advantages:**
 - Provides exposure to world-class practices across industries.
 - Can lead to breakthrough improvements.
 - Applicable to shared functions (HR, IT, logistics, finance).
- **Disadvantages:**
 - Differences in industry context may limit applicability.
 - Requires careful adaptation to local processes.
 -

Benchmarking & Best Management Practices Across the World : Types of Benchmarking

4. Generic Benchmarking

- **Meaning:** Comparing general business processes or workflows regardless of industry.
- **Purpose:** To identify universal best practices.
- **Example:**
 - Any organization adopting Toyota's Lean Manufacturing or Kaizen practices.
 - Using Amazon's supply chain model as inspiration across industries.
- **Advantages:** Focuses on world-class best practices.
- **Limitation:** May require heavy customization to fit one's own context.

Benchmarking & Best Management Practices Across the World

5. Process Benchmarking

Definition: Detailed comparison of **core business processes** (end-to-end workflows, from input to output) with organizations that perform them best.

- **Example:**
 - An airline benchmarking check-in and boarding processes against Singapore Airlines.
 - A bank benchmarking its loan approval process against industry leaders.
- **Advantages:**
 - Identifies root causes of inefficiency.
 - Provides actionable insights at process level.
 - Often leads to tangible, measurable improvements.
- **Disadvantages:**
 - Data collection can be complex and time-intensive.
 - May require major process redesign.
 - Resistance to change among employees.

Benchmarking & Best Management Practices Across the World

6. Performance Benchmarking

Definition: Comparing quantitative performance metrics (KPIs) such as cost, productivity, quality, and customer satisfaction.

- **Example:**
 - A university benchmarking student placement rates against top institutes.
 - A manufacturing firm comparing cost per unit or defect rate with competitors.
- **Advantages:**
 - Provides clear, measurable performance gaps.
 - Easy to communicate through numbers.
 - Useful for setting targets.
- **Disadvantages:**
 - Focuses on “**what**” is different, not “**why**”.
 - Risk of chasing numbers without understanding practices.
 - May lead to short-termism.

Benchmarking & Best Management Practices Across the World : Types of Benchmarking

7. Strategic Benchmarking

- **Meaning:** Comparing business strategies and long-term approaches.
- **Purpose:** To improve market positioning, business models, and sustainability.
- **Example:**
 - Netflix benchmarking Amazon Prime's content + pricing strategy.
 - Universities benchmarking global strategies for branding.
- **Advantages:** Helps in long-term competitiveness.
- **Limitation:** Hard to copy culture/vision/leadership.

Benchmarking & Best Management Practices Across the World : Types of Benchmarking

8. Global Benchmarking

- **Meaning:** Learning from world-class organizations across borders.
- **Purpose:** To adopt global best practices and compete internationally.
- **Example:**
 - Indian IT firms benchmarking Silicon Valley startups.
 - Local manufacturing adopting German Industry 4.0 practices.
- **Advantages:** Brings exposure to cutting-edge trends.
- **Limitation:** Cultural, economic, and regulatory differences.

Benchmarking & Best Management Practices Across the World : Types of Benchmarking

9. Best-in-Class (World-Class) Benchmarking

- **Meaning:** Comparing with the **best performer in any field**, regardless of industry.
- **Purpose:** To achieve world-class excellence.
- **Example:**
 - Hospitals learning supply chain from Amazon.
 - Airlines studying Disney for customer service excellence.
- **Advantages:** Inspires breakthrough improvements.
- **Limitation:** Requires adaptation to local context.

Benchmarking & Best Management Practices Across the World

10. Collaborative/Consortium Benchmarking

Definition: Multiple organizations agree to share benchmarking data in a structured, confidential way—usually via industry consortia or research networks.

- **Example:**
 - APQC (American Productivity & Quality Center) global databases.
 - NASSCOM reports for IT services benchmarking in India.
 - OEMS (Original Equipment Manufacturers) sharing safety data through industry councils.
- **Advantages:**
 - Rich dataset, often industry-standard metrics.
 - Lower cost since data collection is shared.
 - Encourages a **non-competitive learning culture**.
- **Limitations:**
 - Data may be too **generic or aggregated** (lacks detail).
 - Pace of sharing may be slower than competitive needs.
 - Relies on trust and accurate reporting by participants.

Benchmarking & Best Management Practices Across the World



Benchmarking & Best Management Practices Across the World

Best Practices Across the World:

- **Japan:** Lean, Kaizen.
- **USA:** OKRs (Google), Agile, Servant leadership.
- **Brazil:** Semco's self-management.
- **India:** Jugaad (frugal innovation).
- **Germany:** Apprenticeship/Mittelstand excellence.
- **China:** Speed, scale, cost innovation.
- **Nordic countries:** Employee empowerment, flat hierarchies.

Benchmarking & Best Management Practices Across the World : Types of Benchmarking

Theme	Country / Company	Best Practice	Key Features / Outcome
Quality & Operational Excellence	Toyota (Japan)	<i>Kaizen & Lean Manufacturing</i>	Continuous improvement, Just-in-Time, waste reduction → world-class efficiency
	Motorola / GE (USA)	<i>Six Sigma</i>	Data-driven process improvement, defect reduction, customer focus
	Germany (Industry 4.0)	<i>Smart Manufacturing</i>	IoT, AI, robotics integration for advanced production
	Tata Group (India)	<i>Values-Based Leadership</i>	Ethical governance, social responsibility, trust-based brand

Benchmarking & Best Management Practices Across the World : Types of Benchmarking

Theme	Country / Company	Best Practice	Key Features / Outcome
HR & Organizational Culture	Google (USA)	<i>People-First, Innovation Culture</i>	Employee autonomy, psychological safety, intrapreneurship (20% innovation time)
	Infosys (India)	<i>Employee Training & Development</i>	Massive in-house training systems, continuous upskilling
	Scandinavian Firms (Sweden, Denmark, Finland)	<i>Flat Hierarchies & Work-Life Balance</i>	Empowerment, flexible work, high employee satisfaction

Benchmarking & Best Management Practices Across the World : Types of Benchmarking

Theme	Country / Company	Best Practice	Key Features / Outcome
Innovation & Technology	Apple (USA)	<i>Design Thinking & Customer-Centric Innovation</i>	User experience focus, blending creativity with technology
	Samsung (South Korea)	<i>R&D Excellence</i>	Heavy investment in research, fast product cycles
	Tesla (USA)	<i>Disruptive Innovation</i>	EVs, renewable energy, risk-taking culture
	Toyota (Japan)	<i>Kanban System</i>	Visual workflow management for efficiency

Benchmarking & Best Management Practices Across the World : Types of Benchmarking

Theme	Country / Company	Best Practice	Key Features / Outcome
Sustainability & CSR	Unilever (UK/Netherlands)	<i>Sustainable Living Plan</i>	Embedding sustainability into core business strategy
	Patagonia (USA)	<i>Environmental Responsibility</i>	Circular economy, reuse/repair culture
	IKEA (Sweden)	<i>Sustainable Supply Chain</i>	Affordable, eco-friendly designs, renewable sourcing

Benchmarking & Best Management Practices Across the World : Types of Benchmarking

Theme	Country / Company	Best Practice	Key Features / Outcome
Operations & Supply Chain	Amazon (USA)	<i>AI-driven Supply Chain & Logistics</i>	Robotics, predictive analytics, customer obsession
	Zara (Spain)	<i>Fast Fashion Model</i>	Agile supply chain, real-time response to customer demand
	Toyota (Japan)	<i>Kanban System</i>	Visual workflow management for efficiency

Benchmarking & Best Management Practices Across the World : Types of Benchmarking

Theme	Country / Company	Best Practice	Key Features / Outcome
Leadership & Strategy	Singapore Government	<i>Governance Excellence</i>	Transparency, long-term strategic planning
	Nokia (Finland)	<i>Resilience & Reinvention</i>	Strategic adaptability after business collapse
	Tata Group (India)	<i>Values-Based Leadership</i>	Ethical governance, social responsibility, trust-based brand

Benchmarking & Best Management Practices Across the World : Types of Benchmarking

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Management of Diversity

1. Meaning

Management of Diversity refers to the strategic approach organizations take to recognize, value, and effectively manage differences among employees in terms of culture, gender, age, ethnicity, religion, language, education, disability, socio-economic background, and work style.

Management of Diversity

2. Objectives

- Promote equity and inclusion in the workplace.**
- Enhance team performance through varied perspectives.**
- Reduce conflict and discrimination.**
- Improve employee satisfaction, morale, and retention.**
- Strengthen innovation and creativity by leveraging diverse viewpoints.**
- Build a positive employer brand in a globalized business world.**

Management of Diversity

3. Key Dimensions of Diversity

- **Demographic: Age, gender, race, ethnicity, physical ability.**
- **Cultural: Language, religion, traditions, values.**
- **Professional: Education, skills, experiences, job roles.**
- **Cognitive & Behavioral: Personality, learning styles, problem-solving approaches.**

Management of Diversity: 4. Strategies for Managing Diversity

- **Inclusive Recruitment & Selection**
- **Diversity Training Programs**
- **Mentorship & Career Development**
- **Workplace Flexibility**
- **Policies & Practices**
- **Leadership Commitment**
- **Employee Resource Groups (ERGs).**

Management of Diversity: 4. Strategies for Managing Diversity

5. Benefits of Diversity Management

- Better problem-solving & decision-making due to varied perspectives.
- Higher creativity and innovation.
- Improved customer relations in global/multicultural markets.
- Stronger organizational reputation.
- Enhanced financial performance (studies show diverse teams outperform homogeneous ones).

Management of Diversity: 4. Strategies for Managing Diversity

6. Challenges

- **Communication barriers (language, cultural misunderstandings).**
- **Resistance to change from existing workforce.**
- **Unconscious bias and stereotypes.**
- **Tokenism (diversity without true inclusion).**
- **Balancing cultural sensitivity with organizational policies.**

THANK YOU