

History of Hoshin Kanri...

After World War II, Japan was faced with the difficult task of rebuilding just about everything. Japan had suffered a military defeat, and the Allied forces did not want Japan's military might to resurface. General Douglas MacArthur commanded the occupying forces. His objective was to help Japan rebuild its economy and infrastructure without allowing the military to be rebuilt.

MacArthur enlisted the resources of many American experts to help with the reconstruction. Homer Sarasohn, an engineer from MIT, headed the Civil Communication Section (CCS). In Japan's view, the US was still the enemy and was occupying their country. The responsibility of the CCS was to establish an information and education center to inform the Japanese populace that Americans did not mean to terrorize the Japanese. The means selected to accomplish that objective was radio communication. Unfortunately, no one had radios.

The CCS needed to establish manufacturing capacity to build radios. Production facilities and raw materials were scarce. Because wartime managers were prevented from positions of responsibility, the management teams were new and unskilled. Because scrap was high and reliability was low, the first radios built were anything but quality products. The National Electrical Testing Laboratory was established to "inspect in quality." This helped, but the CCS recognized it was not a long-term solution. They adopted a strategy of training Japanese managers and engineers in management techniques. Included in the training were Statistical Quality Control (SQC) and the work of Walter Shewhart.

The CCS worked with the Japanese Union of Scientists and Engineers (JUSE) to conduct the management training. JUSE was responsible for vocational and technical education. They also felt that SQC was a major reason the US won the war. JUSE wanted more training in SQC and asked the CCS to recommend an expert to continue they're learning. Shewhart was the obvious choice, but he was unavailable. The next best choice was a professor at Columbia University that had studied and applied Shewhart's methods. Mr. Sarasohn recommended W. Edwards Deming.

Deming had made a previous visit to Japan in 1947 as part of an economic survey mission. Japanese and government officials were already familiar with him; therefore, JUSE asked Deming to provide the expert training. During a two-month period in June 1950, Deming trained hundreds of engineers, managers, and scholars. He also conducted a session for top management. Deming's lectures focused on three key

areas: the use of the PDCA cycle, the importance of understanding the causes of variation, and process control through the use of control charts.

Through Deming's training and JUSE's subsequent training, Japan began a major effort to improve quality by implementing Statistical Quality Control. Initial results were positive, but Japan entered a period of overemphasis on SQC. Engineers continued to push SQC, but workers resisted, data collection techniques were inadequate, and top management did not show much interest. In 1954, JUSE invited Joseph M. Juran to lecture on management's role in promoting quality control activities. Juran's visit marked a turning point in Japan's quality maturity. They shifted from primarily dealing with technology to an overall concern for total quality management.

Juran pointed out that it was management's responsibility to lead quality improvement efforts. A key element of that responsibility was to define the quality policy and assure that everyone understood and supported it. Management saw the company's planning process as the vehicle for them to fulfill their responsibility for quality management. At about the same time as Juran's visit, Peter Drucker's book *The Practice of Management*, which described the concepts of Management by Objectives, was published in Japanese.

The Japanese blended Deming and Juran's teachings with the concepts of Management by Objectives and began their first attempts at strategic quality planning. Each individual company created their own planning processes. The Deming Application Prize shared best planning practices, and common themes began to appear. In 1957, Kaoru Ishikawa published a paper stressing the importance of management and operational policies. Juran made another visit in 1960, emphasizing the responsibility of management for setting goals and planning for improvement.

Japanese planning techniques continued to evolve and improve. In 1965, Bridgestone Tire published a report analyzing the planning techniques used by Deming Prize winning companies. The techniques described were given the name Hoshin Kanri. By 1975, Hoshin was widely accepted in Japan.

Hoshin began to creep into the US in the early 80's. This occurred mainly because some US companies had divisions or subsidiaries in Japan that were Deming Prizewinners. The winning companies include Hewlett-Packard's YHP Division, Fuji-Xerox, and Texas Instrument's Oita plant. Other US companies like Florida Power and Light searched for Japanese companies in their industry.

Until the early 90's most US early adopters of Hoshin Kanri considered the process to be a competitive advantage and classified Hoshin as company private.

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