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CREATIVITY IN FIRMS:

THE ORIENTAL APPROACH

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INTRODUCTION

Everybody talks about creativity, we know it is a personality trait and that it seems to be what companies look for the most, yet what it entails and how it emerges or how culture sculpts it is still unknown to the majority of us.

Regardless of the sector or industry, innovation is needed to be flexible and survive. However, creative industries are particularly bounded to look for uncommon projects and procedures. In light of the upraising demand for new products and competitive performance we come across different methods to promote creativity, criteria to evaluate and monitor it, workplaces "atmosphere" and so on.

In this project we have proposed focusing on a particular creativity approach which is the Oriental one, to be more exact the East Asian one whose representative is going to be Japan. The main aim of the project will be analyzing Japanese´s current system and way of proceeding in every organization according to their pillars. To do so we will set a theoretical framework first to know what to pay attention to in the Japanese approach, and then we will dig into the Japanese history, economic history, their most popular religions, educational system, ethics, paradigms, safety and the Yakuza band, the company culture and its basic principles, relationships, etiquette, structure, hierarchy, philosophy, and methodology (which englobes three now internationally known models) to argument how they deal with creativity.

Lastly, we will display the conclusions drawn from this project besides the limitations in this case-study and potential improvement proposals.

CHAPTER 1 – CREATIVITY

1.1 – Concept of Creativity and Creative Industries

First of all, we have to be familiar with the main terminology and the meaning of the popular words "creativity" and "creative industries".

Robert (1993) understands creativity as the feature/quality a person who expresses unusual thoughts, or experiences the world in novel and original ways has.

While the term creative industries refers to the socio-economic potential of activities which trade with creativity, knowledge and information. Their approach leans towards experiences. Pleasure and meaning. These experiences, take the forms of goods and services providing work for a host of people ranging from computer programmers and engineers to writers, artists and musicians (Davies and Sighthorsson, 2015).

There are 3 ways of looking at the creative industries which are briefly described below: through economic data, creative industries markets, and creative labor:

- Economic data can tell us something about the scale of creative industries, such as estimates of how many jobs and businesses there are in the creative industries and how productive they are.
- Creative industry markets are characterized by uncertainty: arts, entertainment, creative services.
- And the creative labor, by interviewing creative workers about their experience, conditions and their working life.

1.1.1 – Models/Phases of Creative Industries

According to Hartley et al., (2015) there are four models/phases of creative industries which we are going to comment: creative clusters, creative services, creative citizens and creative cities.

- Creative Clusters
  Industry Definition
  - Closed expert pipeline of innovation (internal to the firm).
  - Clusters of different industry sectors that together produce creative works or outputs: advertising, architecture, publishing, software, performing arts, media productions, art, design, fashion, etc.

- Provider-led or supply-based definition: institutional (meso level [meaning "group interaction based"]) creativity; elaborate production by specialist organizations.
- Indicators: "Creative outputs", i.e. consumer goods priced on creative values (i.e. adding value to information or material), including music, writing, design, performance.

This first model/phase is made of clusters of different "industries": advertising, architecture, publishing, software, performing arts, media production, art, design, fashion, etc. (that together produce creative works or outputs). Basically, *these creative industries are firms that depend on creating intellectual property and protecting it with copyright*, enforced against both commercial copying and consumer "piracy". The staged could be narrowed down to this:

invent → patent/copyright→ manufacture→ distribute→ sell

- Creative Services

  Business services definition
    - Closed innovation system.
    - "Creative Services" → Creative inputs by creative occupations and companies (professional designers, producers, performers, writers).
    - Value-added to "non-creative" sectors (i.e. health, government) by creative services: institutional (meso level) creativity.
    - Indicators → Employment of specialist creative people (professional designers, producers, performers and writers).

The second phase is notorious for the *provision of creative inputs by creative occupations and companies*. It is this kind of creativity that *transforms old-style service* like transport into creative services like "experience-based" tourism.

- Creative Citizens

  Cultural (user) definition
    - Open innovation network (innovation from beyond firms and professionals).
    - Number of "creative citizens" → Population, workforce, consumers, users, and entrepreneurs, artists.
    - Personal creativity/microproductivity; market-based and non-market.
    - Focus on user productivity (social networking, making, crowdsourcing, etc.).

- Social media/user-created content.
- Indicators: emergent production from social networks, scaled-up via microproductive institutions (e.g. YouTube, Google).

This third phase, is where *creativity spills out of the economy and becomes an attribute of the population at large*, adding the value of entire social networks and the individual agency of whole populations to the growth of knowledge. *It is the domain of experimentation and adaptation*.

- Creative Cities

  Complexity (and clash) definition

  - Clash and friction between systems: industry/economy and culture (e.g. conflicting interests in the sharing of intellectual property).
  - Sites for social meeting and mixture as well as friction: connecting culture and economy, diversity, tolerance, civility.
  - Creative cities are therefore those that cohabitate all four types: industry, economy, culture.
  - Population-wide creativity, combined with institutional, enterprise, and personal productivity.
  - Coordination of economic value and cultural value (meaningfulness, identity, relationships, boundaries).

The last phase is the complexity definition, which is called "creative cities". Cities predate the emergence of a creative economy. Cities not only display many ethnicities, leisure, levels of wealth, tourism etc. but these systems overlap, mix and produce experimental solutions. Cities are creative agents.

1.1.2 – Evaluating Creativity: Criteria

We already know what creativity is, what creative industries are and which phases they have but now we are going to see the analyzing and evaluating method used to measure that creativity in industries.

There are certain parameters which are supposed to be useful when evaluating the creativity of the work processes that take place in these industries → *Process Criteria* would describe: (1) *investigative work* (trial and error), (2) *inventiveness* (trying new solutions, setting up problems), (3) *capacity to use models* to emulate, (4) *capacity for self-assessment*. According to the results based on the degree the parameters are applied in real life, we can talk about different *ranges* of creativity going from *expert to novice* (Lindström, 2006). Based on Lindström (2006) here is Figure 1 whose table is used to exemplify the different ranges like we were talking about a pupil:

Figure 1: Parameters that determine the creativity range of an individual

Process criteria	Expert ←			→ Novice
Investigative Work	Takes considerable pains, approaches themes and problems in several different ways and uses drafts, sketches or test work to develop the work.	The student does not give up in the face of difficulties, preferring to concentrate on a particular approach that she begins to develop and refine.	Demonstrates a degree of patience, tries out her own solutions and approaches, but does not develop them.	Gives up easily, does not follow her own ideas to completion, and only does what the teacher requires of her.
Inventiveness	Often sets up problems or reformulates the problems set by the teacher. Makes consistent progress and experiments regularly, is willing to take risks and often finds unexpected solutions to problems.	The student sometimes sets herself problems. She develops her knowledge, experiments fairly often and sometimes finds unexpected solutions to problems.	Can take a problem the teacher has set and change it slightly. Shows tendencies to experiment and play with colour, form and composition, or materials and techniques.	Does not set herself any problems, shows no sign of experimenting with colour, form and composition or materials and techniques.
Ability to use Models	Actively searches out models to emulate and can use them in her work in a multifaceted, independent and well-integrated way.	Makes active efforts to find pictures for her own work. Demonstrates an ability to select images that suit her intentions.	The student shows an interest in other people's pictures that she or the teacher has found, but she confines herself to copying them.	Shows no interest in other people's pictures and cannot benefit from them even when the teacher has helped find them.
Capacity for Self-Assessment	Clearly identifies merits and shortcomings in her own work and can select sketches, drafts and works that illustrate her progress. Can justify opinions and explain why a particular result was obtained. Can produce qualified judgements of peers' work and contribute constructive criticism.	As a rule, manages to see for herself the merits and shortcomings in her work, and can select sketches, drafts and works that illustrate her progress. Is beginning to produce qualified judgements of peers' work.	With some assistance, can identify her strengths and weaknesses and differentiate between good and less successful work. Her views about her peers' work are limited to subjective preferences (good/bad, like/dislike).	Cannot identify strengths and weaknesses in her own work or differentiate between good and less successful work. Has no views about the work of her peers.

*Source: Extracted from Lindström 2006*

<u>1.2 – Psychology: Teaching Creativity and Motivators</u>

It is commonly thought that the star of these pages, creativity, "lives" in the right area of our brain while in the analytical and realistic features inhabit the left side but that is not exactly how it is. We are going to see the different motivators that propel creativity and the See-Saw theory.

Recently, it has been found that creativity does not involve a certain region of our brain; instead, the entire creative process consists of many interacting cognitive processes and emotions. Depending on the stage of the creative process, and the nature of your project, different brain regions are recruited to handle the task (Kauffman, 2016).

So, technically, we cannot activate or "wake up" this or that section as we please, but many regions already work as a team automatically and spontaneously, depending on our genes and background which we will see in depth later. Here is an example of how a musician´s brain looks like when he is writing a song:

Figure 2: Brain areas activated when a musician is writing a song
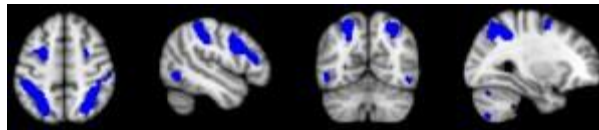
Source: Adapted from http://blogs.scientificamerican.com/ (entered on 2/4/16)

Some people are naturally born with characteristics of the creative personality such as: great deal of energy, tendency to be smart yet also naïve, with a combination of playfulness and discipline or responsibility, alternating between imagination and fantasy, harboring opposite tendencies between extroversion and introversion, being extremely humble and proud at the same time, escaping rigid gender role stereotyping and having a tendency towards androgyny or being rebellious and independent (Weisberg, 1993).

Despite being innate traits, the environment, culture, principles, family values and many other factors can influence and shape the creativity degree. According to Liu et al., (2012), *creativity is associated with motivation and improvisation/risk taking*.

Now that we know that motivation is a creativity detonator, we are going to focus on the workplace and the motivation that can be acquired there.

There are two types of *motivators,* the intrinsic and the extrinsic motivators:

- *Intrinsic* → Internal factors which drive to do things/tasks because the subject believes it is a good thing to do. It comes from the pleasure one gets from the task itself or just for completing it or working on it.

For instance → Appreciation and praise for work done (being meaningful at the workplace), feeling or being involved and accepted, sympathetic help with personal problems, interesting work, opportunities for advancement and development, loyalty to employees.

- *Extrinsic* → External factors that come from outside and individual, these provide satisfaction and pleasure that the task itself might not provide. They usually are material rewards.

For instance → Job security, good wages, good working conditions, tactful disciplining.

The following diagram shows graphically the input (the individual knows his/her position within the organization, and his/her creativity triggers), which result in developing certain IM or EM:

Figure 3: *Hierarchy, Risk Taking and Innate Creativity as inputs for developing certain IMs or EMs*
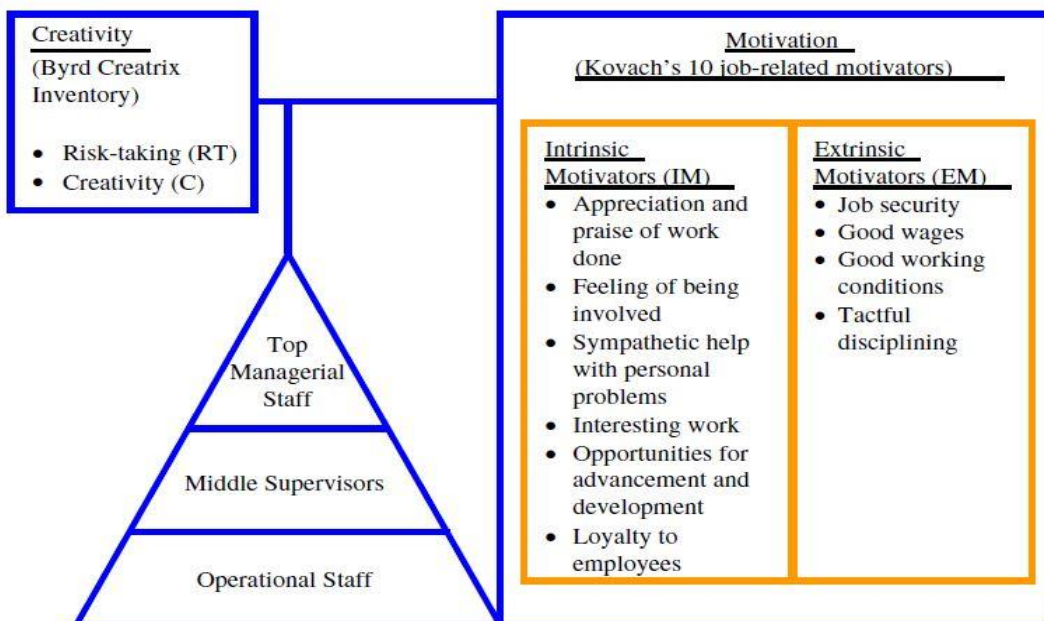
Source: *Adapted from Wong and Ladkin (2008)*

Also, the See-Saw model (which concept can be easily understood thanks to Figure 4) is frequently used as a metaphor to explain the relationship between organizational effectiveness and creativity by Stephenson et al., 1974. The model distinguishes between variables that have a generally increasing or decreasing effect on creativity and productivity; and variables that have a 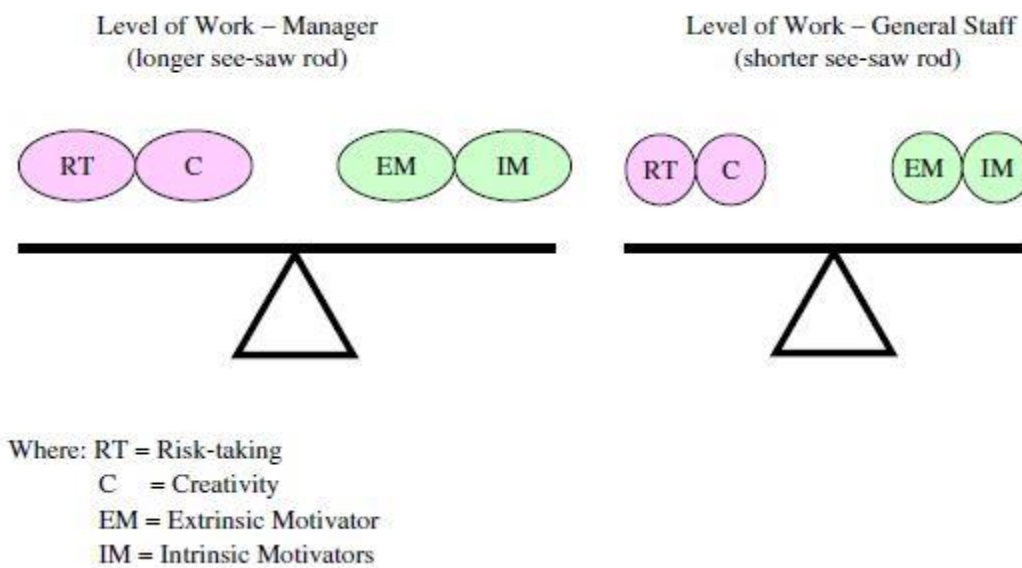differential effect in the sense that they increase creativity at the expenses of productivity, or vice versa. Here you can see the See-Saw metaphor applied to the motivators:

Figure 4: *See-Saw metaphor applied to the motivator*

Level of Work – Manager
(longer see-saw rod)

Level of Work – General Staff
(shorter see-saw rod)

Where: RT = Risk-taking
C = Creativity
EM = Extrinsic Motivator
IM = Intrinsic Motivators

Source: *Adapted from Wong and Ladkin (2008)*

1.2.1 – Creativity Killers and Creative Thinking

Despite being many creativity catalyzers available, certain factors and environmental conditions can be counterproductive, workplaces are key and so is the atmosphere there, however, some models can be applied to promote the long and awaited "C".

From Dickinson´s (2003) knowledge, many business hold onto the idea their workers can have a great idea every minute of the day. Dickinson (2003, p.40) also states that:

> "CEOs and executive managers understand that today is rapidly changing global marketplace puts pressure on business to become increasingly innovative in order to compete. New products and new ideas are constantly needed to gain that competitive edge. (…) An example of an incredible genius, idea-generator, was Thomas Edison. But he also had remarkable number of inventive failures."

As we previously said, taking risks, improvisation, trial and error, are the key to creativity. According to the previous paragraph, in order to grasp those fruitful ideas, all sorts of ideas need to be generated first. Pressure and promptness is not the way to hinder or propel idea generation. Unintentionally, we all unconsciously send out the message that we will be happy only when presented with finished, successful products, which suppresses and ultimately kills creativity.

In order to encourage creativity, workplaces that make it safe for individuals to come up with "dumb" or "random" ideas, are the catalyzer to improvisation growth which will lead to harvesting first quality creativity (a stable and open-minded atmosphere is required).

Organizations need to generate a plethora of ideas, and then select those that seem most promising, but they also need to revisit those ideas that were rejected in the past in order to see if new insight is sparked by a forgotten idea. Sometimes those formerly rejected ideas are the ones that are most successful when picked up by the competition (Dickinson, 2003).

Some healthy practices that can be applied in all companies that want to promote the treasured creative thinking, not only in individuals but also teams, originate from "loosening up the muscles of spontaneity" and bonding with other fellows (this way, social motivators and improvisation are involved).

As Clifford (2012) believes, regardless of the theme of the company workshop, the successful ones have to have a new, fresh approach and:

- Use a Creativity Model → the Osborne-Parnes one is often recommended for business improvement and has six steps:
  - Mess-finding → Identify a goal or objective
  - Fact-finding → Gathering data
  - Problem-finding → Clarifying the problem
  - Idea-finding → Generating ideas
  - Solution-finding → Strengthening and evaluating ideas
  - Acceptance-finding → Plan of action for Implementing ideas

- Try the Incubation Model → E.Paul Torrance designed this model which involves 3 stages:
    - Heightening anticipation = Create the desire to know more from each other's lives.
    - Deepen expectations = Brainstorming (famous source of creativity) and creating opportunities to solve a novel and unexpected problem (in a hypothesized situation).
    - Keep it going = Allow thinking beyond the case given.
- Establish expressive freedom
- Allow room for mistakes (as clarified before).
- Give time to ask questions
- Explore different cultures (the more all-around-the-world information absorbed the better).
- Integrate art and music
- Teach creative skills explicitly → Since *creative skills are about having the skills to make good ideas happen* too, workers should be introduced to cognitive psychology and the 5 major fields which will add to that innate impulse:
    - Imagination
    - Being self-disciplined or self-motivated (and some techniques).
    - Resiliency
    - Collaboration
    - Assuming responsibility and managing power to develop projects freely

CHAPTER 2 – ORIENTAL APPROACH

In order to be able to compare the two models (the Oriental and the Occidental) we are assuming the Occidental approach is already known since it is the one our country, Spain, stands for and the EEU which we are a part of, leads to implement.

Besides, focusing specially in Japan as representative of Oriental countries is due to the good quality information and variety of articles and books published about its background, way of thinking and acting. That is why the following pages contain rich information about Japan´s religion, educational system, paradigms, mindset and working culture/philosophy as well as corporative techniques to promote creativity, unique motivators, hierarchy and the resulting output.

2.1 – Oriental Approach: Japan

Japan is a country that knew how to preserve its past while adapting to the new times, becoming a cultural-economic leader. As said before, the culture, paradigms etc. themselves contribute to the singular Japanese model. According to Miller et al., (2014) it is necessary to take into account that Japan:

- Has received great influence of China, since the language, religions and government system is original of China.

- Was closed to the exterior during centuries (because of a law that did not allow foreigners to come into the country and wouldn't allow Japanese citizens to move out of the territory). This period is known as the Edo Era (1600-1867), throughout all those years, traditions such as Kabuki (traditional Japanese theatre with elaborate and dramatic clothes and makeup) or Geishas, whose aesthetic can be seen in Figure 5 (traditional Japanese female artists that after learning dancing, music and other subjects for 15 years entertained the elite in copious banquets and select events) emerged.

Figure 5*: Geisha Fan Art Illustration from the movie "Memoirs of a Geisha" (2005)*

Source*: Adapted from iflyforyoutonyhadley.com (entered on 28/4/16)*

- After the Edo Era, turned into an imperialist potency that had a dramatic end in the Second World War, but because of that, they recuperated and converted into the second global economy.

- The Japanese language has three alphabets, many honorifics and formality levels which help understand their principles. The birth of the Japanese language itself is a mystery but it is known that it received considerable influences from Asian languages from areas such as Korea and China.

2.1.1 – History/Economic History

After an introduction to the Nippon country, we are going to disaggregate all the pillars of the Japanese model background starting off with its history: The Meiji Restoration and Japan entering the international scene, their first reforms, occidentalization and more.

In 1867, the Boshin war had started and the conflict lasted until 1869. In one of the numerous battles that took place, Japan entered a new era: The Meiji Era. The emperor changed his residence and moved to the recently renamed Tokyo area and the edification of a modern Japanese State in the hands of an oligarchy formed by the ruling classes started (Junqueras-Vies, 2012).

These ruling classes, the elite, were homogeneous. Relatively young masters raised by samurai class and military notions ascended in the social scale. The elite were xenophobe against foreigners but once they became the new rulers officially, their posture changed and welcomed them. As said, the elite strengthened when they became the rulers and the powerful group centralized the administrative structure, reformed the educational system and new bases for an open trade were set.

Reorganizing the territory was necessary to evolve to a more rational, centralized, easier to bureaucratize model.

Carril (2008) defends that once the territorial reassembling ended, the government had to assume all the previously accumulated debts. That is why a tax reform was desperately needed and individual taxes started to be calculated based on land value, not on harvests. The banking system was updated implementing a North American approach and the national monetary system established the yen as badge.

Also, because of the structural changes and pinpointed loans the money in circulation increased leading to balanced finances. Due to the tax reform the government had great earnings and its investing capacity grew remarkably. Agricultural production considerably increased too thanks to the technological improvements and the commerce liberalization.

Since Japan was adapting and assimilating USA´s perspective and techniques, having a strong military and a never-ending-growth economy became the slogan of the country.

By the end of the XIX century the industrial revolution in European countries was already at an advanced stage, on the other hand Japan, that had not enough technology for an intensive production, lacked competitive advantage. The Nippon government took the profit from the tax reforms and reinvested it to create great infrastructures, being the railway the main star going from 30 km on 1872 to 120 km in just eight years. The first railway line was built with the support of the United States and British technology and most of the cities were interconnected by telegraphic network and a modern postal code system (Junqueras-Vies, 2012).

Some years afterwards, inflation had a major growth and the level of reserve coverage was increased while the amount of physical money was reduced. National banks were replaced for more competitive private banks. The industrial update, workforce, ascending productive specialization and all-around Japanese modernization allowed them to excel and be recognized internationally.

Years went by and the XX century arrived. It turned out to be extremely hard for Japan: North American soldiers landed in Japan on 1945 and all Nippon possessions overseas were confiscated, therefore, the territorial extension was reduced to just the four big islands of the archipelago. After the fatal atomic bombs in Hiroshima and Nagasaki, extended hunger, death and extreme chaos, the Japanese Instrument of Surrender was written (Carril, 2008), that turning point can be seen in the following picture which is Figure 6:

Figure 6*: Photograph of the Japanese Foreign Minister Mamoru Shigemitsu signing the Instrument of Surrender and formally ending World War II in 1945*


Source*: Extracted from Wikipedia.com (entered on 27/4/16)*

Jumping from 1945 to 1990, on 1991 the first of three crisis episodes started. From 91 to 94 the crisis was caused by the type of interest extreme growth and the severe real estate assets loss of value, this shock took three years to overcome.

Afterwards, because the Finances Ministry had incremented the general tax on consumption (from 3% to 5%) the economy was weakened due to the low consumer demand, creating the second crisis which was the worst banking and credit crisis of the 1991-2001 period. The last one of the trio took place at the same time USA was facing a crisis itself on 2001.

Basically, Japan has acted extending foreign access to the Japanese markets, deregulating the economy and implementing monetary measures (Pelegrin, 2012). Now, the graphic in Figure 7 will show you Japan´s GDP evolution in real and nominal terms as wells as industrial production from 1981 to 2004:

Figure 7: *Japan´s GDP evolution in real and nominal terms as wells as the industrial production from 1981 to 2004*
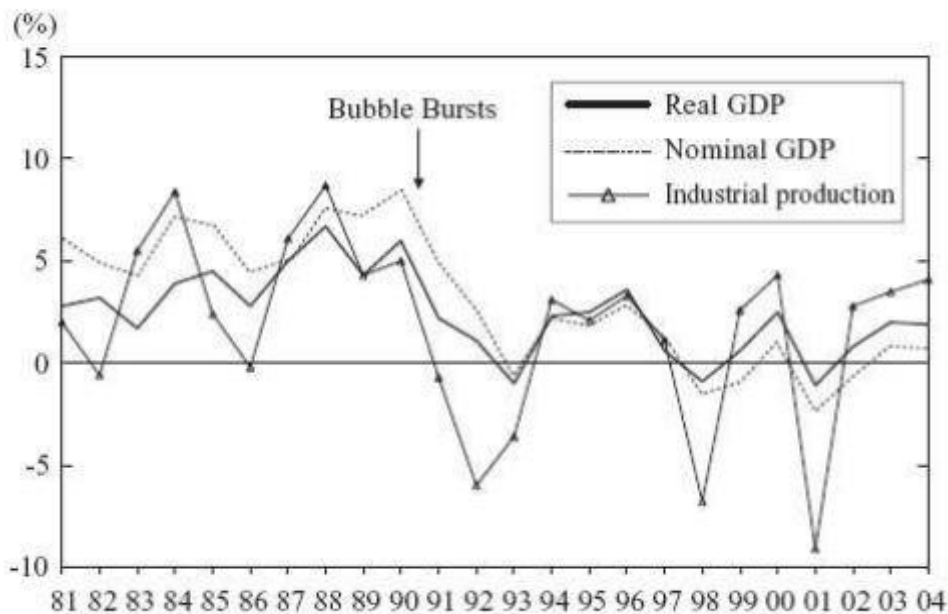
Source: *Adapted from the Japanese Cabinet Office and Ministry of Economy, Trade and Industry (entered on 20/4/16)*

Once this "bumpy" period concluded Japan entered the 2007 crisis (as most of the countries) which is still ongoing. To be exact about how and when the Nippon country started to be affected by the current crisis, Kawai and Takagi (2009, p. 7) state that:

> "Japan stock prices had reached a recent peak in the summer of 2007 and, with the outbreak of the US subprime loan crisis, began a gradual but substantial decline through the fall of 2007. The decline in stock prices placed a strain on the balance sheet and capital adequacy ratios of commercial banks hence limiting their willingness to lend by the summer of 2008. Then, the Lehmnan

Brothers shock depressed the stock market and aggravated the strains of Japanese commercial banks. According to the Bank of Japan, new loans for equipment funds declined by 9% (year-on-year). Even so, overall manufacturing production held up until on November 2008, when manufacturing production collapsed and fell. The production of general machinery remained depressed even after production began to pick up in other sectors six months later".

2.1.2 – Religion

As already said, besides history, religion is an important background factor in Japan´s approach explanation. We are going to take part into the following religions´ bases: Confucianism, Shintoism, and Buddhism and Christianism since they are strongly established in Japan and nowadays many Nippon citizens do not have just one religion but many combined into a custom-made one. Hence, it is common to be baptized following the Shintoist ritual, get married in a church as Christian, and pass away following the funeral ritual of the Buddhists.

Confucianism

The first one is Confucianism which undoubtedly has influenced society the most, although it is not the most popular these days. The Confucianism philosophy embraces certain practices and ways of acting in front of others, family, company and the government. It emphasizes *respect and loyalty* to the system, helping others and helping the system so that everything flows as it was planned providing others and ourselves with happiness.

This whole philosophy was developed by the Chinese philosopher Kong Fuzi (known in Europe as Confucius) more than two thousand years ago and not only has it influenced Japan but also the rest of Asian cultures that currently exist and it is clear that interest in the mind/heart is characteristic of this movement (García, 2009).

As time went by, a more refined form of Confucianism developed: Neo-Confucianism (it is a more rationalist and secularist version of Confucianism rejecting superstitious and mystical elements of Daoism and Buddhism. It was born in 772~841 during the Chinese Tang Dynasty).

- Neo-Confucianism

As found in Nosco (1998, p. 1), Tu Wei-Ming said:

> "There is agreement among virtually all of the Neo-Confucianists that man is a moral being who through self-effort extend his human sensitivity to all the beings of the universe so as to realize himself in the midst of the world and as an integral part of it, in the sense that his self-perfection necessarily embodies the perfection of the universe as a whole.
>
> Neo-Confucianism transmits the proposition that aspiring to achieve discipline over one´s mind contributes directly to the suprapersonal goal of well-being, cosmically, socially and within the polity. To be fully human is to be in relationship with others".

Thereby: *Neo-Confucianism rested on the useful premise that there existed a natural division of society by status and vocation. It emphasized loyalty to superior authority and rationalized submission to the authority. Also, it made rule by status acceptable.*

Shintoism

Frequently known as *shinto* in Japanese, this is the polytheist religion original from Japan. Its thinking has left a mark on Japanese society and that is why life after death is not burdensome to citizens. In this religion, there are *no dogmas*, there is not a specific way of praying, and there is *no spiritual leader* or a founder to venerate. It is more like a lifestyle. It focuses on a series of methods and rituals so that human relationships or bonds are better in quality and nature progresses freely/carefree. Respect towards family members is crucial as well (García, 2009).

According to Shintoism, *nature is sacred*. Through it, humans can get closer to the Gods. There are many sacred trees in Japan and it is believed that a God inhabits in each of them. Under these trees, as can be seen in Figure 8, little wooden boards called *ema* are hanged with wishes written in them so that the God makes them come true; if you are lucky and your wish does come true, you have to come back and write a gratitude message in a new *ema* board.

Figure 8: *Meiji Shrine´s Sacred Tree and emas*

Source: *Extracted from Introvertjapan.com (entered 22/4/16)*

Also, Japanese personality assumes and contemplates that *each of your pertinences has a little bit of your own spirit.* For instance, when you give someone a present, you are "giving a part of your spirit to the other person" hence gifts are very important regardless of its size or economic value. An interesting fact is that Japanese are not very prone to buy second hand articles since they think the first owner´s spirit is still in them. In addition, robbery is very low in Japan, almost inexistent: it is like stealing someone´s spirit and that is unconceivable (García, 2009).

Buddhism

Wakabayashi (2005) reminds us that Buddhism arrived in Japan as Confucianism did: via China and Korea although it was indigenous from India. It rooted quite well, in fact, Buddhism and Shintoism integrated together very quickly. It aims for illumination through personal sacrifice and not being attached to material possessions. Many ideas were introduced in the Shintoism religion (so they are quite related to each other) and daily lifestyle as well: Japanese´s great patience comes from Buddhism. Also, as already mentioned before, most funerals usually follow the Buddhist ritual.

- Zen Buddhism

  Since the VI century when Buddhism entered the archipelago, a sect called "Zen" became very strong and powerful. It is very similar to the Buddhism but Zen wants to achieve illumination freeing the mind first and looking for the body and mind synchronization by clearing one´s mind (mindfulness). Some disciplines like the tea ceremony or calligraphy have been developed to promote the previous principles (Borup, 2015).

<u>Christianism</u>

There is not much to say about Christianism in Japan since only 1% of the population is Christian and churches have just 20 to 30 attendees. Basically, it arrived in Japan in 1549 because of the Spanish missionary Francisco Javier and it started to spread. It is remarkable that during the World War II all forms of Christianism were proscribed and since 1947 it is considered a religion that can be freely practiced, actually, despite not being very popular, most Japanese do celebrate Christmas and Valentine's Day (García, 2009).

2.1.3 – Society

Now, it is time to examine the paradigms and values established and known by every Japanese citizen, which brings us to Confucianism again in light of the Theory of the Confucianism Capitalism which favors a thoroughly designed bureaucracy and a ruler whose *citizens are submissive and accept the discipline*. This theory has modelled the Nippon population and individuals´ morals regulating Japanese´s *ethic code* (Lee, 1998).

<u>Educational System and Families</u>

Those values, pressure, paradigms and goals are present in the educational culture since exceling with high scores is linked to the Confucian philosophy = *extremely high esteem for education***,** avoiding loss of "face", using *shame as a means of discipline* and control of "correct" behavior, individual self-control, and the avoidance of conflict (Macfarlane, 2008).

Although it is quite a cliché stereotype, it is understood that Asians are especially good in science and math despite Japan´s educative expenses are lower than other countries such as France (most Japanese students assist private tutoring classes after school). Educational system is perceived as fair and *equitable*, however, the family that is unable to pay private extra lessons and private tutors is in clear disadvantage unlike families with a higher income.

According to Ruiz (2011) many authors like Sorensen (1994) or Kim (2009) conceive Confucian educative values as an obstacle to modernization because, once again, its philosophy is linked to moral and political conduct. Sorensen (1994) pedagogical studies identified the common *features* of this educational system:

- Filial piety → obligation of respecting and being obedient, taking care of them during their old age, providing them with a good funeral.
- Patriarchal authority and loyalty → which generate interdependence, mutual obligation and reciprocity.
- Strict social hierarchy in social relationships depending on the age, gender and status (there are many honorifics because of that and they are used according to the attributes formerly mentioned).
- Academicism → extreme "love" for learning and phenomenal scores/performance.
- Very hard-working values.
- Conforming to group norms.
- Learning through the model Tao-Zen that consists of three steps → Establishing the pattern/s known as kata, *repeating* those katas over and over, and perfecting the katas (that is why Japanese are often considered compulsive perfectionists, "no-thinkers", methodic and "copy-pasters" yet being leaders on global technology).

Now, Japan´s university system in one of the largest in the world with over 1000 universities and colleges serving 2.5 million students having one of the highest participation rates which expanded rapidly since the 1960s (Yamamoto, 1995). Macfarlane (2008) suggests that: "Around three quarters are private universities some of which are among the most prestigious and well established in Japan. They are research-intensive institutions and also the most highly selective. Levels of government funding for science and technology research in Japanese national universities have increased in these recent years and there is a stronger bias in favor of biomedical research".

As García (2009) highlights in his book, there is a "code" in every single home too, *families show a remarkable corporatism* with a hierarchy that can be seen in Figure 9 and roles which are clearly defined being the woman the member who is still linked to house chores and cooking although it has softened lately and is slowly changing.

Figure 9: Japanese Family Hierarchy

Source: Adapted from Hierarchystructure.com (entered 1/5/16)

In addition to the graphic above, the website Hierarchystructure (2016) also describes the role each member has in an average Japanese family:

- The Head of the Family → This position tends to be hold by the eldest male, he is the head of the family and responsible of bringing money home, makes the main decisions and other tasks as far as supporting the family is concerned. Once he retires, the headship of the family goes to his son.

- The Eldest Female → The wife of the eldest male comes second in the family hierarchy, she looks after the household and kitchen and heads the house area (manages the family accounts and the money giving a monthly wage to her husband for his own expenses). If her husband dies and she does not work, she may become dependent upon her son for providing money.

- The Son of the Head of the Family → Next in the line of hierarchy is the second eldest male who has to take care of his parents both financially and otherwise. In typical Japanese families, many generations may live together and the son of the head of the family may support all of them.

- Daughter in Law of the Head of the Family → The eldest daughter in law of the head of the family comes next in the line of succession in a typical Japanese family. She looks after the administration of the household tasks too and may have little say, especially if her mother in law is still alive and healthy.
- Children → The children of the son and daughter in law come at the bottom of the hierarchy and may not be given any decision making powers and responsibilities.

Another important fact related to the family is that there is a huge difference in how Japanese treat their *intern circle* (friends and family) and people who are not part of that circle. To put it simply, the former´s model is called *uchi* (and entails that all family decisions are taken after thorough consideration and collective decision) and the latter is called *soto* (more carefree and laid-back resolutions and processes).

Because of Shintoism, it is believed that: *"You have to do what you have to do when you have to, following the stipulated path"*. Unfortunately, this has led to many *family heads (fathers) to commit suicide* if they are not able to pay for their son´s wedding or live up to society´s expectations. For instance, a worker who has caused his company to lose millions in light of one of his mistakes would try to kill himself as a way of settling the debt, just as students who cannot make it to university after not passing the entrance test. These unhappy endings basically take place because of the extreme social pressure that comes when individuals do not do what they should have done.

Paradigms and Ethics

Japanese cultural values are necessary to ensure that certain techniques that improve productivity are successful and, in order to understand Japanese behavior two concepts have to be mentioned: *honne* and *tatemae*. The former term *honne* could be defined as wishes, opinions and true thoughts each individual has while the latter is referred to social obligations and opinions adapted to general society´s thinking each person has (we could think of it as the so called "hypocrisy"). It looks like Japanese have "two sides" and have to deal with their true selves while *acting the right way in order to fit in.*

While hypocrisy has a negative connotation in Western countries, in Japan it is something that happens daily and does not have a pejorative meaning, in fact it is considered a virtue knowing how and when to use or show each mode/side.

This section is based on García (2009).

To put it simply once and for all, modesty and humbleness are very important values in order behave properly in Japan. Japanese are humble by definition regardless of social class, talent, studies or one´s job. The way par excellence to maintain humbleness is using honorifics and via language, *"toning-down" one´s achievements and extolling* others.

And if we take a deeper look at *the Japanese Ethic Code* on the website *Asociación Perú-Japón* (2016), we find the following principles (however, real-life application turns out to be more cold and strict):

- Respect → Recognizing each and everyone´s value, understanding and accepting them being tolerant according to their reality and relationship established. Respect literally refers to the way we value people regardless of the particularities and differences among us.
- Honesty, sincerity and integrity → Consists of trying to act always with the truth ahead.
- Responsibility → Accomplish obligations and commitments acquired addressing them properly.
- Solidarity, cooperation, generosity → Give one´s best, devoting oneself to others and own chores.
- Drive, self-improvement, perseverance → Diligent work performance with energy, dedication and looking forward to meeting goals and outputs.
- Harmony, order → Fulfilling a task in an organized way, managing time effectively and using resources efficiently.
- Trust, optimism, faith → trust gives individuals strength and confidence to interact without being harmed and knowing everything is going to be alright.
- Gratitude → Recognizing and appreciating good things in life, being thankful for the favors or strokes of luck received.
- Loyalty → As already known, interdependence and firm adhesion to certain people, institutions or ideas according to one´s principles and commitments.
- Austerity → Not depending on or being attached to lavish, ostentatious, extravagant things, just enjoying and treasuring what one has and has earned.

Safety and Yakuzas

As commented before, it is believed that when someone takes others´ items or possessions they are stealing/taking a part of their spirit as well, that is why the criminality rate is very low in Japan being one of the lowest in the whole world.

Only 1.3 robberies are committed per 100000 citizens, while in the USA there are 233 robberies per 100000 inhabitants. Besides the Japanese beliefs, this admirable rate is achieved thanks to the strict legislation which restricts arms and drugs trade with extremely high sentences and punishments. Unlike them, westerns look more for their own profit/benefit.

Yes, Japan is one of the safest places in Earth but it is also home of one of the biggest criminal bands in the world: The *Yakuzas*. The *Yakuza* group was formed during the Edo era, when many samurais were expulsed and their lords did not need or require their skills any more. Some were just hooligans or vandals back then, some years later they organized and even protected small villages. As time went by, they started using extortion to get money. *Yakuzas* as they are known today emerged from the World War II when they took over betting businesses, prostitution, drugs, illegal trade etc. Some ultra-conservative branches even blackmailed politicians. Their structure is very strict, as if they were part of a "family" and they follow their honor code until death.

2.1.4 – Company Culture

Inside a company we can find many mindsets and approaches, know-hows, lifestyles, values, visions, structures, methodologies, styles of leadership and so on. That is what is going to be discussed in the paragraphs below so we will start off with the differences between the life of working woman and a working man.

Career Woman/Salary Man Life

In general, Japanese society is a quite male chauvinist one: men control the country and companies. However, at home, women rule: they manage their family´s finances and they give their husbands a monthly allowance for their own expenses (as explained before). There has never been a feminist movement or revolution since women are quite conformist. Despite this, many women that managed to finish a university degree and have found a good job reaching a desirable social status are called "*career woman*". Until the 1980s most women did not care about studies or knowledge but it started to change in 1990, in fact, the percentage of "career woman" is very high in Tokyo and Osaka.

This section is based on García (2009).

This women´s life is based on their job and meeting their friends from time to time to have coffee or go shopping at Ginza or Shibuya (Tokyo´s fashion districts) until they meet a good man and get married. Once they marry, their job and friends starts to be less important, it is not their first priority any more.

And for men, they are called *"salaryman"* and they are the typical Japanese that work for big corporations such as Toyota, NTT, Dentsu, Nissan, Matsushita, Hitachi etc. When they finish university, they usually find a job at a big corporation and begin a long journey with that firm: it is very common that Japanese companies educate their new staff from zero, when their mind is "fresh" and "in blank" straight from university, introducing them their culture, know-how and values creating a solid professional relationship/contract which will last (in most of the cases) until the individual retires.

Basic Principles

As Gherorghe and Gyongyver (2007, p. 1) explain:

> "Ethics in business is a field which aims at explaining problems of moral aspect which come up currently in the activity of economic agents from a market economy. And the Japanese philosophy in this case is that *only the companies in which the human relations are good will succeed while the one with bad relations will go bankrupt.* To put it in a nutshell, it is all about the great diligence of the Japanese".

As reminded throughout the previous pages: *Japanese are so keen upon success because of the mixture of historical factors* (already seen) *and perfect self-image projection*. The company system in Japan is so strict that it is quite hard, sometimes even impossible for a company to do business with another company with which it does not have personal, tight and previously established relations. However, when an unexpected situation appears and they have to do business, they usually say they "do business with the enemy".

Another practice in Nippon companies is that recognition and *promotion does not depend fully on the abilities* or success as it depends on seniority or services for the company, age, education, schools the employee has attended and so on.

Philosophy: *Shikomu* (Training In the "Morality Company")

Cowton (1998) reminds us that Japanese like to consider that "people are the industry", which means that a company cannot be separated from the people who form it since the members are connected through emotional, economic and social link which transcend them all. This reinforces what was commented before about big Japanese firms preferring to hire workers directly from schools or universities when they are young and "unspoiled" due to the fact that it *is easier to inspire them with the company´s philosophy*. According to this philosophy Nippon organizations have, *Japan´s approach does not promote independent thinking, creativity or doing things "outside the comfort zone".*

The training to which the Land of the Rising Sun´s corporations subdue their new employees in order to inspire them with their own philosophy is known as *shikomu*. It includes the know-how, techniques, and also morality and philosophy of the actions necessary to complete a job. Despite having a cold and "anti-skinship" image, the Nippon country takes very seriously the corporative management of human relationships based on physical interactions, face to face between groups and between individuals that belong to other groups and with whom they have established bonds (Gheroghe and Gyongyver, 2007).

Relationships, Etiquette and Structure

Now that we know Japanese companies" philosophy and bases, it is not a secret that the "corporate family" has intern and extern social circles (just as any typical Japanese families has). The golden rule is that *any worker can discuss and exchange opinions, information and so on with people within his/her own group or circle*; that is with those he/she is close, and is comfortable around, as if they were part of his actual family.

However, if the worker is *looking forward to interacting with other group´s member(s), protocol must be followed*: first filling in a questionnaire for your boss is required, and then he will pass it on to the concerned department boss to see if the petition is worth it. The whole *process is very slow* and takes a lot of time since everybody must approve it and be alright with it (García, 2009).

The reason behind this complex process is that they aim to *minimize frictions* between groups and keep everyone informed while writing all the agreements down to formalize the decisions taken. According to this, it appears that *corporations standardize their employees´ actions and take safe and long premeditated decisions.*

Since friction and conflict is extremely avoided and undesired, some etiquette notions (which everyone is assumed to already be familiar with) are needed, and if workers do not know them by the time they are hired, they better learn the *DO´S and DON´TS* Lau et al., (2004) summarize as soon as possible:

- DO´S
  - ✓ Do use apologies where the intention is serious and express gratitude frequently.
  - ✓ Avoid confrontation or showing negative emotions during business negations. Express opinions openly but evade direct or aggressive refusals.
  - ✓ Greet your counterparts with the proper respect and politeness.
  - ✓ Be calm and cordial. Japanese are more concerned with maintaining harmony.
  - ✓ Always use honorifics.

- DON"T
  - o Do not give excessive praise or encouragement to a single Japanese colleague in front of others.
  - o Do not address your Japanese counterpart by their first name unless invited to do so.
  - o Do not use large hand gestures, unusual facial expressions or dramatic movement. The Japanese do not talk with their hands.
  - o Do not overemphasize money. The work relationship comes first, money second.
  - o Do not disagree in front of a Japanese business team during negotiations. Disagreement with leadership is seen as weakness.

Japanese are *very formal, respectful and hierarchy acceptant*, so it is understandable that besides the *superlative respectful manners and formalisms towards their superiors and politeness towards their fellows,* there are some extra notions within the companies such as the *meishi* ritual (business card).

It might seem something trivial and transcendent yet *personal treat and exquisite behavior towards potential and current business partners determine a workers´ future and the corporation forecast.* Business cards are fundamental to start a conversation and dialogue with other organizations.

Entrusting a part of oneself contained in the little business card to a potential partner, (based on the Shintoism belief of individuals' pertinences containing a part of their spirit) is very a meaningful and solemn procedure that might be the start of a fruitful business relationship and successful projects. Received *meishis* should never be folded, kept in one of the back pockets or used as paper material to write in it; however, it should be accepted with both hands being extremely delicate.

Without losing the relationships thread, we are going to link that to the *ranges* within the company. There are *vertical relationships* such as the *kohai-senpai* (worker-mentor) and the *joshi-buka* (boss-subordinate), and horizontal ones known as *doki* ("same period"). The first vertical one takes place when a new employee arrives and a mentor is assigned to him, the tutor will guide him and teach him the working dynamic for 3 to 6 months straight; the latter vertical one *joshi-buka,* comes once the first training months have passed, now the new employee meets his real boss and the worker is supposed to know what his superior needs and wants anytime (it is called "understanding 10 from listening" which translates into: if your boss tells you to do A, you do A,B and C).

Basically, an employee is considered competent when understands his superior, and as time goes by if everything goes as planned, both can be promoted. On the other hand, *horizontal relationships* are those developed between employees that incorporated to the company on the same period of time and are *equal in "power"*.

This section is based on García (2009).

In most companies we can find the metaphorical pyramid of power which lets every worker know his position, competences and relevance. Because Japanese are very hierarchy oriented we could say that the *common Japanese corporation structure* is the one García (2009) suggests and Figure 10 shows:

- *Shacho* → He is the company´s president and above him there could only be the *Kaicho* or main investor who usually does not work in the actual organization yet owns it.
- *Bucho* → A department´s person in charge (Human Resources, sales, I+D etc.).
- *Kacho* → They are just a tie below *Bucho* and they are people in charge of each sub-department. It usually takes them at least fifteen years to work their way up to the *Bucho* level.
- *Kakaricho* → Supervisors that have to properly assign chores to the lower-range staff. They are supposed to control five to ten people.
- *Kaishain* → Lowest range workers at the corporation.

Figure 10: *Japanese Companies´ Standard Hierarchy Pyramid*

Source*: Own elaboration*

Methodology: *Kaizen, JIT* and *Kanban*

In this section, the main different methods used to deal with logistic (stock management) and quality are described and commented since at least one of the methods among *Kaizen, JIT* and *Kanban* are used in Japanese-born organizations.

- *Kaizen*

Since workers are quite attached to their company, "feel" it very deeply and have an extreme bond with it, they do their best and try hard to give it their best results and come with the best projects. As said before, teams work as efficient as possible while looking for the optimal decisions to be made (with all the members' approval) hence the *Kaizen* method. *Kaizen* literally means "continuous improvement" and it is used within the business culture to express the urgent necessity of improving and do thing better in time, using minimal resources while creating maximum value.

It is known that after the Second World War Japan was destroyed but thanks to the USA´s funds and Japanese´s innate character, Japan managed to be on top of the global economy. USA created a special program that propelled Japan´s industry development. In this program, concepts such as quality control and the Shewhart cycle, also known as *PDSA Cycle*, were introduced. This Shewhart cycle (that can be seen in Figure 11) lead to developing the *Kaizen* model; basically the idea is finding a process that needs to be improved, organizing it and planning how to solve the detected problem, then proceeding as planned, analyzing if the process in question has really been improved or if it got worse, determining the triggers to that counter production and starting over again (García, 2009).

*Figure 11*: PDSA Cycle (or Shewhart Cycle) graphic explanation
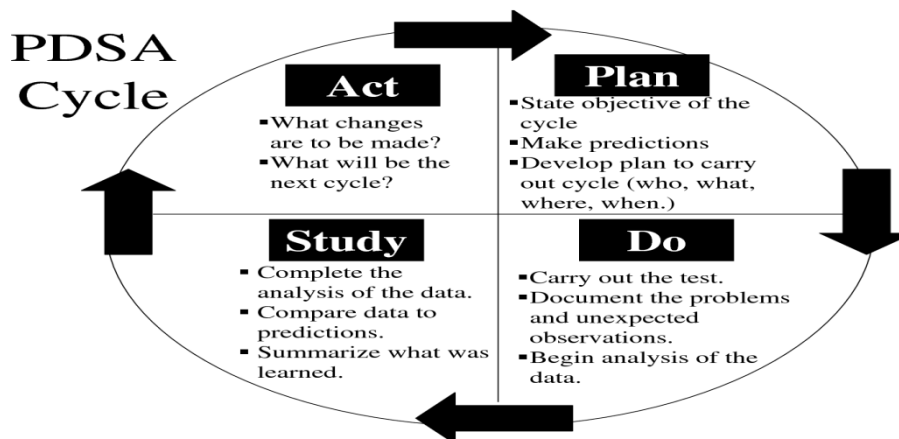
Source: Adapted from Radis.com (entered 3/5/16)

This four staged cycle called "PSDA cycle" or "Shewhart cycle" is part of the Western program USA proportioned to Japan, it consists of the following phases: *Plan*ning (stating the objective of the cycle, developing the plan and making predictions), *Do*ing (carrying out the test, documenting the problems and unexpected observations as well as analyzing the data), *Study*ing (completing the analysis of the data, comparing data to predictions and summarizing what was learned), and *Act*ing (thinking which changes need to be made or readjusting the cycle).

However, Japanese adapted it a little bit to their needs developing *Kaizen* which is very similar but *focuses on small improvements rather than major "jumps"* like the American approach suggested. We have seen how 4 phases are shown, but *Kaizen* considers there is a *fifth element* (can be seen in Figure 12) which is *Discipline*. Here are the *"five S"* which are the pillars of *Kaizen* and Melara´s (2013) description:

Figure 12: *Kaizen graphic explanation and phases*

Kaizen 5S Framework
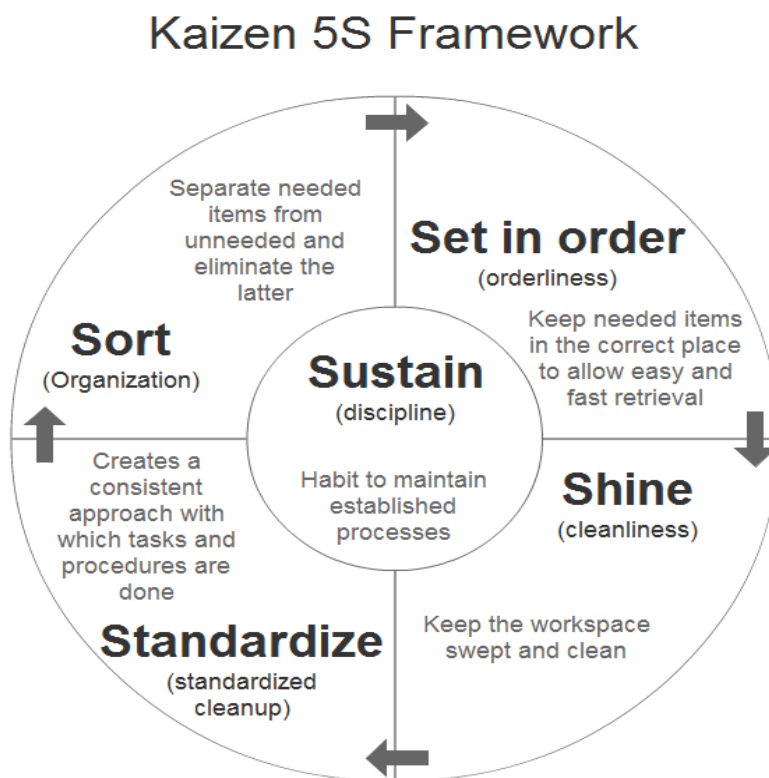
Source: *Adapted from Comindwork.com (entered 3/5/16)*

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- *Seiri* → "Sort": Differentiating what is useful and what is not. For instance, sorting out if certain raw materials are needed or are obsolete; at an office, deciding if certain documents are needed or are not vital.

  Basically, keeping what is necessary for the process while tossing/removing what is not useful.

  > Benefits → It allows having more space for proper storage, working area is safer, the worker is more productive with more space to move, visual control of the process is improved.

- *Seiton* → "Set in order": Having a determined place for each item according to each work routine, ready to be used so that efforts and time looking for what is needed is reduced.

  > Benefits → It makes access to the items needed to work way easier, information is improved and it prevents mistakes and potential risky actions.

- *Seiso* → "Shine": Always being vigilant of the system being in order and in a clean state. It consists of cleaning and decontaminating the workplace from factors such as dust, liquids etc. "Shine" also involves order and making sure it is a daily chore for everyone.

  > Benefits → It reduces potential accidents, machines´ usage life is incremented, worker´s mental and physical wellness is improved, waste amount is reduced and the product´s quality grows.

- *Seiketzu* → "Standardize": Taking care of personal hygiene and grooming. It is about maintaining a tidy condition, not only the workplace but also individuals themselves while having and using proper uniform and safety devices.

  > Benefits → Personal wellness provided by the habit of staying impeccable and clean at one´s workplace, intervention time and productivity are increased.

- *Shitzuke* → "Discipline": It looks forward to generating self-discipline. It refers to creating the habit of following the "5 S" making it the workers´ own lifestyle not only at workplace but also at home. Monitoring and self-control is required at work.

  > Benefits → A sensitive, respectful culture is created and sources are used carefully, also, customers will feel more secure if the quality levels are superior and if it the workplace is an attractive environment, with an appealing atmosphere to the staff.

As Brunet (2003) reminds us, *Kaizen* is the Japanese word for "improvement" carrying the connotation in industry of all the uncontracted and partially contracted activities which take place in the Japanese workplace to enhance the operations and the environment.

Actually, it epitomizes the mobilization of the workforce, providing the main channel for employees to contribute to their company´s development. Brunet (2003) also says that many writers summarize *Kaizen* on three key notions:

- *Kaizen* is *continuous,* which is used to signify both the embedded nature of the practice and also its place in a never-ending journey towards quality and efficiency.
- That it is usually *incremental* by nature, in contrast to major management initiated reorganizations or technological innovation.
- And, *it is participative*, entailing the involvement and intelligence of the work force, generating intrinsic psychological and quality of work-life benefits for employees.

The generality and simplicity of the idea is both its weakness and its strength. Imai (1986) presents *Kaizen* as a global program. According to Brunet (2003, pp. 3-4):

> "We could take *Kaizen* to consist of pervasive and continual activities, outside the contributor´s explicit contractual roles, to identify and achieve outcomes he believes contribute to the organizational goals. Further, we discompose the concept by considering two axes: the degree to which the processes of *Kaizen* are systematized and organized and the degree to which senior managers specify or influence the themes of the activities".

There can be four types of activities associated with *Kaizen*, and those can be seen in Figure 13:

Figure 13*: Plot of the four types of activities associated with the Kaizen method*
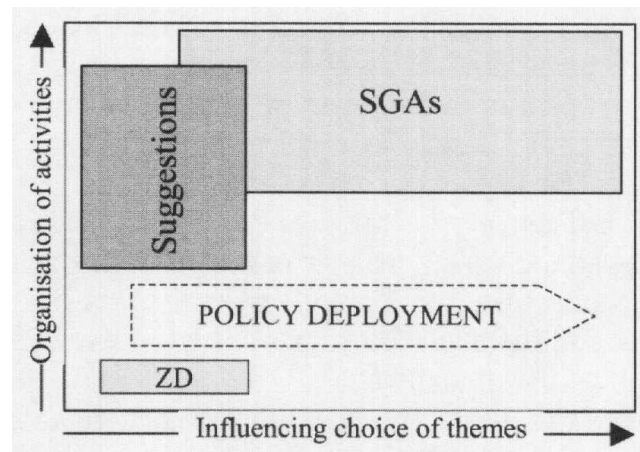
Source*: Extracted from Brunet (2003)*

Based on Brunet (2003), the four activities that take place at the *Kaizen* model are:

- "ZD"→ It refers to the actions related to the adoption of a "Zero Defect" mindset within the company, in which employees spontaneously and autonomously improve things.
- "Suggestions" → Refers to the operation of suggestion schemes that may need considerable organization to process, evaluate and potentially act upon employee suggestions.
- "Policy deployment" → Tennant and Roberts (2001) say that it refers to the process by which top management targets and agendas are promoted throughout the organization, which need not in itself require the organization of resulting activities.
- "SGAs" → Refers to Small Group Activities that constitute the model´s core.

Kaizen also incorporates the idea of improving continuously and that complacency and conformism is the number one enemy. As for the Just-In-Time method, time is an extremely important and valuable factor.

Kaizen´s success is due to its passion for improving the current standards, weather it is quality, costs, productivity or timeouts, hence this methodology allows having higher standards and Japanese companies such as Toyota, Hitachi or Sony were since 1980 a good continuous improvement example to other organizations.

We have already hinted that *time is the most precious asset for the Kaizen method; it is considered a strategic resource*. Time is one of the least abundant resources at every single business, yet one of the most wasted and carelessly managed. *Inefficient usage leads to stagnation.* This "time waste" is more common in the services sector, however, by eliminating bottle-neck stages that do not aggregate value to the final service, great improvements can be done efficacy and customer satisfaction-wise (Moreno, 2011).

In light of its benefits which were slightly mentioned before (significate increment of the productivity levels, costs decrease, better quality standards, better customer service, low stock input needed), once a proper strategy and an implementation plan is designed, good results can be achieved in a short period of time. Besides its implementation, it does not require a big investment or impressive amounts of money that is why, in most of cases, results tend to be positive (Díaz, 2014).

We have seen *Kaizen´s* cycle and its origin (PDSA), its pillars, its three key notions, its activities and now we are going to "dive" into the *tools* it uses which are:

- TQM (Total Quality Management) → Creating quality consciousness in all the processes of the organization.
- TPM (Total Productive Maintenance) → Avoiding unnecessary stops in production and costs.
- Small Groups Activities
- Suggestion System
- Policy Deployment → Management philosophy that looks for a participative process and self-control to achieve goals.

- *JIT*

JIT or "Just in Time" is also a system originated in Japan which aim is to properly manage and coordinate the stock a company has, to be more accurate. The automobilist company Toyota is the one that developed it and lately, there has been a tendency to use *Kaizen* and *JIT* combined so that a new model called *Kaizen-JIT* which leads to an *instant continuous improvement* has aroused.

JIT demands high level of organization in order to prevent mistakes, delays and failure because of the lack of components or supplies since a tiny unexpected mistake in the chain could create a butterfly effect causing blocking and major harm to the whole production process.

As Alvarez-Moro (2010) defends, this system has many *perks*:

✓ Reduces stock levels as well as maintenance costs that higher stock would suppose.
✓ Minimizes loses caused by obsolete supply.
✓ Allows (demands) developing a quality relationship with suppliers.
✓ This "good nourished relationship" leads to better deals, prices and conditions.
✓ Is a more flexible system which allows making fast changes and readjustments.

However, there are some *disadvantages* too:

o It could imply delays and lack of supplies.
o Reduced freedom to decrease purchase prices if the amount bought is small, but this could be solved depending on the relationship with the supplier.
o Switching cost (to another supplier) is quite high since all the trust and bond is difficult to solidify and takes time establishing a "good/healthy relationship".

It was commented before how *Kaizen* uses several tools, so does *JIT*:

▪ TQM (as *Kaizen*).
▪ TPM (as *Kaizen*).
▪ SMED (Single-Minute Exchange of Die) → It is a waste reducing method which makes sure the production system is able to make changes in a machine or process start in less than 10 minute; that is 9, which has one single digit.
▪ Supplier relationship → This can become a negative aspect since it takes time and effort for a relationship to be strong and flourish, which means that good deals will not happen until a couple years go by and the partner trusts the company.
▪ Layout → Which builds work cells for families of products, minimizes distance, includes a large number of operations in a small area, designs little space for inventory, uses fail-safe devices, builds flexible and movable equipment and cross-trained workers to add more flexibility.

It is considered that the corporation that works under traditional managing systems has twice the staff needed, four times more space and use ten times more time than organizations that have applied the *Kaizen* or Just In Time models hence representing 25% to 35% of the yearly expenses (Díaz, 2014).

- *Kanban*

The last method is called *Kanban* and it has its origin in the "Just In Time", that is why, since everything is related, intertwined and implemented at the same time in most of the cases, we have talked about *Kaizen*, *JIT* and now *Kanban*.

To put it simply, *it is a system that controls resources´ flow in the production process with cards*. These cards *synchronize the different stages* so that products are delivered to each one of the sub-processes faster and with a higher quality, preventing intermediate stocks and excessive material handling while monitoring production (Levcovich, 2005).

We could say *Kanban* system consist of an information exchange mechanism between different operators in a line of production, all the organization´s employee, or between a client and supplier. It aims to simplify communication and accelerating it while preventing mistakes for not having enough data.

The *Kanban* cards or etiquettes contain information that work as work order. It is like an automatic management device which offers details about the product to be produced and its features, as well as the next production line it has to be handed over, the quantity, etc. It ensures quality, reduces waste, its flexibility and allows the system to be in continuous improvement, better stock control, and accurate information about each item´s location and reduces unnecessary bureaucracy (Alvarez-Moro, 2010).

As Levcovich (2005) believes, there are *four rules* and some guidelines that should be followed for *Kanban*'s proper implementation:

- Design the *Kanban* system and skills, capabilities and knowledge personnel is required to have.
- Integrate most problematic or "sensitive" production lines so that problems and delays do not take place.
- Implement the system into the remaining activities or production lines, the whole corporation has to be involved and amalgamated.
- Review and control.

And the *guidelines* the author Levcovich (2005) defends are the following six:

- Not passing onto the next stage a defective product → It would lead to extra costs in materials, equipment and workforce.
- Subsequent processes will only use/consume what is necessary → Precise amount of materials and at the right time.
- Producing the exact quantity needed by the next stage. Not less, not more.
- Balancing production
- No speculating → Operators must trust the information and the carefully calculated quantities which are detailed on the cards.
- Rationalize the process → if the whole process is standardized and rationalized, no defective outputs are to be expected.

CHAPTER 3 – CONCLUSIONS

As a way to end this case-study, the most relevant results, conclusions, limitations and future research will be displayed on this third section as a summary. The main ideas and the conclusions elucidated are the following:

3.1– Main Ideas and Recommendations

- Models/Phases of Creative Industries

There are four Creative Industries models based on the Industries´ nature, hence the existence of Creative Clusters, Creative Services, Creative Citizens and Creative Cities. The first model is formed by industries such as advertising, software etc. and depends on creating intellectual property while the second one provides creative inputs because of the life experience-based mindset. Creative Citizens are spontaneously interconnected, focused on innovative work and social media content whereas Creative Cities show many ethnicities, wealth ranges and tourism that overlap with the ongoing friction between industry and culture.

- Creativity Criteria And Promoting Creativity

There are parameters that help rating and evaluating the creativity of the processes that take place in the formerly mentioned industries. According to parameters like investigative work, inventiveness, the ability to apply the established models and capacity for self-assessment, the creativity level can go from Expert to Novice and the corresponding intermediate ranges.

Usually, there is something genetic or innate behind creativity yet unlike many people might think, the most valuable creativity catalyzers are motivation and improvisation/risk taking. They stimulate individual´s brains so that they have to think of alternate solutions or approaches. Because of this, having a proper, safe environment that allows individuals to go through trial and error tests comfortably is recommended for propelling creativity. "Encaging" them will not promote curiosity and "harvesting" high quality ideas, in fact, most of the times, the so called "random" and "dumb" ideas are the successful ones because nobody had taken them seriously before.

- Japan´s History, Religion and Society as background to its Creativity Approach

Because of Japan´s past, this country is as it is right now, with their "one of a kind" approach in life, business, family and so on. One of the pillars that explain their distinct mindset is their history and how they were able to "reborn" becoming one of the first world potencies with remarkable technology that combines tradition and modernity after all the setbacks the Nippon country went through (World War II).

Religion has a lot to do as well, basically because the one that "guided" the currently popular ones such as Shintoism or Buddhism, which is Confucianism, encourages respect and loyalty to the system and extremely high esteem for education and using shame as a means of discipline and control of "proper" behavior. Furthermore, Shintoism implemented the belief that Japanese have to do what they have to do when they have to, following the stipulated path which does not lead to promote creativity.

In addition to the bases already commented, respect and hierarchy devotion depend on the age, status or gender also sculpt Japanese character. Even families are corporative with their own code and rules that must be followed, each member has their own chores or tasks he/she is expected to fulfill no matter what or he will have "deceived" the whole household and the Nippon country.

- Japan´s Company Philosophy

Confrontation is something Japanese try to avoid by all means. Actually, companies hold meetings and carefully decide and make decisions based on gathered data and what the members think. Because humbleness is very important for the Japanese, the correct thing to do in these meetings is to trust one´s superior (boss) because of his experience, wisdom and range no matter what, agreeing with him and not causing any trouble, for this reason there are not many discussions at workplace. By doing this employees are considered "down to earth", polite and therefore "not a thread" since they are not influenced by ambitiousness or money; they know where they belong and everything they do is for their love and devotion to their company. Company-culture is very strong and it is quite common being hired by an organization and staying there for the rest of one´s working life doing whatever it needs to be done for the sake of the corporation. They guide their newly hired employees through the company's philosophy and know-how so that they become part of it and get into the corporative praise family-feeling.

- Methodology

There are many methods used to deal with logistic efficiently but *Kaizen, JIT* and *Kanban* are original from Japan and are the most used not only in the Nippon country but all over the world hence their efficiency and effectiveness.

Kaizen was developed from the United States´ "PSDA cycle" and has the "5 S" as pillars that translate as: Sort, Set in order, Shine, Standardize and Discipline. *Kaizen* means "improvement" and aims for continuous, incremental and participative improvement while reducing waste.

The *JIT* model is similar but its goal is to coordinate the inventory while preventing mistakes, delays and failure. Accurate timing and organization is required to minimize loses and providing the system with flexibility.

And last but not least, the Kanban system, it is also based on the *JIT* (all these models mentioned are interconnected and their foundations are similar) yet it controls resources´ flow in the production process with cards that work as work order.

All in all, we could say that although Japanese try to stimulate participation and creativity, it does not come to fruition in most of the cases since their culture, ethics, paradigms and social conventions do not encourage being "different" or having and "independent thinking". They aim for minimal mistakes without "deviating" from the original path while accepting their roles/ranges dutifully in society and companies.

3.2 – Limitations and Future Research

Coming to an end, we cannot forget about the *limitations* found throughout this case-study nor the future research to be done in this field.

This case-study had two major limitations one of them being having to choose just one East Asian country to represent the diligent Oriental approach and deciding which would be the best example, and the second one is having to "narrow down" the different logistic methods explained since many have been developed over the last years.

Regarding any *further research*, with the aim to broaden the knowledge on Oriental Creativity approaches, it would be interesting to:

- Investigate the Chinese, South Korean and Singaporean approach and finding the differences between them when it comes to practices that lead to a competitive creativity advantage.
- Analyzing Occidental companies that have implemented Japanese models/systems and their progress.
- Analyze which brain regions are more developed or awaken in a Japanese individual versus an American and Spanish worker.

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