

## Analysis of the Implementation of Kaizen Culture at PT. Digital Solusi Grup

Novaldi Nur Rochman Putra<sup>1\*</sup>, Gendut Sukarno<sup>2</sup>, Tri Kartika Pertiwi<sup>3</sup>

University of Pembangunan Nasional Veteran East Java

**Corresponding Author:** Novaldi Nur Rochman [novaldinur94@gmail.com](mailto:novaldinur94@gmail.com)

---

### ARTICLE INFO

*Keywords:* Company Culture, Kaizen Culture, Company Culture Implementation

*Received :* 29, May

*Revised :* 25, June

*Accepted:* 28, July

©2024 Putra, Sukarno, Pertiwi: This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

This study aims to examine the implementation of Kaizen culture in the company. The discussion is based on the phenomenon of Kaizen culture implementation originating from Japan, applied to a service sector company in Indonesia, namely PT Digital Solusi Grup. The objectives of this study are to determine (1) how the Kaizen culture is implemented in the company, and (2) whether the implementation of the system, concept, and Gemba Kaizen in the company undergoes adaptation. This research adopts a descriptive qualitative approach using ethnographic methods. Data collection techniques include in-depth interviews, documentation, observation, and triangulation. The components of data analysis in this study are (1) data reduction, (2) data presentation, and (3) drawing conclusions. The main discussion focuses on (1) the Kaizen culture in the company, and (2) the adaptation of Kaizen culture, which includes the concepts and Gemba Kaizen. Information for this study was gathered from three key informants representing top-level, middle-level, and first-level management at PT Digital Solusi Grup. The findings of this study indicate that, in general, the implementation of Kaizen culture undergoes an adaptation process. A lack of communication during the implementation process between functions and positions prevents the company's goals for implementing Kaizen culture from being articulated in accordance with the leadership's objectives.

---

## INTRODUCTION

Globalization of production presents significant challenges regarding the capabilities of human resources in the countries where companies expand. One of the main challenges is the cultural differences between the home country and the target country. These cultural differences can affect the productivity levels of companies, necessitating effective strategies to address these differences to ensure smooth operations (Robbins, 2006:731). Organizational culture, or corporate culture, is crucial in maintaining the existence and resilience of an organization or company. This culture serves as a reference for a shared understanding within the organization and differentiates one organization from another (Robbins & Judge, 2013). Organizational culture comprises visible elements such as the company's vision and values, as well as less visible elements such as norms, behaviors, language, and belief systems. Understanding and determining the direction of corporate culture is vital for business owners and HR professionals (Dyer, 2018:25).

Since Masaaki Imai introduced the concept of Kaizen culture in his book *\*KAIZEN - The Key to Japan's Competitive Success\** (1986), the term has been widely used and associated with Japanese management practices, becoming a key factor in the success of Japanese companies worldwide. The term 改善 (Kaizen) consists of two Kanji characters: 改 (kai) meaning to reform, change, modify, inspect, and test; and 善 (zen) meaning virtuous and good (Imai, 1986; Macpherson, 2015). Kaizen can also be interpreted as continuous improvement in pursuit of perfection in work (Dyer, 2016:19). This concept has garnered much attention as it is considered the key to Japanese companies' competitiveness over the past three decades of the 20th century. Over the past 20 years, some companies have applied this concept through employee participation in improvement suggestion schemes, while others have used it as a set of strategies and tools to reduce waste (Imai, 1986; Suarez-Barraza et al., 2011).

Japanese companies began implementing Kaizen at the end of the 20th century. Since then, several Western companies such as Caterpillar (Illinois, USA), Harley Davidson (Wisconsin, USA), Husqvarna (Jönköping, Sweden), and GDM Group & Q-West (Wanganui, New Zealand), have used Kaizen to improve production techniques, systematic operations, and seek more contributions from employees (Macpherson, 2015:3). The Kaizen strategy relies on human efforts to enhance results through process improvement. This process-oriented approach is known as the "plan-do-check-act" (PDCA) cycle and the "standardize-do-check-act" (SDCA) cycle, recognized as improvement cycles (Imai, 1986; Smadi, 2009). Introducing and implementing the main concepts of Kaizen is essential for companies. The goal of Kaizen is to improve quality, cost, and delivery (QCD) (Karas et al., 2016; Imai, 1997), which means focusing on improving the quality of goods or services, reducing costs, and increasing work time efficiency.

Human resource management with a Kaizen approach forms a new discipline in continuous improvement. The main assumption of Kaizen is to encourage employees to continually improve the workplace (Gemba). This contributes to greater self-reliance and self-control that employees can achieve. The main task of employees in Gemba is to maintain and improve standards to

achieve adequate quality, cost, and delivery (QCD) (Imai, 1997:13). Human resources are an essential component of a company's sustainability. Human resource management plays a significant role in the implementation of Kaizen culture. In order to accomplish organizational objectives, human resource management encompasses the planning, organization, coordination, execution, and supervision of the procurement, development, compensation, integration, maintenance, and separation of labor. Human resource management is also instrumental in the recruitment, development, appreciation, and retention of employees, which benefits both the company and the employees. (Zamumtima, 2024). Maintaining the company's quality standards is essential to achieve optimal results. This is reflected in the size of the company and the number of human resources within it. The larger the company, the more human resources are needed to maintain the company's quality and standards. Kaizen, as a culture and cost-effective tool, can be used to maintain quality regardless of company size. Employees and managers who apply Kaizen in their work tend to evaluate and continuously improve comprehensively in their respective work lines (Imai, 2014).

The benefits of implementing Kaizen culture are evident in countries with low economic growth rates or developed countries (Imai, 1986:24). However, studies by Fatimah (2016), Jimantoro (2016), Matchikita et al. (2015), Vento et al. (2017), and Suarez-Barraza and Ramish-Pujol (2009) show that Kaizen practices have been implemented in various developing countries worldwide. Several challenges may be encountered in implementing Kaizen culture in developing countries like Indonesia, which has a different cultural background and was once colonized by Japan. In Indonesia, the implementation of Kaizen has proven to increase work efficiency and productivity. A study by Permana et al. (2021) in the retail industry in Indonesia shows that the implementation of Kaizen culture positively and significantly affects performance through internal motivation and work discipline. This data indicates that the Kaizen approach can have a tangible positive impact on company performance in Indonesia.

The research object in this thesis is the implementation of Kaizen culture at PT Digital Solusi Grup, an Information Technology (IT) consulting firm focusing on cybersecurity. The entire board of directors of PT Digital Solusi Grup hopes that this research can provide valuable input to enhance the implementation of Kaizen culture in the company. Furthermore, the recommendations from this research are expected to serve as benchmarks for continuous improvement following the directors' expectations. PT Digital Solusi Grup has partially implemented Kaizen culture. Ultimately, this research is expected to provide practical recommendations for PT Digital Solusi Grup and other companies interested in implementing Kaizen culture, as well as contribute to the academic literature on human resource management.

## LITERATURE REVIEW

To provide a critical review of previous research, several relevant studies have been identified. The first study by Dardery et al. (2023) titled "Using Fuzzy TOPSIS and Balanced Scorecard for Kaizen Evaluation" proposes a Kaizen

measurement method that integrates the Balanced Scorecard (BSC) and Fuzzy TOPSIS techniques. This study collected data through questionnaires to evaluate the benefits of Kaizen from four BSC perspectives, resulting in a sustainable evaluation system applicable across various industrial sectors. The second study by Renata Biadacz (2023) titled "Application of Kaizen and Kaizen Costing in SMEs" examines the importance of Kaizen and Kaizen Costing for small and medium-sized enterprises. The qualitative methods used indicate that, while large companies are less interested, medium-sized companies show significant interest. This research highlights the need for further development and discussion on the benefits of Kaizen for small and medium enterprises.

The third study by Ma (2013), titled "The Adoption and Implementation of Kaizen in Shino-Japanese Automotive Joint Ventures," focuses on the implementation of Kaizen in Shino-Japanese automotive joint ventures in China. Using quantitative methods, this study shows that QCCs (Quality Control Circles) and Teian mutually support each other, enhancing employee participation and their ability to propose improvements throughout the company. The fourth study by Suarez-Barraza and Ramis-Pujol (2009) in "Implementation of Lean-Kaizen in the Human Resource Service Process" explores the application of Lean-Kaizen in the HRD division of public organizations in Mexico. The case study method used demonstrates that Lean-Kaizen is effective in reducing employee selection and recruitment times and improving the performance of the HRD division.

Although Kaizen has been extensively studied, this research, titled "Analysis of Kaizen Culture Implementation in Companies in Indonesia (A Study on PT. Digital Solusi Grup)," offers a more specific approach. This study not only analyzes Kaizen culture as a whole but also focuses on the implementation of key Kaizen concepts and gemba Kaizen, as well as the challenges in its implementation. The study involves managers at various levels in PT. Digital Solusi Grup and focuses on the implementation of Kaizen culture in the Indonesian context, aligning with the topics of previous research.

### ***Corporate Culture***

In their book *International Business* (2007:35), Katsioloudes and Hadjidakis define culture as everything that people have, think, and do as members of their society. This suggests that the actions, thoughts, and possessions of individuals as members of their society are indicative of their cultural behavior. In Mike W. Peng (2009:102), Geert Hofstede (1997:421) further adds that culture is "the collective programming of the mind that distinguishes the members of one group or category of people from another." Hofstede elucidates that culture is the collective mental programming that differentiates members of one group or category from another. Every human has a culture, as the sole prerequisite for being cultured is being human. The term corporate culture or company culture can be replaced with the term organizational culture. Both terms have the same meaning. Therefore, in this research, both terms are used interchangeably and carry the same meaning.

Kusdi in his book *Organizational Culture* (2011:81) defines organizational culture as patterns of behavior, attitudes, values, and assumptions held by the members of an organization, which are socialized to new members, and are somewhat stable over time. This understanding describes that organizational culture has a broad meaning in the productivity and existence of the organization. Intensity and integration are the two primary characteristics of organizational culture. The degree to which members of a unit embrace the norms, values, or other types of culture associated with that unit is referred to as the intensity of culture. In other words, employees in an intensive culture are inclined to exhibit consistent behavior, or to behave in a consistent manner over time. The integration of culture is where units across the organization share the same culture. Organizations with this widespread dominant culture can be hierarchically controlled and power-oriented, like military units that have a highly integrated culture (Wheelan and Hunger, 2012:149).

According to Robbins & Judge, there are 7 main characteristics of organizational culture:

1. Innovation and taking risks
2. Attention to detail
3. Outcome orientation
4. People orientation
5. Team orientation
6. Aggressiveness
7. Stability

### ***Kaizen Culture***

The term kaizen can be replaced with "continuous improvement" (CI). Both terms have the same meaning. The concept of kaizen, or continuous improvement, was initially devised in the United States and subsequently introduced to Japan following the conclusion of World War II (Schroeder and Robinson, 1991; Huntzinger, 2002). Afterward, Japanese manufacturing companies adapted and developed kaizen, which led to the term "kaizen." The proliferation of CI programs in Japan following World War II can be attributed to two primary factors (Kenney and Florida, 1993; Yokozawa and Steenhuis, 2013). In general, Dağgöl and Özsoy (2024) define continuous improvement as a process-oriented view that aims to constantly improve the framework for identifying and solving problems. Kaizen, as a culture embedded in Japanese society's way of life, influences overall behavior patterns, making kaizen culture a guide in every individual's behavior in continuous improvement.

Kaizen is the essence of continuous improvement and is a mindset that encourages anyone to identify small changes that can be made for the benefit of business, their team, and individual performance (Biadacz:2023). The kaizen philosophy assumes the constant refinement of work. By continuously making improvements, each individual in the company also contributes to the company's future improvements and development. Kaizen was first introduced based on Japanese management philosophy in streamlining and eliminating waste. Natale, et al. (2013:971) argue that "The philosophy behind the Kaizen is unequivocally

tied to lean idea and 'waste' removal." The kaizen philosophy is closely tied to lean and waste elimination. From its goals and philosophy, kaizen focuses on continuous improvement by combining company goals and enhancing the quality of its resources.

According to Dardery, et al. (2023:01), the benefits of implementing Kaizen are providing a performance evaluation system that benefits the assessment of 4 things in the company's Balanced-scorecard (BSC). The advantages of applying kaizen include cost reduction, profit increase, human resource improvement, and operational optimization. Clearly, the implementation of kaizen benefits the company's internal aspects. Several factors influence kaizen culture in its application. Mulyawati (2015) in Fatimah (2016:8) explains that there are five supporting factors in kaizen culture:

1. Teamwork: Collaboration that combines several individual abilities within a team to achieve common goals effectively and efficiently.
2. Personal Discipline: Personal discipline that is closely related to motivation and can be trained and habituated.
3. Improved Morale: Enhanced moral quality which is very important in Kaizen culture.
4. Quality Circle: Quality control that brings improved two-way communication between staff and management.
5. Suggestions for Improvement: Suggestions for improvement involving all elements within the company.

### ***Main Concepts of Kaizen***

Masaaki Imai, in his book *Gemba Kaizen* (2001:02), explains that there are several concepts in the application of kaizen, including:

1. Kaizen and Management: Top management must establish kaizen policies meticulously, then set an implementation schedule demonstrating good leadership.
2. Process versus Result: Kaizen emphasizes a process-oriented mindset because the process must be improved to enhance the results obtained.
3. Following the PDCA/SDCA Cycle: The PDCA (plan-do-check-act) and SDCA (standardize-do-check-act) cycles are means to ensure the continuity of kaizen in maintaining and improving existing standards.
4. Putting Quality First: Placing quality as the company's top priority.
5. Speak with Data: Collecting data about the situation in gemba to understand problems and direct focus on solving them.
6. The Next Process is the Customer: Every process must treat the subsequent process as the customer.

In introducing kaizen, top management must meticulously establish this policy. Then, management is expected to set an implementation schedule by

demonstrating good leadership and practicing the kaizen process among themselves. Therefore, standardization and direction in the implementation of kaizen are essential. In Management is responsible for two primary functions in the context of kaizen: maintenance and improvement. All activities that are conducted to preserve operational standards, managerial systems, and extant technology are considered maintenance. These standards are maintained through training and discipline. Management fulfills its obligations under this maintenance function to ensure that all personnel adhere to the organization's operational standards (Imai, 1997). Kaizen emphasizes the importance of a process-oriented perspective, as the process must be refined to enhance the results. A process failure is indicated by the failure to obtain the intended results. Errors in the process must be identified, acknowledged, and rectified by management (Imai, 1997).

In accordance with Masaaki Imai (1997:04), a process-oriented approach must also be implemented when implementing a variety of kaizen strategies, such as the PDCA (plan-do-check-act) cycle, the SDCA (standardize-do-check-act) cycle, QCD (quality, cost, delivery), TQM (total quality management), JIT (just-in-time), and TPM (total production maintenance). Neglecting the process is the primary cause of numerous failures in the implementation of kaizen strategies. The commitment and complete involvement of senior management are the most critical components of kaizen implementation. Consequently, the kaizen process's success necessitates the open, consistent, and direct demonstration of strategies. Kaizen strategies necessitate a process of improvement, as they significantly rely on human effort to enhance results (Smadi, 2009). Masaaki Imai (2001:4) "posits that the initial step in the kaizen process is to establish the PDCA cycle as a means of ensuring the perpetuation of kaizen in the maintenance and improvement of existing standards." Imai explains that PDCA is a means to ensure the continuity of kaizen in maintaining and improving existing standards. Thus, the PDCA cycle is an essential component of kaizen continuity. The PDCA cycle rotates continuously. As soon as an improvement is achieved, the improved state can inspire further improvements. Since employees generally prefer stability (status quo) and rarely have the initiative to improve conditions, management must continually formulate improvement goals and targets that challenge and motivate employees (Imai, 1997).

According to Masaaki Imai (1997:05), SDCA and PDCA have their respective functions. "SDCA implements standardization to guarantee process stability, while PDCA implements modifications to enhance it. SDCA is associated with the maintenance function, whereas PDCA is associated with the improvement function. These are the two primary responsibilities of management." In maintaining PDCA, management must perform SDCA to sustain continuous improvement progress. In other terms, the SDCA cycle maintains current work processes, while the PDCA cycle improves them (Imai, 1997; Smadi, 2009). The primary objective of QCD (quality-cost-delivery) or quality, cost, and delivery is to ensure that quality is the company's primary concern. The company will be unable to compete if the product and service

quality are insufficient, despite the attractiveness of the price and delivery offered to consumers. Management commitment is essential for prioritizing quality, as managers frequently encounter incentives to compromise on delivery requirements or cost-cutting. Managers are at risk of jeopardizing the business's survival as well as quality in this scenario (Imai, 1997:5). Kaizen is a problem-solving process (Imai, 1997). For a problem to be solved and understood correctly, it must first be identified and then relevant data collected for rational examination. Collecting data about the situation in gemba can help managers understand the problem and focus on solving it, which is the first step in improvement efforts. Collecting, verifying, and analyzing data for improvement is the main goal in problem-solving in kaizen (Imai, 2001:6).

The next process is the final stage in the main kaizen concept, where this next process focuses on the consumer generated by the company. Masaaki Imai, in his book *Gemba Kaizen* (1997:6), explains: "All work is fundamentally accomplished through a sequence of processes, each of which involves suppliers and customers. Process A (supplier) provides a material or item of information, which is subsequently processed and given added value in process B before being delivered to process C (customer). It is imperative that the subsequent procedure be addressed as a customer. This axiom, "The customer is the next process," denotes two categories of customers: internal customers (processes within the same organization) and external customers (in the market).

### ***Gemba Kaizen***

In Japanese, gemba means "the actual place," referring to where an event occurs. The foundation of every kaizen-related management decision is always based on their understanding of gemba. In a specific context, gemba can mean where products or services are made. The goal of gemba lies in QCD (Quality, Cost, Delivery), which are improving quality, reducing costs, and meeting consumer expectations for product/service delivery (Imai, 1997; Smadi, 2009). Masaaki Imai, in his book *Gemba Kaizen: A Commonsense, Low-Cost Approach to Management* (2001:20), explains that there are three main activities in kaizen within gemba:

1. Standardization: Standardizing to achieve process stability.
2. 5S: Five steps of workplace organization and maintenance (seiri, seiton, seiso, seiketsu, shitsuke).
3. Elimination of Muda: Eliminating waste.

According to Imai, implementing these three main activities is highly practical, requiring neither high-level knowledge nor advanced technology. Every individual within the organization can easily be introduced to this commonsense, low-cost approach. Standards are an integral part of gemba kaizen and are the basis for daily improvements (Imai, 1997). Standards can serve as a means to identify problems or irregularities in their application. This positions standards as a dynamically reviewable, improvable, and changeable tool according to the adaptations applied by managers. Changing existing standards or implementing new ones can effectively prevent the recurrence of

the same problems. Standards in gemba kaizen are divided into two types. The first is managerial standards needed to manage employees in an administrative context. These encompass administrative regulations, policies, and guidelines for employees, as well as job descriptions and procedures for generating expense reports. Operational standards pertain to workplace operations.

### *Conceptual Framework*

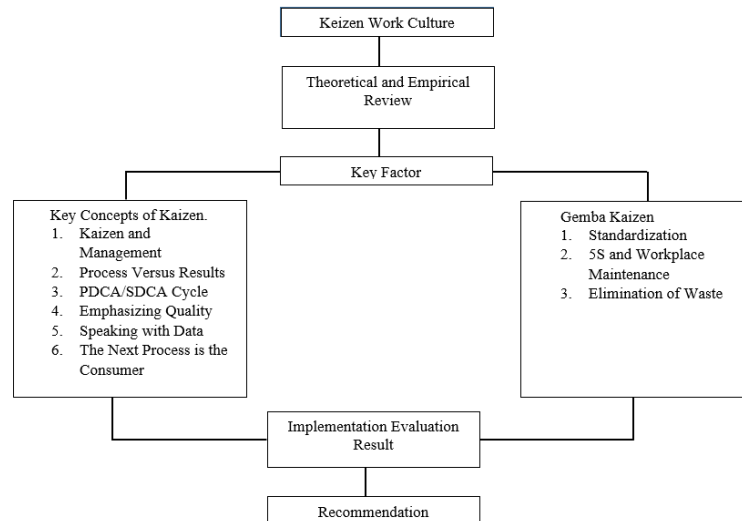


Figure 1. Conceptual Framework

## **METHODOLOGY**

The primary focus of this research is to understand the process of implementing Kaizen, the strategies used, as well as the challenges and adaptations faced during the implementation. This research does not aim to evaluate the impact of Kaizen culture on productivity, work quality, and operational efficiency of the company. The implementation of Kaizen culture at PT Digital Solusi Grup faces significant challenges, particularly in changing conventional work habits. The application of Gemba Kaizen requires consistent repetition, both in policy socialization and in its implementation. This research will use a qualitative approach to collect relevant data, including in-depth interviews with management and employees, as well as direct observations of work practices and organizational culture within the company.

### *Research Subjects and Objects*

According to Bungin (2011:78), research subjects are individuals who provide information about the research situation and conditions. In this study, the research subject is PT. Digital Solusi Grup. Meanwhile, the research object refers to the scope or main aspects being studied (Suharismi Arikunto, 2001:5). In this context, the research object is the implementation of Kaizen culture at PT. Digital Solusi Grup.

### *Type of Research*

This research employs a descriptive method with a qualitative and

ethnographic approach. Descriptive research aims to provide a detailed depiction of a particular phenomenon by examining and measuring the characteristics of individuals, groups, or phenomena in society (Fathoni, 2006; Muslimin, 2002). The qualitative approach seeks to understand subjective experiences, perceptions, and actions holistically through word-based descriptions in a natural context (Moleong, 2011; Purhantara, 2010). In this research, the qualitative approach is used to describe the implementation of Kaizen culture by the management of PT. Digital Solusi Grup. The researcher interacts directly with the data at the research site, presenting data quotes that are analyzed and interpreted based on theory to draw conclusions.

### ***Data Sources and Data Collection Techniques***

This research utilizes two types of data sources: primary data and secondary data. Primary data, which is the main data source, is obtained directly from the research subjects through interviews with informants, using predetermined research instruments (Purhantara, 2010). Conversely, secondary data is obtained from additional sources such as books, articles, scientific journals, and previous research, including information like the company's history, vision, mission, values, job descriptions, and organizational structure available in company documents. The combination of these two types of data provides a comprehensive and in-depth overview of the research topic.

Data collection techniques involve semi-structured interviews, allowing the researcher to gather in-depth information from company leaders, managers, and employees. In addition to interviews, documentation methods are used, which include internal company documents like manuals and external documents such as literature and journals related to the research topic. Non-participatory observation methods are also applied to observe the process of implementing and evaluating Kaizen culture at PT. Digital Solusi Grup. Triangulation methods are used to combine and select data to align with the research focus while testing the credibility and consistency of the data.

## **RESEARCH RESULT**

Based on the data presentation obtained through research on the implementation of Kaizen culture at PT Digital Solusi Grup, the researcher will conduct data analysis based on the existing data presentation.

### ***Kaizen Culture in the Company***

#### ***The Process of Implementing Kaizen Culture***

From the interview results with key informant I, Mr. Dean, it was found that Kaizen was not implemented when the company was first established but was introduced three years after its founding. The idea and concept of Kaizen culture were then introduced to all employees. The implementation mechanism used by the management at PT Digital Solusi Grup is a top-down mechanism where not all concepts and mechanisms of Gemba Kaizen were introduced at once but gradually. It started with efforts to improve effectiveness and efficiency through standardization, elimination of waste in the company, and the 5R methodology. From the previous statement, it is evident that the implementation

of Kaizen culture at PT Digital Solusi Grup, which was carried out by management, began with standardization, waste elimination, and 5R or 5S activities. These Kaizen activities encourage the growth of work patterns among the human resources at PT Digital Solusi Grup with clear guidance in every decision-making process. From the research conducted on the key informants, it was found that PT Digital Solusi Grup has undergone development and adaptation based on the continuous improvement model, creating an adaptive Kaizen culture for the company.

#### *Benefits of Kaizen Culture for the Company*

According to Ms. Imroatul, an HRGA Staff, the implementation of Kaizen culture has had a positive impact on employees, where not only is productivity measurable, but it also serves as a reference for individual growth within the company. From this method, Ms. Imroatul has also experienced the impact of increased employee motivation because they know that their capabilities are also growing. Ms. Rena Aldira, an Account Manager, felt that her team's performance became more effective and efficient as they were always required to improve their work processes. Mr. Dean Diyantha Putrandi, the CEO, also felt the positive impact on employee productivity. This indicates that the key informants generally felt the benefits of implementing the Kaizen culture.

#### *Company Goals for Implementing Kaizen Culture*

Mr. Dean, the CEO, sees the purpose of this implementation as achieving cost efficiency. Meanwhile, Ms. Rena, the Account Manager, views the goal as productivity optimization. Ms. Imroatul, the HRGA Staff, sees the goal of implementing the Kaizen culture as productivity and quality. It can be concluded that these seemingly different perspectives align with the concept of the goals of the Kaizen culture itself, related to Quality, Cost, and Delivery (QCD). Where quality and delivery are achieved through the optimization of employee productivity, costs can be minimized and made as efficient as possible.

#### *Adaptation of Kaizen Culture in the Company*

##### *Main Concepts of Kaizen*

##### a. Kaizen and Management

From the research results, it was found that the top management of PT Digital Solusi Grup has the capacity to enhance company standards and optimize employee work efficiency to streamline work processes. However, middle-level management still appears hesitant regarding adaptation in implementation related to Kaizen and management, due to uncertainties.

##### b. Process versus Results

The research revealed that PT Digital Solusi Grup understands that to achieve good results, the process needs to be observed, analyzed, and improved. This is reflected in Ms. Imroatul's statement on how she can influence the work processes of other divisions if there are processes that hinder or slow down employees' work results.

c. PDCA/SDCA Cycle

The research found that management fully implements the PDCA/SDCA cycle in all activities and work plans. Supervisors also require their subordinates to continuously carry out PDCA/SDCA activities in every job-related activity.

d. Prioritizing Quality

From the research conducted, Ms. Rena, the Account Manager, understands that leadership does not tolerate poor service quality. Therefore, a monitoring mechanism has been established for each function supervisor to oversee and assess the work results of their subordinates, as stated by Mr. Dean, the CEO. Time is also an important factor in measuring quality. Ms. Imroatul, the HRGA Staff, also understands that quality cannot be compromised, which is reflected in how she describes the mitigation process in maintaining service quality.

e. Speaking with Data

From the research results, Mr. Dean, the CEO, stated that management applies this mechanism in every process activity and decision-making in the company. This is echoed by Ms. Rena Aldira, the Account Manager, who mentioned that in every meeting, she and her team present relevant data and information to facilitate management in decision-making. This indicates that PT Digital Solusi Grup has successfully implemented data prioritization in every work-related decision-making process.

f. The Next Process is the Consumer

The research found that Mr. Dean, the CEO, explained that PT Digital Solusi Grup always focuses on delivering results that meet customer expectations and strives to continuously provide outcomes that exceed agreed-upon expectations. This is done by conducting regular feedback sessions with customers to evaluate the performance of the services provided. This statement aligns with Ms. Rena Aldira, the Account Manager, who mentioned that quality is well-maintained through both internal and customer meetings held regularly to receive feedback for future improvements. Ms. Imroatul also stated that these internal meetings are conducted routinely.

*Gemba Kaizen*

a. Standardization

Based on the interview with Mr. Dean, it was found that the term Gemba Kaizen has not yet been introduced in the company. However, the practice of standardization has been implemented since 2021 when the Kaizen culture was introduced. The work environment's standardization is well-maintained by leadership to provide a comfortable, safe, and supportive work environment. Ms. Rena explained that all rules in the company have become habits incorporated into daily morning briefings before starting work. Ms. Imroatul also explained that her role involves organizing, implementing, and evaluating the standards of the work environment at PT Digital Solusi Grup.

Employees are also given the opportunity to improve upon the standards set by management.

b. 5S (Seiri, Seiton, Seiketsu, Shitsuke)

From the interview with Ms. Imroatul, it was found that the HRGA division is fully responsible for ensuring that 5S activities are enforced. She is also responsible for assigning the 5S team within the company. It was also noted from Ms. Rena Aldira's statement that reminders related to 5S activities are conducted every morning by the company's internal team to ensure continuous implementation by employees at PT Digital Solusi Grup. These statements align with Mr. Dean's goal, the CEO, where the implementation of 5S is expected to enhance employees' awareness and responsibility to maintain a good work environment.

c. Elimination of Waste

From the interviews, it was found that the elimination of waste activities is always carried out with evaluations at the end of each activity, and future activities are planned accordingly, as explained by Mr. Dean. This is consistent with Ms. Rena Aldira's explanation, as every work result is documented and reported to superiors to receive feedback on activities that can be improved. Ms. Imroatul is also designated as the first layer in detecting waste from monitoring activities related to KPI and OKR progress within the company.

## DISCUSSION

Based on the data presentation obtained through research on the implementation of Kaizen culture at PT Digital Solusi Grup, the researcher will analyze and interpret the data based on the available presentation.

### *Kaizen Culture in the Company*

#### *Kaizen Culture Implementation Process*

From the research conducted, it was found that Kaizen was not implemented at the inception of the company but introduced three years after its establishment. The management at PT Digital Solusi Grup used a top-down mechanism where not all Kaizen concepts and Gemba mechanisms were introduced simultaneously but gradually. The initial efforts focused on increasing effectiveness and efficiency through standardization, waste elimination, and the 5S methodology. According to previous research by Suárez-Barraza et al. (2009), "lean thinking effort can begin by implementing basic Kaizen techniques and tools such as: the five Ss, Kaizen teams, standardization, and elimination of muda in the working process." This statement proves that the implementation of Kaizen culture at PT Digital Solusi Grup started with standardization, waste elimination, and the 5S methodology. These Kaizen activities have driven the growth of work patterns among human resources at PT Digital Solusi Grup, providing clear direction in decision-making.

Research conducted by Brunet and New (2003) titled "Kaizen in Japan: an Empirical Study," explains that the Kaizen culture in a company can change

over time, reflecting the environmental conditions within the organization. From the research conducted with key informants, it was found that PT Digital Solusi Grup has experienced development and adaptation from the basic model of continuous improvement, creating an adaptive Kaizen culture for the company. According to statements from Key Informant I and II, the process of implementing Kaizen culture at PT Digital Solusi Grup was also not easy. Top management had to adopt a fundamental approach and implement the culture gradually, starting with the 5S methodology, standardization, and waste elimination. Key Informant II also stated that adapting and taking time to follow the work patterns and habits implemented in the company was challenging. This difficulty was also expressed by Key Informant III, a new employee, who found it challenging to change work habits from task-based instructions to thinking critically about improving work processes and standards.

From the data interpretation above, it can be concluded that Kaizen culture was not implemented in its entirety but adapted according to the company's growth over time. This occurred due to management's openness to employee contributions in improving standards and processes. However, the challenge in implementing Kaizen culture arises from employees' unpreparedness to embrace the Kaizen culture itself. The research also did not mention any practical efforts by management to bridge this issue.

#### *Benefits of Kaizen Culture to the Company*

According to statements from Ms. Imroatul, HRGA Staff, the implementation of Kaizen culture has brought positive impacts to employees, not only making productivity measurable but also serving as a benchmark for individual growth within the company. This method has increased employee motivation as they realize their capabilities are also growing. Ms. Rena Aldira, Account Manager, noticed that her team's performance became more effective and efficient as they were constantly required to improve their work processes. Mr. Dean Diyantha Putrandi, CEO, also observed positive impacts on employee productivity. Overall, key informants perceived the benefits of implementing Kaizen culture. From the data interpretation, it can be concluded that Kaizen culture benefits not only employee productivity but also their morale and motivation. Notably, it ensures that all information is documented, allowing employees to understand their capabilities through objectively measured productivity.

#### *Company's Objectives in Implementing Kaizen Culture*

Mr. Dean, the CEO, views the primary objective of this implementation as cost efficiency. Ms. Rena, Account Manager, sees the goal from the perspective of optimizing productivity. Meanwhile, Ms. Imroatul, HRGA Staff, sees the objective as enhancing productivity and quality. From the data interpretation, it can be concluded that PT Digital Solusi Grup has not provided a clear picture of the objectives of Kaizen culture implementation to all levels within the company. However, employees understand the essence of Kaizen's goals in their activities and implementation. Both middle and first-level management recognize that Kaizen implementation is related to productivity and quality of work. This aligns

with the top-level management's view that improving quality and optimizing productivity will lead to cost efficiency in service delivery.

### *Adaptation of Kaizen Culture in the Company*

#### *Main Concepts of Kaizen*

##### i. Kaizen and Management

From the research results, it was found that employees at PT Digital Solusi Grup have the capacity to contribute suggestions related to improving company standards and work efficiency to streamline work processes. From the data interpretation above, it can be concluded that top-level management at PT Digital Solusi Grup is aligned in implementing managerial activities with Kaizen. Mr. Dean stated that PT Digital Solusi Grup empowers employees to improve the quality of established standards. However, there is a discrepancy between top management and middle management regarding understanding and articulating Kaizen and its management adaptation. This results in different understandings between top-level and middle-level management.

##### ii. Process versus Results

The research found that PT Digital Solusi Grup understands that to achieve good results, the process needs to be observed, analyzed, and improved. This is reflected in Ms. Imroatul's statement about how she can influence the work processes of other divisions if there are processes that hinder or slow down the work results of employees. It is evident from the data interpretation provided above that the company's process-oriented approach is reflected in its perspective on Kaizen culture. This is evident in the company's initiatives that involve employees as critical components of enhancing existing work processes. Masaaki Imai (2014:33) elucidates that managers who prioritize processes are intrigued by:

1. Discipline.
2. Time management.
3. Skill development.
4. Morale.
5. Communication.

##### iii. PDCA/SDCA Cycle

The research found that management applies the PDCA/SDCA cycle comprehensively across all activities and work plans. Supervisors also require their subordinates to continuously perform PDCA/SDCA activities in every work-related task. From the above interpretation, it can be concluded that PT Digital Solusi Grup fully implements the PDCA/SDCA cycle across all divisions and employees to provide a good framework and support the concept of continuous improvement. This also helps in forming a structural and logical mindset in developing a work framework.

iv. Prioritizing Quality

From the research, Ms. Rena, Account Manager, understands that leadership does not tolerate poor service quality. This is why each functional supervisor oversees and assesses their subordinates' work results, as stated by Mr. Dean, CEO. Time is also an important factor in quality measurement. Ms. Imroatul, HRGA Staff, understands that quality cannot be compromised, as reflected in her description of the mitigation process in maintaining service quality. From the data interpretation above, it can be concluded that PT Digital Solusi Grup prioritizes time and cost efficiency while ultimately prioritizing quality. This aligns with the perspective of all functions within the company that compromising on quality is not an option for the work results at PT Digital Solusi Grup. However, PT Digital Solusi Grup has yet to understand that quality should be the primary priority, not the last.

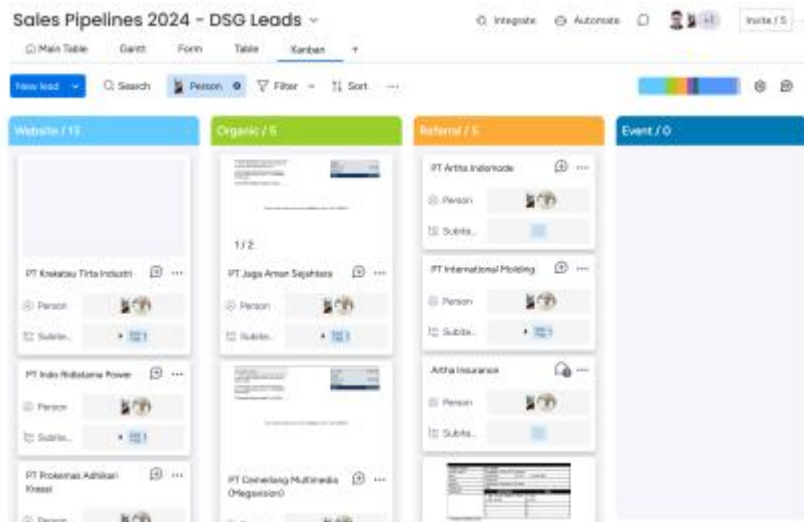
v. Speaking with Data

From the results of the research conducted, Mr. Dean, the Chief Executive Officer, stated that management applies this mechanism in every process of activity and decision-making in the company. This is reflected in the statement from Ms. Rena Aldira, the Account Manager, who stated that in every meeting, she and her team present data and relevant information in each presentation to facilitate management decision-making. This indicates that PT Digital Solusi Grup has successfully implemented a data-driven approach in every decision-making process at work. An example of the speaking with data mechanism by Key Informant II is shown in Figure 4.2, which includes the account manager's data presentation to analyze problems and suggest recommendations. Figure 4.3 also illustrates the kanban card method in the sales division to analyze the process of how consumers enter through various channels within the company.



Figure 2. Account Manager Data Presentation

Source: PT Digital Solusi Grup (2024)



**Figure 3. Kanban Card Process for Consumers**

Source: PT Digital Solusi Grup

vi. The Process is Customer-Oriented

The research findings revealed that Mr. Dean, the Chief Executive Officer, explained that PT Digital Solusi Grup always focuses on delivering results that meet customer expectations and strives to continuously provide outcomes that exceed agreed-upon expectations. This is achieved by conducting regular feedback sessions with customers to assess the performance of the services provided. This statement aligns with Ms. Rena Aldira, the Account Manager, who emphasized maintaining high quality by holding both internal and customer meetings regularly to gather feedback for future improvements. Ms. Imroatul also mentioned that these internal meetings are conducted routinely. Based on the interpretation of the above data, it can be concluded that the management of PT Digital Solusi Grup has mitigated the potential occurrence of behaviors that could harm customers. This is evident from the engagement with both internal and external customers.

*Gemba Kaizen*

i. Standardization

Ms. Rena explained that all company rules are integrated into daily activities, particularly during morning briefings before starting work. Ms. Imroatul further elaborated that she is responsible for organizing, implementing, and evaluating the standards within the work environment at PT Digital Solusi Grup. Employees are also given the opportunity to enhance the standards set by management. Based on the interpretation of the above data, it can be concluded that PT Digital Solusi Grup fully implements standardization to ensure high quality. The standardization within the work environment applied by PT Digital Solusi Grup is also an effort to ensure the quality of work.

ii. 5S (Seiri, Seiton, Seiketsu, Shitsuke)

Based on interviews with Ms. Imroatul, the HRGA division is fully responsible for ensuring the enforcement of the 5S activities. She also oversees the 5S team assignments within the company. According to Ms. Rena Aldira, reminders related to 5S activities are given every morning by the internal company to ensure continuous implementation by employees at PT Digital Solusi Grup. These statements align with the objectives of Mr. Dean, the Chief Executive Officer, who expects the implementation of 5S to increase awareness and responsibility among all employees to maintain a good working environment. Ms. Imroatul also explained that this is related to shaping the employees' mindset towards a lean mindset. From the interpretation of the above data, it can be concluded that PT Digital Solusi Grup fully implements 5S within the framework of Gemba Kaizen, although the objectives of Gemba Kaizen itself have not yet been fully introduced to employees. This presents an opportunity for the company to interpret and communicate the goals of the 5S implementation to employees to instill the foundational lean mindset effectively.

iii. Elimination of Waste (Muda)

From the interviews, it was found that the elimination of waste activities is always conducted with evaluations at the end of each activity and future activity planning, as explained by Mr. Dean. This aligns with the explanation from Ms. Rena Aldira, as every work result is documented and reported to superiors to obtain evaluations on activities that can be improved. Ms. Imroatul is also appointed as the first layer to detect waste through monitoring activities related to the company's KPI and OKR progress. From the above interpretation, the company has not yet fully implemented a structured and systematic waste elimination scheme. This can be seen from the statements of each key informant, indicating that the focus on waste elimination at PT Digital Solusi Grup is primarily on process waste and does not yet represent all areas of waste within the company.

### ***Challenges in Implementing Kaizen Culture***

#### *Employee Unreadiness*

From the research findings, Key Informant II and Key Informant III experienced difficulties in adapting to the work culture at PT Digital Solusi Grup. This is reflected in their explanations during the interviews conducted. This becomes a unique challenge as the work habits and patterns were not implemented in the employees' previous work experiences, which only demanded task completion rather than the employees' ability to think about improving standards and work processes for the purpose of quality enhancement.

#### *Lengthy Implementation Process*

Key Informant I felt that the implementation of the Kaizen culture at PT Digital Solusi Grup requires a considerable amount of time. From 2021 to 2024, this implementation has not yet been completed and is gradually being

improved. This presents a unique challenge for management to accommodate and expedite the adaptation process for both new employees and enhance the capabilities of existing employees to keep pace with the company's growth and industry landscape to remain competitive.

### ***Research Implications***

Based on the discussion about the implementation of Kaizen culture at PT Digital Solusi Grup, this subsection addresses the implications of the research conducted on the application of Kaizen culture in the company. Drawing from the findings in the Discussion and Data Analysis subsection, it becomes evident how the process of implementation, the benefits gained, and the adaptation of Kaizen culture within the company have significantly impacted operational and workplace culture. This research not only provides insights into the success of Kaizen implementation but also reveals challenges and areas that still require improvement. The implications of these research findings will assist the company in gaining a deeper understanding of aspects that need attention to enhance the effectiveness of Kaizen culture implementation and provide strategic guidance for continuous improvement:

1. Kaizen Culture in the Company
  - a. Kaizen Culture Implementation Process
    - i. Implications of Gradual Implementation: The gradual implementation of Kaizen culture indicates that the company needs time to adapt to new concepts. This means that organizational culture change cannot be done instantly but requires a systematic approach and sufficient time.
    - ii. Top-Down Approach: The top-down approach used can pose the risk of a lack of participation and understanding from all employees. However, this approach also shows that management plays a key role in guiding cultural changes.
    - iii. Standardization and Waste Elimination: The focus on standardization, waste elimination, and 5S shows that the initial steps of Kaizen implementation at PT Digital Solusi Grup focus on operational efficiency. This positively impacts work effectiveness and the reduction of unnecessary activities, particularly in equipping employees with problem-solving skills.
  - b. Benefits of Kaizen Culture for the Company
    - i. Increased Productivity and Work Quality: The implementation of Kaizen culture has proven to increase employee productivity and work quality, as evidenced by statements from key informants. This indicates that Kaizen contributes not only to technical aspects but also to social aspects such as morale and work motivation.
    - ii. Good Documentation and Objective Assessment: Good documentation and objective assessment of employee capabilities enable the company to identify areas for improvement and enhance work processes. This helps in building a culture of continuous improvement in the company.

- c. Company's Goals in Implementing Kaizen Culture
  - i. Differing Perspectives on Goals: Differences in perspectives on the goals of Kaizen implementation between different management levels indicate a communication gap within the company. Nevertheless, a general understanding of the importance of productivity and work quality remains across all levels.
  - ii. Need for Better Communication: The implication of these findings is the need for management to communicate the goals of Kaizen culture implementation more clearly and consistently to ensure that all employees have a uniform understanding.

## CONCLUSIONS AND RECOMMENDATIONS

Based on the data analysis and discussion, it can be concluded that new employees at PT Digital Solusi Grup face adaptation challenges to the Kaizen culture, which demands continuous improvement and collaborative work. Although the shift in mindset and pressure to demonstrate quick improvements can be obstacles, the company provides intensive training and mentoring to aid the adaptation process. This support allows new employees to adjust and contribute to creating a better and more productive work environment. To enhance the implementation of the Kaizen culture, the company can take several steps. First, clarify the goals of Kaizen through regular socialization and open discussions so that all employees understand and align with these goals. Second, increase employee engagement by encouraging active participation in Kaizen teams, providing space for their ideas, and appreciating their improvement efforts. Third, develop comprehensive Kaizen training, covering basic to advanced concepts and their application in daily work. Fourth, implement Gemba Kaizen thoroughly and consistently throughout the organization. Fifth, conduct regular monitoring and evaluation through Kaizen audits, performance assessments, and feedback loops to ensure sustainability and effectiveness. Finally, ensure decision-making is based on accurate and relevant data, and develop information systems that support effective data collection.

## ADVANCED RESEARCH

In writing this article the researcher realizes that there are still many shortcomings in terms of language, writing, and form of presentation considering the limited knowledge and abilities of the researchers themselves. Therefore, for the perfection of the article, the researcher expects constructive criticism and suggestions from various parties.

## REFERENCES

- Alukal, G., & Manos, A. (2006). *Lean Kaizen: A Simplified Approach to Process Improvement*. United States: ASQ.
- Andersson, R., Eriksson, H., & Torstensson, H. (2006). Similarities and differences between TQM, Six Sigma, and Lean. *The TQM Magazine*, 18(3), 282-296.

- Bessant, J. (1991). *Managing Advanced Manufacturing Technology: The Challenge of the Fifth Wave*. Oxford: NCC-Blackwell.
- Biadacz, R. (2024). Application of Kaizen and Kaizen Costing in SMEs. *Production Engineering Archives*, 30(1), 17-35.
- Brunet, A. P., & New, S. (2003). Kaizen in Japan: An empirical study. *International Journal of Operations & Production Management*, 23(12), 1426-1446.
- Creswell, J. W. (1994). *Research Design: Qualitative & Quantitative Approaches*. California: Sage Publications, Inc.
- Daniel, M. (2002). *Metode Penelitian Sosial Ekonomi*. Jakarta: PT. Bumi Aksara.
- Fatimah, N. (2016). *Analysis of the Readiness Level for Implementing Kaizen Culture at PT. Indobatt Industri Permai*. Surabaya: Institut Teknologi Sepuluh Nopember.
- Fathoni, A. (2006). *Metode Penelitian Dan Teknik Penyusunan Skripsi*. Jakarta: PT. Rineka Cipta.
- Faught, K. S. (2000). *Total Quality Management Systems: Construct Definition and Organizational-Level Effects*. United States: Bell & Howell Information and Learning Company.
- Hill, C. W. L. (2008). *Global Business Today (5th ed.)*. New York: McGraw-Hill Companies, Inc.
- Jackson, P. J., Harris, L., & Eckersley, P. M. (2003). *E-Business Fundamentals*. London: Taylor & Francis Group.
- Schroeder, D., & Robinson, A. (1991). America's most successful export to Japan: Continuous improvement programs. *Sloan Management Review*, 19(11), 1203-1222.
- Smadi, A. A. (2009). Kaizen strategy and the drive for competitiveness: Challenges and opportunities. *An International Business Journal*, 19(3), 203-211.

- Strykowski, M. A. T. (2024). Is Competence One of the Production Factors?. *Scholars Journal of Economics, Business and Management*, 11(7), 192-198.
- Szczepkowska, A., Kozłowska, A., & Kokocińska, M. (2023). Creative Destruction and Development of the Global Economy. *International Entrepreneurship Review*, 10(1), 43-54.
- Vento, M. S., Alcaraz, J. L. G., Macias, A. M. M., & Loya, V. M. (2016). The impact of managerial commitment and Kaizen benefits on companies. *Journal of Manufacturing Technology Management*, 27(5), 692-712.
- Yokozawa, K., & Steenhuis, H. J. (2013). The influence of national level factors on international Kaizen transfer. *Journal of Manufacturing Technology Management*, 24(7), 1051-1075.
- Zamumtima, C. (2024). *Human Resource Management in: Nonprofit Social Enterprises. CSD, Sustainability, Ethics & Governance*. Springer, Cham, 51-57.