

## **Hoshin Kanri: Harnessing the Collective Thinking of All Employees to Deploy Policies that Operationalize Strategic Goals**

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### **Abstract**

Current corporate planning processes often focus on achieving short term financial results without actively involving employees and other stakeholders in developing strategies to reach these goals. Executive leadership creates the plan, often in isolation at “off-site retreats”, and then cascades expectations for results to the front-line through many layers of management without any plans for execution. This command and control approach causes the inflexibility that can be witnessed in slow responses to marketplace changes by many Western businesses. How can a planning process meet business and customer needs in the long run? *Hoshin Kanri*, developed and practiced at Toyota, is a strategic planning and execution process using goals and targets, with means for achieving those goals that addresses business priorities on a recurring basis. The discipline of *hoshin kanri*, practiced through continual review and revision, is intended to help an organization:

- Focus on a shared goal(s).
- Communicate goal(s) to all leaders.
- Involve all leaders in planning to achieve the goal(s).
- Hold participants accountable for achieving their part of the plan.

*Hoshin Kanri* aligns an organization toward accomplishing a single goal or a strategic plan in a way that creates organizational flexibility to adapt to marketplace changes for long-term success.