

# ST. Mary University School of Graduate Studies Institution of Quality and Productivity Management

The Effect of Kaizen Implementation on Organizational Performance of a Service Provider Public Institution The Case of Ethiopian Management Institute

By
GETEYE TERFIE

June, 2018 Addis Ababa, Ethiopia

# ST. Mary University School of Graduate Studies Institution of Quality and Productivity Management

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The Thesis Submit to ST. Mary University School of Graduate Studies In partial fulfilment of the Requirements for the Award of the Degree of Master of Science with Quality and Productivity Management /MSC

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By

### **GETEYE TERFIE**

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# **DECLARATION**

I, declare that this work entitled "The Effect of Kaizen Implementation on Organizational Performance of Service Provider Public Institution: The case of Ethiopian Management Institute(EMI)" is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of my Research Advisor.

Moreover, this study has not been submitted for any degree in this University or any other University.

| GETEYI    | E TERFIE |  |
|-----------|----------|--|
| Signature |          |  |
| Date      |          |  |

# **ENDORSEMENT**

This is to certify that this study work, "The Effect of Kaizen Implementation on Organizational Performance of Service Provider Public Institution. The case of Ethiopian Management Institute (EMI)" undertaken by GETEYE TERFIE for the partial fulfilment of Master of Science (MSC) in Quality and Productivity Management in St. Mary University, is an original work and not submitted earlier for any degree either at this University or any other University.

| Research Advisor  |  |
|-------------------|--|
|                   |  |
| Matias Taye (MSC) |  |

# **DEDICATION**

I dedicated this research paper to my sister's daughter Beletu Shimeles, my sons Yemariam Geteye, Nohe Geteye and my wife Senaite W/Mariam who has been the rock of my life: and Words fill me to express my feeling about Beletu Shimeles.

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### ABBREVIATIONS AND ACRONYMS

CCFM = Concept of Cross Functional Management.

CII = Continuous Incremental Improvement.

CLK = Concept and Level of Kaizen.

CSGA =Concept Small Group Activities.

CDT = Conceptual Definition of Terms.

CKE =Concept of Kaizen Event.

DMETC = Debrezit Management Training Centre.

EKI = Ethiopia Kaizen Institute.

EWA = Employee Work Attitude.

FMS=Financial Management System

HRFOA = Human Resource Fundamental Organization Asset.

JICA = Japanese International Cooperation Agency.

JWA = Japanese versus Western Approach.

KTP = Kaizen Techniques Practice.

MKM = Methods of Kaizen Management.

MOI = Minister of Industry.

NGO = Non-Governmental Organization.

OPM = Organization Performance Management.

OCS = Operation Cost Saving.

PDCA =Plan – Do – Check – Act

PDCA =Plan - Do - Check - Act

PSO = Public Service Organization.

QC = Quality Control.

SWOT = Strength Weakness Opportunity Threat.

RKSS = Relevant of Kaizen for Service Sector.

USA =United State of America.

# **ABSTRACT**

The purpose of this study was established the correlation between kaizen implementation and organizational performance improvement in Ethiopian service provider of public institution. It sought/required to find out the extent of kaizen practices implementation in this institute as well as the challenges faced by institute in implementing kaizen. A survey questionnaire was used to collect data and interview from institute's 12 directorates' director or their equivalents in that have implemented kaizen. Descriptive statistics was used to evaluate the extent of implementation of kaizen practices and the challenges in kaizen implementation. Institute's performance measures were regressed against the set of kaizen practices to evaluate the relationship between the two. A correlation and regression model was used to evaluate the overall association between kaizen implementation and organizational performance improvement. The results from the study show that kaizen practices have varying degrees of implementation in Ethiopia Management Institute; from the perspective of success factors employee empowerment and customer focus; from the perspective of technical factors kaizen principles and teamwork; from the perspective of performance factors cost saving and profit generate having the excellent extent of implementation and on the other hand all variables under the main three factor variables are good and very good level of implementation. On challenges faced in kaizen implementation, traditional management system; lack of interest for change tools, employee attitudes and misconceptions about kaizen techniques, tools whereas. The greatest opportunity was top management commitment and support. Results from the descriptive statistics, correlation and regression analysis show that implementation of kaizen practices in Ethiopian Management Institute is significantly related to organizational performance improvement. This study has provided insights into the extent of adoption of kaizen in, Ethiopian Management Institute and provides further evidence that kaizen implementation is significant in enhancing organizational performance improvement.

Key words: Kaizen, Organizational Performance, Management Institute

# **CHAPTER ONE**

# 1.1 INTRODUCTION

This chapter has presented back ground of the study that the initiative of the research ideas and back ground of the study Area, statement of the problem Hypothesis of the research basic research questions that the focused research questions and objective of the study, significant of the study, scope of the study including limitation of the study and operational definition of basic terms are explained each other and presented.

# 1.2 Background of the Study

Ethiopia launched the kaizen philosophy for the goal of establishing system and disseminate the quality and productivity of service to public and private enterprises in sustainable manner: it was started the kaizen implementation in many manufacturing sectors by two phases the first phase from October 2009-June 2011 as an pilot project that how come confirmed into practical process as well as the establishment of Ethiopian kaizen Institute and The second phase was launched in November 2011 with the objective of establishing system disseminate for quality and productivity to public and private organization for the sustainable quality and productivity: (EKI October 2011).

The main goal of sustainable quality and productivity was very necessary based Ethiopian context that's why the Japanese kaizen management concept has been chosen to speed up the implementation process of the kaizen: the government of Ethiopia believes that the improvement is very important to attain and increase the quality and productivity by transferability, adaptability and organizational thinking test in the Ethiopian context with the support of Japan International Cooperation Agency /JICA/, the Ethiopian Government has established Ethiopian Kaizen Institute /EKI/ in October (2011) with the objective of transferring, customizing, disseminating, accumulating local best practices and crafting Ethiopian Kaizen management philosophy.

Kaizen is a Japanese word composed of two concepts: Kai-change and Zen -for the better to continuous improvement. The main objective of Ethiopian Kaizen is, changing of attitudes as a driving force for competiveness *EKI* (2012).

The concept of continuous improvement of quality and productivity is ideal in the deficiency of stress work, fair salary, proper social condition of employees, organization wide group activity based on Kaizen mindset and self-disciplined employees In motivated of these and other challenges, many organizations are becoming beneficiary by implementing Kaizen management technique; MoI June (2011). On the other hand, there are also a number of serious challenges and problems facing the implementation of the Kaizen program for instance, lack of highly skilled human resources, differentiated managerial tools, a technological and capacity institutional system, capability gaps, organizational culture, employee motivation and commitment and systematic study was not conducted regarding Kaizen program implementation.

Particularly the implementation process, success stories, challenges, employee work attitude have not been systematically documented in a way to benchmark best practices, knowledge sharing promote learning and obtain operational knowledge about Kaizen implementation which enables to tackle the challenges and disseminate the remarkable results from kaizen management system; Michael Tadesse (2014).

Therefore; this study was intended The general objective of the research to examine analysed the effects of kaizen and forwarding to the general knowledge of kaizen implementation and organizational performance for the service.

# 1.3 Background of the Study Area

Ethiopian Management Institute established bearing an intention of capacity building of the public, private and non-governmental organizations through effective and result oriented provision of training, research and consultancy service. Since its establishment, Ethiopian Management Institute has been working a lot in employing the necessary professionals with diverse/many different professional skill.

Ethiopian Management Institute (EMI) has more than 50 years of experience in designing and delivering a number of management development programs that aim at enhancing the managerial capacity of public, private and non-governmental organizations (NGO) sectors: the institute establishment, have been the fore front in the endeavor to introduce modern management administrative systems to our country.

The institute have been providing training, consultancy and research services in the field of management and related areas and Institute offer several training programs annually on a number of relevant topics in full of facilities at the head office in Addis Ababa which is located between Gurd Sholla and Ethiopian Civil Service University and at Debrezeit Management Training Center (DMTC), which is mainly used as a residential training center. Institute also offers suitable trainings at clients' premises on requests bases.

As a result of changing environment worldwide, the ongoing Public Service Capacity Building Program in the country and its responsibility as one of the resource bases for capacity building of public, private and NGOs, institute have transformed itself in order to play an active role in building capacities of other organizations. Institute has also standardized training facilities, both at DMTC and the head office, for customers to organize and conduct their own trainings, workshops, conferences or seminars.

### 1.4 Statement of the Problem

Kaizen have been in the Japanese industry had significant growth by their adoption of kaizen as their management strategies and kaizen concept had been marked as the key elements of for Japanese industry to compete successfully. Kaizen origins from two Japanese word Kai means change for better and Zen means gradual continuous improvement and Kaizen was introduce as a creative and new operating strategies to enhance twenty first century companies competitiveness and the key objective of kaizen is to associate with work culture to obtain endless improvement in quality and productivity Ang Wei shan et al (2016).

The concept of kaizen is so deeply internalized in the mind of Japanese people and they always thinking the way of kaizen and kaizen philosophy has three main principles proposed in 1986 these are processes orientation, improving and maintain standard, and the last principle people orientation. all the above principles are equally necessary and important to implement the kaizen) Lmai (1986) as cited by P.Gurway(2016. On the other hand Kaizen is a new philosophy in Ethiopia and the former prime minister Meless Zenawi requested support in 2008 the Japanese Government expecting quality and productivity improvement kaizen activities that learned to drastic management improvement in Ethiopia and involving employees in all levels of the organization; Kaizen has been implemented across different industries and manufacturing sectors successfully in Ethiopia, as a result significant achievements have been attained through the implementation of the Kaizen concept EKI jan.(2012).

Therefore this study done by Assess the relevant dimensions, principles and tools of Kaizen necessary for ensuring organizational performance and by evaluating, analysing, and assessing the level of top management commitment, visionary leadership, empowerment and involvement, for the implementation of kaizen in Ethiopian Management Institute. Develop a theoretical framework that ensures the successful and techniques implementation of Kaizen in the service sector for ensuring organizational performance.

The level of Visual management in the Kaizen implementation on organizational performance: level of organizational cultural change, achievements, challenges and employees work attitude based on kaizen implementation within communication, customer focus and sustainability of kaizen implementation as an indication for organizational performance and the study focused new area especially kaizen implementation in service sector. Meanwhile this stud tries to including the process orientation, process standard and people orientation by assessing the level of visual management, its effects and challenges in ensuring organizational performance and test the relevance of the developed model in the service sector at Ethiopian Management Institute.

Therefore there are many scientific studies about Kaizen thinking, particularly in the manufacturing industry but there is no more scientific or case studies focused in service sector and the overall challenge of adopting Kaizen thinking across the companies in Ethiopia. This study wanted to analyse the case of Kaizen implementation on organizational performance in service sector institute found in Addis Ababa Ethiopia:

# **1.5** Hypothesis of the Research:

This study tested the following two alternate hypotheses:

Alternative Hypothesis: Kaizen Implementation statistically affect organizational performance in Ethiopian Management Institute.

Null Hypothesis: Kaizen Implementation statistically does not affect organizational performance in Ethiopian Management Institute.

# 1.6 Basic Research Questions

- I. What are the dimensions of Kaizen necessary for ensuring organizational performance in the service sector..?
- II. What are the principles and tools of Kaizen necessary for ensuring organizational performance in the service sector..?
- III. What's the level of top management commitment for kaizen implementation and its effects in ensuring organizational performance in the service sector?
- IV. What are the major challenges to implement kaizen philosophy, visual management, employee work attitude and sustainability of kaizen at the service sector?

# 1.7 Objective of the Study

The general and specific objectives of the research are presented here in under the following sub sections:

### • General Objective

The general objective of the research to examine analysed the effects of kaizen and forwarding to the general knowledge of kaizen implementation and organizational performance for the service sector institutions.

### • Specific Objective

The specific objectives of the research were the followings:

- I. Assess the relevant dimensions, principles and tools of Kaizen necessary for ensuring organizational performance in the service sector.
- II. Assess the relevant principles and tools of Kaizen necessary for ensuring organizational performance in the service sector.
- III. Develop a theoretical framework that ensures the successful implementation of Kaizen in the service sector for ensuring organizational performance.
- IV. Assess the level of visual management, kaizen implementation, its effects and challenges in ensuring organizational performance and test the relevance of the developed model in the service sector.

# 1.8 Significance of the Study

This study bring a new insight, through the developed kaizen framework, so as to ensure improved organizational performance in the service sector by assessing the level of kaizen implementation at the case institute through the effects and challenges of implementing Kaizen has studied. This study focused complement for the relevance of the developed kaizen model in ensuring organizational performance in the service sector at Ethiopian Management Institute.

Finally the finding has addressed the respect university, Ethiopian management institute and for every kaizen implementation and organizational performance as well as organization policy makers, planners ,programmers, implementer of the kaizen, to attaining best knowledge about kaizen and organizational performance to do further researches and for future reference, in this research area.

# 1.9 Scope of the Study

This study focused on Conceptual Geographical and time period scopes.

Conceptual scope focused on kaizen implementation and organizational performance including all conceptual model variables that the described under the kaizen implementation success factor variables; technical factor variables for kaizen and organizational performance factor variables.

Geographical scope focused Ethiopian management institute found Addis Ababa Head Office.

Time period scope focused from October 2017 up to May 2018.

# 1.10 Limitation of the Study

The limitations of the study work focused the followings:

This study is limited only to the assessment of kaizen implementation and organizational performance based on all conceptual model variables that the described under the kaizen implementation success factors; technical factors for kaizen and organizational performance factors but without those variables are not part of this study in Ethiopian management institute Addis Ababa Head Office.

# 1.11 Operational Definition of Basic Terms used in the Study.

- ➤ Kaizen: is a processes of continuous improvement the implement of any organization in the worldwide; (Erez Agmoni 2016).
- ➤ The concepts of kaizen that is continuous, incremental, improvement of all aspects of organization; Jennifer A. farris (2006).
- Porganizational Performance: is a continuous process of identifying measuring and developing the performance of organization Herman Aguinis (2007).
- ➤ Organization performance management needs strategic planning process that involves the organization destination assessing that stand in the way of that destination, and selecting approach for moving forward; Armstrong and Baron (1998).

# 1.12 Organization of the Research Report

This Thesis organized in five chapters as the following chapter one background of the study, organization of the study, statement of the problem, research question, and objective of the research the significant of the study including scope and limitation of the study. Chapter two related literature review which means the kaizen and kaizen principles, techniques and tools has narrated in depth from perspective of theoretical and practical implications. Chapter three presented research design and methodology chapter four data analysis and interpretation and the final finding attained from this study. Chapter five the summary of the result, conclusion and recommendation that the area of the case Institute and the last presented the relevant, appendix, other relevant documents and reference.

# **CHAPTER TWO**

# REVIEW OF THE RELATED LITERATURE

In this chapter reviewed so many literatures by different sub topics these are the evolution of kaizen the kaizen concept and definition value and principles of kaizen and methods of kaizen management the concept and level of kaizen the concept of small group activity, suggestion system, cross functional management and PDCA cycle concept of gemba kaizen and Japanese versus the Western Approach, Organizational performance management as well as discussion of all Conceptual Framework variables are explained each other and presented.

### 2.1 The Evolution of Kaizen

The kaizen manufacturing processes in Japan had been revolutionized the way of enterprise deliver products to their customer. in the other words it needs ambition to advance, retain market share and satisfy their domestic market with expanding in to international market. (Asayehgn 2014) the kaizen philosophy has become dream for many manufacturing companies from the initiative of Japan manufacturing enterprise to build a culture of continuous improvement.

The concept of kaizen is so deeply internalized in the mind of Japanese people and they always thinking the way of kaizen philosophy and kaizen philosophy has three main principles proposed in 1986 these are processes orientation, improving and maintain standard, and the last principle people orientation. all the above principles are equally necessary and important to implement the kaizen Lmai (1986). As cited by MS.shubhangi P.Gurway(2016)

The origin of kaizen Japan's philosophy that movement was the quality method imported from the U.S.A after the Second World War. Japan assimilated and developed this own management practice method and performance in the U.S.A which became kaizen spread rapidly among Japanese companies including a large number of small and medium sized enterprise. Imai(1986) as cited by Mary Munthoni (2012) as stated the concept of kaizen has received much attention as a key to Japan's competitive advantage. And kaizen used in management mean the creation of a system which enables continuous and sustainable improvement for an organization. As well as

for the purpose of global competition call for never ending improvement the goal of kaizen activities is not static, it always has to be shifted to higher level; Munthoni (2012).

Kaizen for the purpose of implement the perspective of promoting adaption, and dissemination of kaizen in Ethiopia as the quality and productivity improvement specially practice in manufacturing sector. (MOI the 2011) mean while kaizen is a system continuous undertaking by an organization to improve the business activities and processes with the goal of improve quality of products and service that the organization can meet full of the customer satisfaction. Kaizen can be built in and run with an integrated of company in the best approach through the collaboration of all the level of the organization including top management, middle management, and frontline employees. (MOI 2011) This is a lack of research literature on kaizen events based on practical describes overall the concepts try to achieve the outcome of kaizen practice in the other words the concepts of kaizen that is continuous, incremental, improvement of all aspects of organization. the kaizen events is a short term project by focusing a specific or a set of processes or activities such as the work flow with in a specific work centre and the growth of literature that indicate that kaizen practice began and gaining popularity in the mid1990s, that was the Toyota used rapid change on the project the kaizen: Jennifer A. farris (2006)

The first three knowledge bases of kaizen are: 1. Conceptual foundation, 2. kaizen starters and 3. Implementation of the company movement; the building blocks to construct the main pillar of knowledge, which means associated with developing capability to self-organize kaizen within a company. Once the main pillar is in place, starting kaizen activities is recommended, Knowledge of Methods and Analytical Tools can be learned over time. kaizen is not a set of static knowledge, but dynamic activities in cycles of PDCA. Learning by doing and self-learning are important elements in developing ones Capability of Practice that the kaizen will continue to learn and expand knowledge and skills as they face their challenges towards ever higher-level improvement, cycle by cycle. (MOI the 2011) The first is Business Planning which is the management capability of formulating and managing business plans including the long-term business plan and the production plan as well as They also provide the basis of analysis used in kaizen activities. The second is Cost Accounting and Operation Data as kaizen activities and exploited in kaizen fact-based analyses, planning and reviewing. The third is Trust and

Empowerment. Because kaizen is based on collaboration of top management, middle managers and front-line employees and proactive as much as possible participation of employees; MOI (2011).

Kaizen activities are a processes oriented and needs structuring the entire company to the kaizen quality and productivity improvement practices, it needs to redefine the methodology by using brain storming that is gathering a group of employees—who will contribute the necessary list of ideas to find a creative solution for specific problem—a brain storming team have to grouped at least 10-12—members with wide range of disciplines and experience they shall select from top management middle and frontline workers from target work area including outside experts to give their own objective initiatives; Asayehgn (2014)

The brainstorming team analyses the visible and the future aspiration of the firms. That the purpose of pre kaizen is to be provide a clue the problem awareness in the problem orientation stages each company needs to be understanding a SWOT analysis the cause of higher priority problems and they needs easily located within the objective of the organization. Asayehgn (2014), in other words the pre kaizen awareness stages is supposed to create consciousness, positive attitudes and to promote team work as well as recognition for the companies problems in the other way the root cause of problem in the process value stream are identified during the pre kaizen process the team uses the following four pillars of kaizen activities to implement greater operational efficiency based on cost and effectiveness that the customer requirement meet a these are housekeeping activity b, waste elimination or elimination of non-value added materials c, standardization of work place environment d, mapping out socio economy and environmental effects of the company and final conducting follow up by action plan to evaluate the result of the kaizen activities. (minister of industry 2011)

Customers preference or requirement is difference things and the global market is come up radical change, therefore organizations needed to continuously identify new opportunity to obtain competitiveness advantages.(Ang Wei shan et al 2016) in the meantime many literature suggest manufacturing companies are needed to differentiate themselves through emphasize quality and continuous improvement in their products and service as a crucial parts to secured and success in the future.

Therefore the kaizen has developed by strongly competitiveness in market to a proper continuous improvement /kaizen/practice is needed to eliminate waste and value added in production to be competitiveness and retain the potential customers, the global market always changing rapidly with consuming new expectation and requirement or demand on organizations therefore based on the above statement one of the best well known practice of continuous improvement to promote creative thinking is kaizen because customers are always expect and requires quality product and services into considering price and delivery time, therefore every manufacturing industries and service sector have to need quality system to increase and improve their productivity, quality and continuous improvement mean while there are many possibility to promote the best way of improve product and service quality will be obtain better competitive advantage in the market place.

Kaizen is in the Japanese industry had significant growth by their adoption of kaizen as their management strategies and kaizen concept had been marked as the key elements of for Japanese industry to compete successfully. Kaizen origins from two Japanese word means change for better and gradual continuous improvement. Kaizen was introduce as a creative and new operating strategies to enhance twenty first century companies competitiveness and the key objective of kaizen is to associate with work culture to obtain endless improvement in both quality and productivity; (Ang Wei shan et al (2016).

### 2.2 The Kaizen Concept and Definitions

Kaizen is defined as ongoing improvement involving everyone in the organizational kaizen, according to Imai is the basic philosophical concept underlying the best Japanese management: kaizen is the umbrella concept that most of the uniquely Japanese management practices that have helped Japanese companies start from zero in the 1950s to become word class competitors in 1980s. Kaizen management has two main components: these include improvement and maintenance of standard operating procedures.

Maintaining standards involves training and discipline; kaizen represents small improvements in the current system; while innovation represents significant improvement resulting from a major change such as large investment in new technology or equipment and everyone in the organization in kaizen from top managers who introduce support and build systems conducive/encouraging to kaizen to workers, who engage in kaizen activities through suggestion

system and small group activities: Imai (1986) as cited by R.martin undated.in the hand R.martin explained how Deming introduced Plan- Do-Check- Act cycle to Japanese in 1950, followed by Juran's seminars on concepts such as quality control and control circles.

The Japanese used these concepts and improved on them by stressing quality product development including customer information and market research priority the design stage: as well as quality control is not about inspection, but building quality in to the processes. Imai (1986) points out how Japanese companies are processe oriented while American tend to be results-oriented: Japanese processed oriented criteria place emphasis on long term performance in contrast to the results-oriented criteria that is focused on short term performance. A processes orientation supports and stimulates improvement efforts. A results orientation focuses on carrot/incentive and stick control over short term performance. Process oriented thinking provides a bridge between processes and results, ends and means, goals and measurements, and helps provide a whole system view without bias.

Kaizen means continuous improvement of productivity and quality based on a participatory process involving the pertinent work force with no requirement for huge investment that the low-cost approach to become well productivity and quality improvement. Kaizen is applicable not only in the manufacturing sector but also to the service sector, public organizations, non-profit organizations. Mary Munthoni (2012) stated kaizen has two definitions the broader definition and the narrower definition which means the broader definition of kaizen encompasses or involve various production and quality management tools under the umbrella of kaizen philosophy. On the other hand the narrower definition is improvement of the work place/Gemba/that followed from proposals to the workers on the basis of quality control and the balanced scorecard/BSC/ on the continuous monitoring of a wide range of process. According to Kaplan Narton(1996) Lmai(1986) that's the kaizen noted the concept is so deeply integrated in the minds of both managers and workers that they often do not even realize that they are thinking kaizen.

Meanwhile *k* aizen is a combination of two words from one Japanese concept that its definition refers to a change toward betters or continuous and gradual improvement. In fact, Kaizen stands on this philosophy that is not necessary to look for explosive or sudden changes for improvement

of the organizations, but any improvement or reform will bring productivity enhancement if they are continuous and constant. Continuous and gradual improvement using employee's participation Kai +ZEN = KAIZEN.

*Kaizen and innovation*: Improvement means Kaizen and innovation. Each company or organization uses Kaizen and innovation for its survival, progress and growth. Kaizen refers to the conducted partial expressions in the existing circumstance through endless attempts and innovation refers to the general conducted expressions in the existing circumstance through huge investment in technology with new equipment. Fariba Rahmanian, Ziba Rahmatinejad (2013)

### 2.3 Value and Principles of Kaizen

Kaizen is a methodology promotes process-oriented thinking because process must be improved before results are obtained, according to and kaizen is people oriented, improved and maintaining /process standard/that directed at people efforts and to assume that improvement in people's attitudes and efforts are more like to produced improved results in the long term that kaizen is continuous in nature which signifies the embedded nature of the practice Lmai(1986) as cited by P.Gurway(2016). And it's never ending journey toward quality efficiency and effectiveness in all activities.

Stated the viewpoints of various traditional quality management gurus on the concept of zero defects and do it better each time that the strategies are the important ways to bring up quality and zero defects represents for continuous improvement over quality. Which means quality to the concept of kaizen is emphasize that teamwork and commitment do not come from involving the representative of employees but from direct contact and communication between the individual and his boss. Mary Munthoni (2012) that noted the concept of kaizen is a kind of corporate culture that supports continual organizational learning, to bring up the successful implementation of kaizen requires management support emphasize the need for leadership and top management support in kaizen activities. Gordian S. Bwemelo (2016) as stated kaizen is a continuous improvement process involving every one managers and workers, in general kaizen is a strategy that include concepts, systems and tools for the purpose of big picture of leadership involving people culture all driven by the customers. Munthoni (2012) as stated relationship between

kaizen the action of managers able to give worker the legitimacy to engage in kaizen activities and that managers must show lot of discipline if they want the workers to show the same self-discipline. For the sack of effective measurement of kaizen performance is important for successful implementation of kaizen. As well as describes that variables that are used to measure the impact of kaizen activities on human resource,/HR/ the variable included attitude toward from event participation understanding the need for kaizen impact of these event on employee that the work area and the overall impression of the relative success of the business performance measures including lead time:

Meanwhile kaizen principles are a comprehensive way of approach the continual improvement of manufacturing or service processes. Each principle are a significant impact on improvement of quality and productivity. On the other hand Imai (1986) as cited by Michael (2014) stated Kaizen has five main principles these are:

### • Processes must involve by gradual improvement rather than radical change

In kaizen practice possible to implement by improving every aspect of a process in a step by step approach, while gradually developing employee skills through training education and increased involvement resulting in quality improvement. With quality improvement, employees meet together to discuss the current operations of the company. They decide what things can be changed that will improve the quality of the company and of the products.

### • Human resources are the fundamental organizational asset (HRFOA)

Kaizen shall be practiced within Respect for People not resulting in outcomes such as redundancies. Kaizen has become successful with many manufacturing companies because the employee are involved. They feel that their opinion is important and this enhancements the employee's morale. Keeping the employees joyful will cause of them to be more productive and satisfied with their jobs.

### Teamwork

One of the biggest principles of the kaizen approach is the ability to work in teams. Each department is considered as a team and they responsible for incremental changes that impact the organization. All employees from top manager to front line workers should share common values, business objectives, and information. And, should fulfill their respective role properly, enhancing their capabilities through exercising autonomy and creativity. The teams shall report to their manager and the manager takes this information to management and the whole process of kaizen is evaluated: Imai (1986) as cited Michael (2014).

### • Discipline

The purpose of kaizen to be effective, discipline is necessary. Management and workers shall be believe in the Kaizen idea and strive for gaining the small goals in order to reach overall success. A strong commitment to discipline and to the kaizen method will prove success for a company: Imai (1986) as cited Michael (2014).

# • Continuous and Incremental Improvement

Kaizen means small, incremental, continuous improvement, and the English translation is continuous or continual improvement. Kaizen is a philosophy that focuses both on the process and the results. According to Masaaki Imai, Kaizen is an umbrella concept. Imai (1986) It is a process that, when done correctly, humanizes the workplace, eliminates unnecessarily hard work (both mental and physical), teaches people how to do rapid experiments using scientific methods, and how to eliminate waste in business processes.

Kaizen is also a most frequently used word in Japan; One can hear of Kaizen in the commercial exchange balance of Japan, in the system of social security or productivity of Japanese companies: Imai (1986) as cited by Slobodan(2011) Japanese management is process oriented, and not uniquely goal oriented way of thinking. As a matter of fact, the main difference between Japanese and Western management is in its focus on improvement of all components of production and business process, particularly on such factors as stimulation and involvement of workers and medium ranking managers in the decision making process. The outcome is a process oriented management, with its relevant criteria, against a result oriented management

focused on control. While process oriented criteria require long term perspective, result oriented criteria, on the other hand, are focused on short term benefits.

Process oriented thinking has been one of the key components of the competitive advantage of Japanese industry in the world markets. Kaizen is the philosophy of incremental continuous improvement with involvement of everyone. At first scan everything is pretty clear and simple - what you need to do is to improve the processes around to make things more efficient: Slobodan (2011) Kaizen is a system that involves every employee - from upper management to the cleaning crew. Everyone is encouraged to come up with small improvement suggestions on a regular basis.

And involves setting standards and then continually improving those standards. To support the higher standards, Kaizen also involves providing the training, materials and supervision that is needed for employees to achieve higher standards and maintain their ability to meet those standards on processes based. Improvement shall be based on quantitative or qualitative evaluation of process performance. The small improvements will lead to bigger improvements throughout the entire company. That's why kaizen is called a continuous process improvement system or a continual improvement method. There are simple things you can do to help your employees work faster and become more efficient. All employees should have firm belief that the work place must nurture a desire for continuous improvement Kaizen demands product or service quality is improved and is monitored on a continuous basis: Michael (2014).

### 2.4 Methods of Kaizen and Management

There are two type of kaizen management functions these are Maintenance and Improvement. Maintenance activities are directly related maintaining by the existing technological, managerial, and operating system standards to become the improving of existing standards: *Imai*, (1986, p.5). as cited by Michael (2014,p.16) kaizen management includes maintenance managing for current performance and kaizen managing for improvement. The main point is kaizen management related to cross-functional management and policy deployment: Imai (1986) as cited by R.martin undated.

### FIGURE 1 METHODS OF JAPANESE JOB FUNCTIONS1

Top Management

Middle Management

Supervisor

Workers

Maintenance

Source: Imai (1986), as cited by Michael (2014) methods of Japanese job functions 1

### 2.4.1The Role of Top Management

Top management is the high level of the organization and the mind of the organization that responsible for establishing Kaizen as the company and corporate strategy as well as communicating this all levels of commitment through policy deployment of the organization and allocating the resources necessary for Kaizen to work and build systems procedures, and structure to implemented Kaizen: Imai (1986), as cited by Michael (2014). On the other hand top management endorsements help to influence, visionary leadership and restructure business organizations and is an effective factor to influence cultural change in attitudes of individual employees toward quality. Education and training help people understand the fundamentals, tools, and techniques of kaizen. Training is part of the communication process to make sure that manager and employees apply and implement the kaizen techniques effectively: Gordian S. Bwemelo (2016).

Meanwhile the main points everybody is job and poor quality means poor management. Management short term results oriented thinking must be replaced with longer-term view that kaizen takes three to five years to produce results. A kaizen strategy must come the top improvement is needed in many different areas and commitment from the top management is essential to build a climate for kaizen; (1986) as cited by R.martin undated.

# 2.4.2 The Role of Middle Management

Middle management is responsible for top management that implementing the policies of Kaizen that establishing by top management; for the purpose of maintaining, improving setup of work standards, and to provides the necessary training to ensuring performance of Kaizen implementation and employees training and learn the way of improvement and problem solving.

# 2.4.3 The Role of Team Leader

Team leaders have the duty of the Kaizen applying approach based on their functional roles; that engage in Kaizen through the setup systems and established a member of groups activities, practice discipline in the service and to become better performance; problem solvers Improving the way of communication at the work place; maintaining morale and providing necessary training for teamwork activities.

# 2.4.4 The Role of Employees

Employees have rights and obligations for responsible and participating in Kaizen implementation through individual and teamwork activities, making Kaizen philosophy, engaging in continuous self-improvement activities, continually enhancing job skills with education and training that come up continually improvement throughout organization training program (*p.* 8).

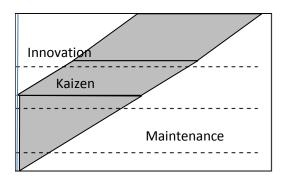
FIGURE 2. Methods of Japanese Job Functions 2.

Top Management

Middle Management

Supervisor

Workers



Source: Imai (1986), as cited by Michael (2014) methods of Japanese job functions 2

# 2.5 The Concept and Levels of Kaizen

Lmai(1986) as cited by Michael (2014) stated three steps and or pillars of Kaizen: these are

- 1. Management-Oriented Kaizen
- 2. Group- Oriented Kaizen and 3.

Individual -Oriented Kaizen

### 2.5.1 Management Oriented Kaizen

Management oriented the most important and focused in to target full and strategic issues that provides the drive to keep up progress and moral in the organization. In general Japanese managers believes that a manager should spent at least 50 percent of his time on improvement Lmai(1986) as cited by Michael (2014) (p.17,82) as well as (1986) as cited by R.martin undated stated kaizen covers all areas of the business: the starting point is to identify waste in the way people work. management oriented kaizen also involves improvement in the machinery, service and facilitates as well as systems and procedures.

# 2.5.2 Group Oriented Kaizen

Kaizen is a group of work, for the sustainability approach and checked by Quality Control (QC) circles and aligned with group of activities to solve problems. The sustainability approach also requires the full Plan-Do-Check— Act (PDCA) cycle and needs—team members not only identifying problems areas but also identify the causes, analyze them, implement and test new countermeasures, and establish new standards and procedures. The group oriented Kaizen enhances group moral and allows everybody to master the art of solving immediate problem from their own workshop Lmai(1986) as cited by Michael (2014) (p.18, 95).in the other way kaizen involve quality circles small group activities as well as permanent and continuous use of the PDCA cycle team members in the quality circles identify their problems and cause analyze the same cause implement and test countermeasures and established new standards and procedures: Imai (1986) as cited by R.martin undated.

### 2.5.3 Individual Oriented Kaizen

Individual oriented kaizen is manifested in the form of suggestions. The suggestion system is a vehicle for caring out individual oriented Kaizen. It is often regarded as a moral supporter and it does not always ask for immediate payback on each suggestion. Management attention and responsiveness are crucial if workers are to become "thinking workers" looking for improved ways to do their job continually Lmai(1986) as cited by Michael (*p.18,110-111*) in the other words kaizen focuses on suggestion systems and the idea that workers should work smarter not necessarily harder: the key to success in this area is to provides workers with education needed for quality suggestions and workers need problem solving, skills to make their jobs easy; Imai (1986) as cited by R.martin undated.

# 2.6 The Concept of Small Group Activities

Imai (2016) as cited by Michael (2014) defined small group activities as informal, voluntary small groups organized within the company to bring up specific tasks in the workshop. These small groups were formed for the purpose of stimulating cross development among its members. The small groups were QC circles, zero defect movements, suggestion groups, safety groups, mini think thanks and the most popular type of small group activity is quality circles; the circles are designed to address quality, cost, safety and productivity issues (p.10). For this research purpose the researcher will discuss suggestion system and explain as the effects of for the implementation of Kaizen.

# 2.7 The Concept of Suggestion System

The suggestion system is an extension of individual oriented Kaizen; the concept of suggestion system was brought to Japan, after the post war years by Deming and Juran and through various Japanese executives who visited USA. The American style suggestion system gave way to the Japanese suggestion system. The Japanese system stressed the moral enhancing benefits of positive employee participation and changed into individual and group suggestions in the course of time including QC circles, voluntary groups, zero defects groups and other group based activities.

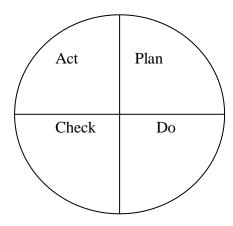
While the American style stressed economic benefits and provided financial benefits *Imai* (2016) as cited by Michael (2014) (p.20,113). As well as further narrated the core benefit of suggestion system is a moral improving benefit of positive employee participation and developing Kaizen minded and self-disciplined employees. He also associated the Japanese style suggestion system as one of the key differences with the Western approach, which emphasis on the economic benefit and financial incentives of the system: *Imai* (1997, as cited by Michael (2014) p. 20,10) Lillrank, Kano and Karn as cited in, undated) Michael (2014) also explained the suggestion system as a bottom up channel through which the improvement ideas and proposals are presented to management. *Imai* (1986) listed the following purpose of suggestion systems in the Japanese context:

- Improves one's own work,
- Saving in energy, material and other resources
- Improvements in the working environment
- Improvements in machine and process
- Improvements in tool and mechanisms
- Improvements in office work
- Improvements in product quality
- Ideas for new product Customer service and customer relations and others.

## 2.8 The Concept of Cross Functional Management

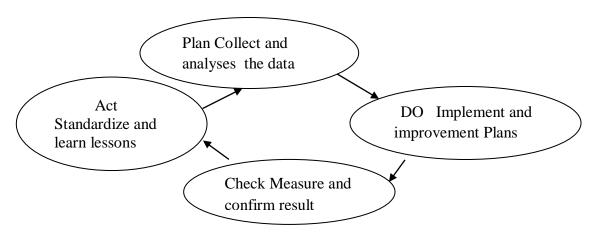
There is although lot of emphasize place on quality and cost meeting schedules in terms of volume is very important. Cross-functional management emphasize breaking interdepartmental communication barriers, cross functional goal come first before department cross functional management and including cross functional goals and the quality scheduling processes; Imai (1986) as cited by R.martin undated. Cross-functional management are formed to conduct Kaizen events. A Kaizen event is a project in which a specific area or manufacturing process has been identified as the target for improvement, and a team has been assembled to undertake the project". A cross-functional team assembled for a Kaizen continuous improvement event is responsible for attaining the results targeted by the team itself: *Thessaloniki*, (2006) as cited by Michael (2014).

Figure 3: P DCA Model



**source:** Moen and Norman (2009) as cited in Karn, *Michael*(2014).

**Figure: 4 PDCA Model With Definition** 



Source: Benes Rines Tina undated as cited by Michael (2014).

# 2.9 The Concept of PDCA Cycle

The origin of Plan-Do-Check-Act (PDCA) cycle or Deming cycle can be traced back to the Shewart well-known statistician thought in the 1920s. He introduced the concept of PDCA. Deming the Total Quality Management (TQM) guru modified the Shewart cycle as: Plan, Do, Study and Act. The Deming cycle is a continuous quality improvement model consisting of a logical sequence of four repetitive steps for Continuous Improvement (CI) and learning. The PDCA cycle is also known as Deming Cycle, the Deming wheel of CI *Watson*, (1986) as cited by Michael (2014). In the other words the concept of the Deming wheel was reorganized by

Japanese managers and called it the PDCA wheel. Thus, PDCA cycle is a system to ensure the continuation of Kaizen principles, the cycle is essential to make the diagnosis, plan, and train, implement, evaluate and then standardize the process *Imai*(1986) *Desta*, (2009) as cited by *Michael*(2014).

**Plan-** Establishing a target and a strategy for improvement.

**Do-** Implementation of the plan. Making or working on the product/service.

**Check-** Confirms weather the customer is satisfied.

**Act** - standardizing the improved procedure so that it can be continued and the compliant will not return. The PDCA cycle ensures sustainability of improved action

## 2.10 The Concept of Kaizen Event

The concept of Kaizen and Kaizen event is new idea for Africa and Ethiopia as a finding from related literatures on the stated concepts were very challenging. However, the researcher will try to define the concept using some expert's definition and form Ethiopia Kaizen Manual: *Kirby & Greene as cited by Farris, 2006*) defined and describes a Kaizen event as a focused improvement event during which a cross-functional team of operators, engineers, etc. Spends several days analyzing and implementing improvements to a specific work area. *Khot (2010)* as cited by Michael (2014).also explained the event as a focused approach to process improvement through muda (waste) elimination. He further discussed Kaizen event require three phases for implementation, phase one as planning and preparation, involves formation of a team, observation of the existing process, identifying the problem areas, brainstorming the possible improvements, and selecting the feasible solutions. Phase two as implementation phase, entails to implement the improvements or solutions, assess the improved process, and compare the existing and improved process to evaluate changes. The final phase is the reporting phase in this stage the event participants are reporting their results to responsible authority.

The Ethiopian Kaizen Institute Manual defines Kaizen event as a very concentrated teamoriented effort to rapidly improve the performance of a process. The manual uses three phases (phase one: Planning and preparation, phase two: Implementation of the event itself, phase three: presentation, celebration, and follow-up of Kaizen event. The Ethiopian Kaizen Manual approach is similar to Knot's description the above. Farris et al., (cited by Glover, 2010) also described the Kaizen event as a focused and structured improvement project, using a dedicated cross-functional team to improve a targeted work area, with specific goals, in an accelerated timeframe.

Martin and Osterling (2007) also defined Kaizen event as "... an effective way to train organizations to break unproductive habits and adopt the kaizen philosophy while, at the same time, achieve breakthrough performance and unprecedented results...

### 2.11 Kaizen techniques and practice

There are many things related to techniques and kaizen events 5whys total preventive maintenance/TPM/ just in time system, suggestion system kaizen costing. Munthoni (2012) in the other hand the 5s pillars are sort(seiri) set in order(seiton) shine(seiso) standardize(seiketsu) and sustain(shitske) in the meantime kaizen practice refers to focused and structure continuous improvement project by using a dedicated cross functional team to address a targeted work area to achieve the specific goals. Which means kaizen event is team members and apply low-cost problem solving tools and techniques to rapidly plan and implement improvements in target work area. as well as the scope of a kaizen event is a part of a specific area and value. Ethiopian kaizen institute/EKI/ (2012).

# 2.12 Concept of Gemba Kaizen

In Japanese gemba means real place, where the products or services are formed. Gemba provides the product or services that satisfy the customer and management by setting strategy and deploying policy to achieve that goal in gemba. Gemba improvement uses bottom up and top down approach and it becomes the source for achieving consistent, low cost improvements (*Imai, 1997*) Dysko (2011) as cited by Michael(2014). also defines gemba as the real place in business where things are developed or where services are provided and abnormalities happen. also argues, one of the competitive weapons for Japanese companies is the involvement of their human potential in the maintenance of implemented changes in gemba Kaizen.

Imai (1997) also introduced the concept of the house of gemba where major activities are taking place on a daily basis for resource management-namely maintenance maintaining the standard and the status quo) and Kaizen (relates to improving standards). The house of gemba shows, a bird's- eye view of activities taking place in gemba. Imai also stated that, daily management of resources requires standards, and the standards are the basis for daily gemba kaizen improvement. Kaizen application can improve quality, reduce cost and meet customer's delivery requirements without any significant investment or introduction of new technology. The three major Kaizen activities such as muda (west) elimination, 5S good housekeeping and standardization are crucial in building efficient organization. He also recommended these three Kaizen activities are the three pillars of Kaizen and they are the basic activities for Kaizen implementation in manufacturing or service industries.

### 2.13 Japanese versus the Western Approach

The differences between the Japanese and the Western conceptual management approaches: The Japanese approach emphasizes small incremental changes under existing technology whereas the Western approach in innovation based on technological advance. *In the meantime Imai, 1986, (1997)as cited by Michael(2014)* the Japanese approach focuses on human elements and promoters people's process-oriented efforts for improvement, while the Western approach is more tending towards reviewing performance from results-based criteria. Kaizen does not necessarily call for large investments, such as installing new machines or hiring experts. In its place, it requires continuous effort and commitment at all levels of the workforce to propose and practice the use of existing human and capital resources to improve quality and productivity: *Izumi Ohno, Kenichi Ohno, and Sayoko Uesu (2009)as cited by Michael(2014)*.

Meanwhile Slobodan (2011) stated Kaizen uses small steps and conventional know how commonsense and brings wide long term results, while innovation is viewed as radical steps and seen as unilateral, costly, dramatic breakthrough, involve sophisticated technology and demands big investment. After Kaizen has been exhausted, ideally, innovation should take off, and Kaizen should follow as soon as innovation is initiated. Kaizen will support the improvement of existing activities, but it will not provide the giant step forward. Meanwhile below the table shows are Japanese approach focuses.

Table:1 Japanese Perception of Job Function.

| Top Management    | Innovation  |
|-------------------|-------------|
| Middle Management | Kaizen      |
| Supervisors       | Maintenance |
| Workers           |             |

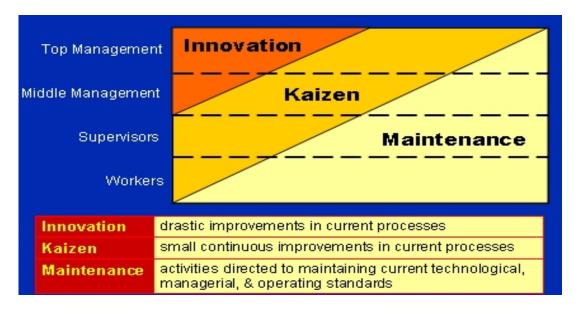
Source: Imai (1986 p.7) and Thessaloniki (2006). As cited Michael (2014) P.36

**Table:2 Japanese Perception of Job Function** 

| Top Management    | Innovation  |
|-------------------|-------------|
| Middle Management |             |
| Supervisors       | Maintenance |
| Workers           |             |

Source: Imai (1986 p.7) and Thessaloniki (2006). Western perception of Job function.

Figure 5. Japanese Perception of Job Function



Source: Imai(1986) as cited by Michael(2014). P.37

**Table 3 Comparison of Kaizen and Innovation** 

|                                 | Kaizen                                      | Innovation                                |
|---------------------------------|---|---|
| 1. Effect                       | Long-term and long-lasting but undramatic   | Short-term but dramatic                   |
| 2. Pace                         | Small steps                                 | big steps                                 |
| 3. Timeframe                    | Continuous and incremental improvement      | Intermittent and non -incremental         |
| 4. Change                       | Gradual and constant                        | Rapid and volatile/unstable               |
| 5. Involvement                  | Everybody                                   | Select few Champions                      |
| 6. Approach                     | Collectivism, group efforts system approach | Sharp individual /lism, ideas and efforts |
| 7. Mode                         | Maintenance and improvement                 | Scrap and build                           |
| 8. Spark                        | Conventional know-how & state of the art    | Technology breakthrough new theories      |
| 9. Practical requirement effort | Requires little investment but great effort | Requires large investment but great       |
| 10. Effort orientation          | People                                      | Technology                                |
| 11. Evaluation criteria         | Process and efforts for better results      | Result and profits                        |
|                                 |   |   |

Source Imai (1986) as cited by Michael (2014).

# 2.14 Organizational Performance Management

Organization performance management is a continuous process of identifying measuring and developing the performance of organization, teams individuals and aligning performance with the strategic goals of the organization; there are two main components

- 1. Continuous process; which means performance management is always on-going it involves never ending process of setting goals and objectives, observing performance and giving and receiving on-going coaching and feedback.
- 2. Alignment with strategic goals; performance management requires that mangers ensure that the employees activities and outputs are considering with the organization's goals and consequently, help the organization gain a competitive advantage. Performance management creates a direct

link between employee performance and organization goals and makes the employees contribution to the organization explicit; Herman Aguinis (2007).

Organization performance management needs strategic planning process that involves the organization destination assessing that stand in the way of that destination, and selecting approach for moving forward. The main goal of strategic planning is to increase the performance management to allocate resources that provides organization performance with competitive advantage; therefore overall strategic plan serve as a blueprint of organization performance.

The Oxford English dictionary defines performance as the accomplishment, execution, carrying out, working out of anything order or undertaken this refers to output/ outcomes (accomplishment) and also that states the performance is about doing the work as well as the result achieved; Performance means both behaviors and results that behaviors come from the performer and transform performance from abstraction to action; this definition of performance leads to the conclusion that is managing the performance of teams and individuals, both are inputs and output should be considered. In general organization performance is about how things are done as well as what is done; Michael Armstrong and Angela Baron(1998). In the other words organization performance is concerned with the planning and implementation of programs or interventions design to improve the effectiveness which an organization function and manages change; organization performance is to integrate individual or team objective with those of organization describes as a cascading process which implies that it is entirely top-down; this concept is challenged by the philosophy of empowerment, which suggests that employees should be contribute to the formulation of the organization performance. Organization performance is concerned with the mission vision strategic planning goals and implementation of programmers or interventions design to improve the effectiveness which an organization function and manages change; organization performance is integrate with financial and employee performance as well as individual or team objective with those of organization describes as a cascading process which implies that it is entirely top-down; this concept is challenged by the philosophy of empowerment, which suggests that employees should be contribute to the formulation of the organization performance therefore without financial and employees performance there is no organization performance; Armstrong and Baron(1998).

Organization performance management is a continuous process of identifying measuring developing the performance of organization and Performance management creates a direct link between employee performance and organization goals and makes the employees contribution to the organization explicit; Herman Aguinis (2007). On the other hand organization commitment is the summary perception which people have about their organization for better working conditions and more incentives, the commitment of the people to work in the public sector. The engagement of the job involvement, organizational commitment And team effectiveness depends on various factors such as: organizational context, organizational structure, company customs and to give value for physical environment, communication, reward system, employees encouragement, performance evaluation system, training and development programs. Employee involvement, organizational commitment and team effectiveness has a perfect definition for organization and Performance management: H.L. Kaila (2012). (P,34-35)

#### 2.15 Discussion of all Conceptual Model Variables

## 2.15.1 Kaizen Implementation Success Factors

### 2.15.2 The Role of Top Management Commitment Training and Cultural Change

Top management is the high level of the organization and the mind of the organization that responsible for establishing Kaizen as the company and corporate strategy as well as communicating this all levels of commitment through policy deployment of the organization and allocating the resources necessary for Kaizen to work and build systems procedures, and structure to implemented Kaizen: Imai (1986), as cited by Michael (2014).

In the other hands top management endorsements help to influence and restructure business organizations and are an effective factor to influence cultural change in attitudes of individual employees toward quality. Education and training help people understand the fundamentals, tools, and techniques of kaizen. Training is part of the communication process to make sure that manager and employees apply and implement the kaizen techniques effectively: Gordian S. Bwemelo (2016).

### 2.15.3 Visionary Leadership

A good business needs visionary leaders that create a vision articulate the passionately for own vision and relentlessly or persistent. Effective leaders closely related to their visions and they always empower people, focuses energy for greater effectiveness. On the other hand leaders have establishes meaning for today and gives hope for the future as well as raise their standard of excellence. Meanwhile visionary leaders must be forwarding and clarity the direction in which the organizational achievements. Jack Welch former CEO of GE undated as cited Zelalem Tadess (2017). With brings unity to community for raising commitment level to bring positive change: James R. Evans (2011) (2008), (2012). (P, 230-233) as described leadership is fundamental to management and organizational behavior and is on just about everyone's short list of prerequisites for organizational success. Therefore it is not surprising that leadership plays a crucial role in a high performing organizations like stoner, virtually every article and book written about quality emphasizes leadership. Deming set the stage for leadership for quality, several of his points refer to leadership either directly or indirectly: such as point1

create and publish to all employees a statement of the main aims and purpose of the company or other organization. The management must demonstrate constantly their commitment to this statement.point7 Teach and institute Leadership point8 Create trust and Create a climate for innovation. Point12 Remove barriers that rob people of pride in workmanship. Point14 Take action to accomplish the transformation.

#### 2.15.4 Communication

Communication is the exchange of thoughts message or information, by speech, signals, writing, or behavior between a sender and a receiver and a communication is a two-way process that can be define two-way process resulting in the transmission of information and understanding between individuals.

Feedback is a verbal or nonverbal response by a receiver to the sender's message.

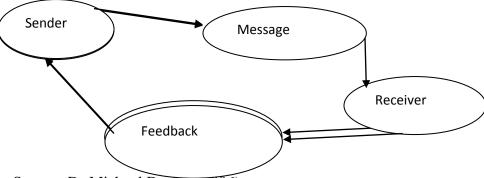
Encoding is selecting words and their order for a message by sender.

Decoding is the translation of a message by a receiver.

Message Channel is the conduit or medium that will carry a message from the sender to the

Receiver: Dr Michael Drafke (2006). On the other hand communication is two-way process these are bottom up and top down communication system; Michael (2014).

FIGURE 6. COMMUNICATION



Source: Dr Michael Drafke (2006).

The sender encodes the message and select the channel. The receiver decodes the message and uses feedback to responds:

#### 2.15.5 Customer Focus

The important of customers has progress over a years, from a view of the customers as a buyer to increase profitability, to a view of the customer as an active partner and the focus of all quality activities. Customer satisfaction translates directly in to increase profit. However while satisfaction is important modern companies need to look further to achieving strong profitability and market share requires loyal-customers- who stay with a company and marking positive referrals. Satisfaction and loyalty are very different concepts. such as: satisfaction is an attitude: loyalty is behavior/conduct.

Meanwhile customers who are only satisfied may often purchase from competitors because of convenience, promotions or other factors. On the other hand loyal customers place a priority on doing business with a particular organization and loyal customers spend more are willing to pay higher price refer new clients, and less costly to do business: James R. Evans (2011) (2008), (2012). (P, 230-233)

#### 2.15.6 Employee Empowerment and Involvement

The organizational culture is concerned with the level of performance achieved by each employee in an organization. One of the main objectives of an organization is to build a strong organizational culture which helps to improve staff performance and creates an environment when people can empower and engaged within efficiently, HR plays an

important role in the culture of the organization as it has to understand and communicate with both the management and employees. More study done by Ogbonna Harris (2002) as cited by H.L. Kaila (2012) P.28-30) analyzed the relation between organization culture and performance by including leadership style as third variable in the model, companies to measure performance they used their variables such as: customer satisfaction, sales growth market share, competitive advantage that must have employees empowerment and involvement system in the organization. And organization culture used measures such as competitive culture, innovative culture, bureaucratic culture and community culture. The results showed that all four measures of organization culture were associated employees empowerment and involvement system with organization performance: H.L. Kaila (2012) This principle basically referred to kaizen and team work where the benefit gained from kaizen implementation can be seen on daily basis by all company employees and simply focused on employee involvement in improvement process.

### **2.15.7 Process Orientation**

Imai stated that kaizen is process oriented before results can be improved process must be improved, as opposed to result-orientation where outcomes are all that counts. Berger (1997) added to what Imai said that the principle has at least two practical consequences for the improvement process. First, management's main responsibility is to stimulate and support the effort of organizational members to improve processes. In order to be improved, a process must be understood in detail. Second, process orientation calls for evaluating criteria which can monitor and bring attention to the improvement process itself, while at the same time Sustain/Discipline (SHITSUKE) acknowledging its outcome. And for process orientation the management should count the contribution of each and every employee who actively

# 2.15.8 Process standard /Improving and Maintaining Standard

Kaizen is distinctive focus on small improvements of work standards as a result of an ongoing effort. Furthermore, Imai (1986) explained there can be no improvement where there are no standards which in spirit represents the relation between kaizen and maintaining standard procedures for all major operations and Standard Service Procedures.

## 2.15.9 People Orientation

This principle basically referred to kaizen team where the benefit gained from kaizen implementation can be seen on daily basis by all company employees. This principal simply focused on employee involvement in improvement process. In people orientation the suggestion of each & every employee from workers to the top management people is at least viewed & the suggestion which really contributing for improvement, actually implemented, which act as motivating factor for employee to participate in Kaizen activity.

### 2.16 Technical Factors for Kaizen

### 2.16.1 The Role of Visual management

Gordian S. Bwemelo (2016) stated the Visual Management refers to a management system that attempts to improve organizational performance through use of visual stimuli to highlight, report, clarify, and integrate mission, vision, values and culture into an organization's operating systems and performance visual management methods aim to increase the efficiency and effectiveness of a process by making the steps in that process more visible. As well as *Imai* (1997) as cited by Benes Rines Tina, undated and Michael (2014) explained the concept of visual management provides an opportunity to see the immediate improvements on a daily bases: Kaizen create an environment where tools, supplies and process can be seen easily. The practice of visual management involves the clear display of tangible objects or things, charts, lists, records of performance. As a result both management and workers are continuously reminded of all the elements that make the visual controls make easy for everyone to identify the state of a normal or abnormal condition. Thus, visual management providing workers and management to attention problems and control team performances: Galsworth, (2005),Liker, (2004) Mann, (2005) as cited by Michael (2014).

# 2.16.2The Concept of 5'S System

*Imai* (1997) as cited by P.Gurway (2016).described the 5S's concepts as a way of life, habits or steps for housekeeping to achieve greater order, efficiency and discipline in the workplace. Establish and maintain a clean, and shape workplace Translation of Japanese S's, what is 5S and why do we want to do it? 5S represents 5 disciplines for maintaining a visual

workplace (visual controls and information systems). These are foundational to Kaizen continuous improvement and a manufacturing strategy based Lean Manufacturing waste removing concepts. 5S is one of the activities that will help ensure our company's survival.

### • Sort / Arrangement (SEIRI)

Sort / Arrangement (SEIRI) Eliminate unnecessary items through the suitable sorting it can be identified the materials, tools, equipment and necessary information for realization the tasks. Sorting eliminates the waste material (raw materials and materials), nonconforming products, and damaged tools. It helps to maintain the clean workplace and improves the efficiency of searching and receiving things, shortens the time of running the operation. The 1S rules proceedings.

### • Set in Order / Neatness (SEITON)

Set in Order / Neatness (SEITON) efficiency and effective storage method especially important is visualization of the workplace

### • Shine (cleanliness(SEISO)

Shine (cleanliness (SEISO) systematically clean the workplace or office: and regular cleaning permits to identify and eliminate source of disorder as well as to maintain the clean workplace.

#### • Standardize / Order (SEIKETSU)

Standardize / Order (SEIKETSU) (Order and control to be established for worked out and implemented standards in the form of procedures and instructions permit to keep the order on the workplaces. Standards should be very communicative, clear and easy to understand. Regarding this during preparation and improving, it should be involved all participants of the process on the given workplace, it means direct workers. The group knows the best specificity of its own activities, and process of elaboration and after that, usage gives them possibility of understanding the essence and each aspect of the operation. In the aim of assuring all the easy access, obligatory standards should be found in constant and visible places. It is assumed that standards should not be implemented only in the typical operational processes e.g. production, movement maintenance, storing, but also in the administrative processes, for example: book-keeping, customer service, human resources management, or secretariat service.

## • Sustain/Discipline (SHITSUKE)

Sustain/Discipline (SHITSUKE) Sustain new status and everything in its place Implementing the idea of the 5S will demand from workers the compact self-discipline connected with implementing and following the rules of regularity in cleaning and sorting. It leads to increasing the consciousness of staff, and decreasing the number of non-conforming products and processes, improvements in the internal communication, through the improvement in the human relations. It is also important to understand the need of performing the routine inspections of procedure the 5S Lmai (1986) as cited by P.Gurway(2016).

#### 2.16.3 The Relevant of Kaizen principle for Service Sector.

Kaizen is process-oriented thinking because process must be improved before results are obtained, according to P.Gurway(2016). kaizen is people oriented, improved and maintaining /process standard/ that directed at people efforts and to assume that improvement in people's attitudes and efforts are more like to produced improved results in the long term that kaizen is continuous in nature which signifies the embedded nature of the practice Lmai (1986) as cited by P.Gurway(2016). The concept of kaizen principle is emphasizing that teamwork; discipline, Continuous and incremental Improvement and commitment do not come from involving the representative of employees but from direct contact and communication between the individual and his boss. Mary Munthoni (2012) and Michael (2014). That noted the concept of kaizen is a kind of corporate culture that supports continual organizational learning, to bring up the successful implementation of kaizen requires management support emphasize the need for leadership and top management support in kaizen activities: Gordian S. Bwemelo (2016).

#### Teamwork

One of the biggest principles of the kaizen approach is the ability to work in teams. Each department is considered as a team and they responsible for incremental changes that impact the organization. All employees from top manager to front line workers should share common values, business objectives, and information. And, should fulfill their respective role properly, enhancing their capabilities through exercising autonomy and creativity. The teams

shall report to their manager and the manager takes this information to management and the whole process of kaizen is evaluated: Imai (1986) as cited Michael (2014).

### • Self-Discipline

The purpose of kaizen to be effective, discipline is necessary. Management and workers shall be believe in the Kaizen idea and strive for gaining the small goals in order to reach overall success. A strong commitment to discipline and to the kaizen method will prove success for a company: Imai (1986) as cited Michael (2014).

## Continuous and Incremental Improvement

Kaizen means small, incremental, continuous improvement, and the English translation is continuous or continual improvement. Kaizen is a philosophy that focuses both on the process and the results. According to Masaaki Imai (1986) Kaizen is an umbrella concept. It is a process that, when done correctly, humanizes the workplace, eliminates unnecessarily hard work (both mental and physical), teaches people how to do rapid experiments using scientific methods, and how to eliminate waste in business processes:Imai (1986) as cited by Slobodan(2011) Japanese management is process oriented, and not uniquely goal oriented way of thinking.

As a matter of fact, the main difference between Japanese and Western management is in its focus on improvement of all components of service for business process and the decision making process. The outcome is a process oriented management, with its relevant criteria, against a result oriented management focused on control. While process oriented criteria require long term perspective, result oriented criteria, on the other hand, are focused on short term benefits. Process oriented thinking has been one of the key components of the competitive advantage of Japanese industry in the world markets. Slobodan (2011) Kaizen is a system that involves every employee - from upper management to the cleaning crew. Everyone is encouraged to come up with small improvement suggestions on a regular basis. And involves setting standards and then continually improving those standards. To support the higher standards, Kaizen also involves providing the training, materials and supervision that is needed for employees to achieve higher standards and maintain their ability to meet those standards on processes based. All employees should have firm belief that the work place must nurture a desire

for continuous improvement Kaizen demands product or service quality is improved and is monitored on a continuous basis: Michael(2014).

### 2.16.4. The Organizational Performance Factors

### 2.16.5 Social system outcomes

Kaizen is human approach it is based on the belief that human being shall be contribute to improving his workplace were spend one-third of his life Lmai(1986) he further narrated the importance of kaizen strategy for social outcome, that the kaizen strategy helps to overcome. That including the business communities, institutions societies and all over the nation. Michael(2014) stated the social system outcome aligned with kaizen continuous improvement such as: employee

knowledge, skill and attitude these three dimensions describes employee characteristics that are required to adequately perform desired responsibility based on the knowledge refers that body of necessary information, skill refers to ability and capability and attitude describe desired to perform a given activity Michael (2014).

### 2.16.5 Technical System Outcome

According to Lmai(1986) as cited by Michael(2014). implementation of kaizen leads to improved quality and productivity in the short term. He also explained managers should be follow up from the short term kaizen performance productivity increase by 30 per cent, 50 per cent and also 100 per cent and more all without major capital investment. As Michael(2014) stated the social system outcome aligned with kaizen continuous improvement such as: employee knowledge, skill and attitude these three dimensions describes employee characteristics that are required to adequately perform desired responsibility based on the knowledge refers that body of necessary information, skill refers to ability and capability and attitude describe desired to perform a given activity.

### 2.16.6 Employee Work Attitude.

The managers and workers are encouraged to improve their working skills through trainings and discussions and friendly relationship between labor and management is also encouraged, and shall have realized weekly meetings of workers with managers. However, statistics and interviews with store managers (conducted by professor Kato and his colleagues) reveal that the

extent to which human resource (HR) policies are implemented is considerable larger in Coop than in Gespa. While psychologists have conducted a remarkable amount of research on job satisfaction historically economists have always been a little more unwilling to study job attitudinal variables: Freeman (1978) as cited by Hieu Luu (may 2011). Explains In his seminal economic paper on job satisfaction, this unwillingness of the profession first, attitude is subjective variable which measures what people say" rather than what people do and second, economists are wary about studying what implications to be measuring individual utility. A few studies have examined the direct link between employee attitudes and performance. Bartel (2004) as cited by Hieu Luu (may 2011). studies 160 branches of a Canadian bank and finds a positive relationship between branch performance and employee's satisfaction with quality of performance evaluation, feedback and recognition at the workplace. The author argues that satisfaction with these selected measures is important in determining the efficiency of High Performance Work Systems Katz et al. (1982) as cited by Hieu Luu (may 2011). argue that worker motivation and participation in decision-making will increase both organizational performance and worker satisfaction, but this positive connection can only be maintained over time if the organizational environment also maintains support for high level of labor involvement and labor- management cooperation: Kruse, D. (1984). Kruse and Blasi (1995) as cited by Hieu Luu (may 2011). State that there is no a priority answer to this question. Employee-owners might be more satisfied if they value ownership and notice it as a mean to greater income, job security, and more control over the workplace. In contrast, ownership might have negligible or negative effect on attitudes if employees perceive no difference in their work lives, dislike the extra risk or have raised expectations that are not fulfilled a major goal of this paper is to assess the employee attitude-performance relationship at an organizational level. Finally theories concerning job satisfaction are still weak; empirical studies provide mixed results. The situation calls for further investigations: Hieu Luu (may 2011).

### 2.16.7 Employee Skills

continuous improvement such as: employee knowledge, skill and attitude these three dimensions describes employee characteristics that are required to adequately perform desired responsibility based on the knowledge refers that body of necessary information, skill refers to ability and capability and attitude describe desired to perform a given activity. Imai (1986) as cited by

Michael(2014). A few studies have examined the direct link between employee attitudes and performance, worker motivation and participation in decision-making will increase both organizational performance and employees satisfaction with full of skill: Bartel (2004) as cited by Hieu Luu (may 2011), but this positive connection can only be maintained over time if the organizational environment also maintains support for high level of labor involvement and labor-management cooperation: Kruse and Blasi (1995) as cited by Hieu Luu (may 2011).

#### 2.16.8 Financial Performance

Finance theory in general rests on the premise that the goal of firm should be to maximize the value of the firm to its equity shareholders: this means that the goal of the firm should be to maximize the market value of its equity share based on the organizations financial performance: Prasanna Chandra (1990) (1993) and 1998) On the other hand organization finance concerned the key macro-economic factor like the growth rate of the economy, the domestic saving rate, the role of the government in economic affairs, the tax environment, the nature of external economic relationships, the availability of funds to the corporate sector and the rate of inflation as well as the real rate of interest. This goal is conceptually superior to alternatives like maximizations of profit, maximizations of earning per-share and maximizations of return on equity: Prasanna Chandra (1990) (1993) and 1998) (P.1.2, 1.5,1.9).

### 2.16.9 Operational Cost Saving

Many quality circles choose their own projects possible with management guidance for the introduction of new products or service the upgrading of local technology and mangers apply their influence by alerting the numbers of people available for such work for the purpose of operating system process to reduce the operation cost. The importance of the managers mental models of investment and business possibilities by the different histories of financial management system(FMS) development during 1980s explained by Harvard Business School Professor Ramchandran Jaikumar (1980s) as cited by M Therese Flaherty(1996). in contrast Japanese managers chose less flexible system and software developed for any companies to accomplished and minimized operational costs: M Therese Flaherty(1996). (P, 176-182).

#### 2.16.10 Profit Generate

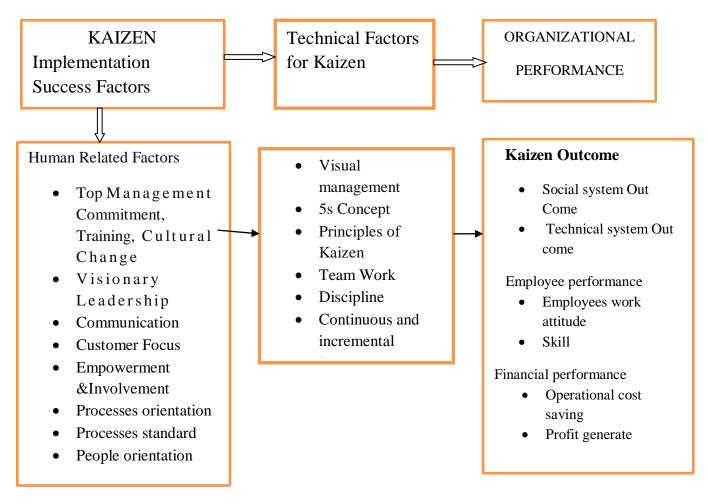
The term profit can be used in two senses: the first is as an owner oriented concept, it refers to the amount share of national income which is paid to the owner of business, which are those who supply equity capital. As a variant it is describes as profitability. The second is an operational concept. For the purpose of signifies economic efficiency. In other words profitability refers to a situation where output exceed input that is the value created by the use of resource is more than the total of the input resource. The rationale behind profit maximization as a guide to financial decision making should be consider: MYKHAN PK JAIN: Financial Management Copyright C 2007, 2004, 1999, 1992, 1981). I will see the book again.

### 2.16.12 Conceptual Framework of the Study

Kaizen implementation in service industries have been identified, a general framework to serve as a conceptual model for initiating and implementing Kaizen in public service organizations is needed. Based on the findings from the theoretical review in this study, the conceptual framework showed in (Figure1) is developed to guide the implementation of Kaizen in the public service organizations. The framework is developed in consideration of the key success factors and Kaizen principles, tools that have been identified to contribute to tangible benefits to most of the service organizations.

Therefore the purpose of the current study is to identifies and explain the link between the effect of Kaizen implementation on the organizational performance that the eventually done the effect on Kaizen outcomes in service sector.

# Conceptual Framework the Study



Independent variable Dependent Variable

Independent variable: the effectiveness of kaizen implementation

Dependent variable: the effect of organization performance

Source: Developed from: Gordian S. Bwemelo (2016) Lmai (1986). P.Gurway(2016). Slobodan Prosic (2011) Michael (2014) Armstrong and Baron(1998). Aguinis (2007) February, 2018

### **CHAPTER THREE**

## RSEARCH DESIGN AND METHODOLOGY

## 3.1. Research Design

Research Design is a choice of an investigator about the component his project and development of certain component of the design. (yogesh Kumare; 2006). The essential difference between the various study in the descriptive and explanatory research designs is that the descriptive research measure the type of occurrence with learning what and how a variable occurs and explanatory research design tries to explain relationship among variables for instance why the problem rate is higher; Donald R. Cooper Sschindler (2014). Therefore, this study used Explanatory research design. It tries to explain the effect of kaizen implementation factors on organizational performance in EMI.

### 3.2 Research Approach

There are two types of research approaches; deductive and inductive research approaches. A deductive approach is aimed and testing theory that the emphasise of from general theory and more commonly associated with quantitative research. Inductive approach is usually use research question to narrow the scope of the study and associated with qualitative research; Gabriel(2013). This study used adopt is deductive in the sense that the research took a general theory of kaizen implementation process on organizational performance and tries to so their practice in a specific organization in this case Ethiopian Management Institution scenario. This research did entail/involve a qualitative and quantitative measurement of study variables.

# 3.3 Sampling and Sampling Techniques

#### 3.3.1 Sources of Data

The target population of this study has focused Director General, Directorates and Employees of Ethiopian management institute. There are about 300 employees, 12 directorates offices in the institution.

### 3.3.2 Sampling Techniques

The sampling technique used simple random for the employees which means by using lottery system from number of population that taken the sample and purposive sampling for directorate

directors who taken based on the institution structure that could be member of top management, Directorate of change tools.

## 3.3.3 Sample Size Determination

To provides simplified formula and calculate sample size determined by the solving equation which is  $n = \frac{N}{1+N(e)^2}$  Glenn D. Israel2, Sudman Seymour (1976)

NB:

n is the sample size

N is the population size and

e is the level of precision/for margin of error and confidence level = 95% out of 100 samples will have the true population: therefore Estimate Population size 171 who have directly relation with Ethiopian Management Institute employees 300

#### 3.4 Data Collection Tools

The researcher attempted adequate and relevant information with concerning topic that the data used quantitative and qualitative data. Quantitative assume the meaning and refers to measure of it the how much and qualitative refers to the meaning the definitions analogy or model characterizing something Cooper Sschindler (2014). By using primary and secondary data source.

Primary data collected by using questionnaires interviews that can be quantitative: close ended and qualitative open ended, structure semi structure and unstructured interviews.

Secondary data gathered from case Institute relevant documents, previous reports.

## 3.4.1 Research Validity and Reliability

The quality of research design determined by different dimensions these are *validity* and *reliability* to applied to establish the checked of balanced research so Validity has important factor to identify the relevant of validity. which means the results are true or correct and that can be represent by analysis approach to show the validity of research: (Arbnor and Bjerke (1997), Mitchell and Jolley (2001), Patton (2002) and Yin (2002).

There are many dimensions of measurements these are *Construct validity*: it is focused the establishment of correct measures for the concept of research, and for the purpose of the study

accuracy, to be insure by the instrument measurements. This measurement instruments implement in an appropriate, standard based on the research: and the second is *Internal validity*: this methods use for explanatory or cause and effect study, that needs to become the reality and certain event or input variables for the sack of responsible and the final results: That shall be concerned with logical relationship between the study and the relevance theory in that area:(Arbnor and Bjerke (1997). The third is External validity: this validity helps to conclude and generalized the results that the actual area of study: the fourth is face validity: it is the level of the results: and the final dimension is *reliability* test: it is very important to minimize the margin of errors and biases in the study, to show the processes of the study such as the data collection methods and analysis can be help identify the redundancy of findings and conclusions the relationship among theory, definitions, and reliability are not as strong as they are in the analytical case. Meanwhile common systems approach for guaranteeing that measurements are correct is to reflect the real system from many dimensions as much as possible. In general credibility, conformability and data dependability tests that will be used the quality of research design: (Arbnor and Bjerke (1997), Mitchell and Jolley (2001), Patton (2002) and Yin (2002).

Therefore this research tried to check both the *internal* and external *validity* of the instruments to enhance the possibility of generalizability of the results. By using intensive literature review and expert review as well as *Face validity checked to ensure* the degree of the acceptance of the results. The *reliability* test checked to minimize the errors and biases in this study.

# 3.5 Data Analysis Techniques

This analysis conducted scientific package for social science (SPSS) for the purpose of significance study; To know the basic needed facts that the technique uses to reduce large numbers of error data gathering from primary and secondary sources analyzed and interpreting by using statistical methods that can be percentage, Mean, standard deviation compare and contrast of data and theoretical aspects.

The research used Regression to identify the magnitude of the effect of kaizen implementation on organizational performance; Correlation used to see the magnitude of association between kaizen implementation and organizational performance.

# 3.6 Ethical Consideration

For the purpose of to facilitate the data gathering processes of the research it needs a letter of cooperation written from the student support office of St. Mary University. This letter supported to provide each of the data collection and help or shown to the case company that are random and purposively sample to collect the relevant data and documents from its.

#### **CHAPTER FOUR**

## 4.1 Data Presentation, Analysis and Discussion

This chapter focused on the questionnaire, interview and document analysis; summarize of the main findings of the study and making interpretations for the purposes of easily reading. As indicated in the research methodology the respondents was 171 whereas out of the total 159 respondents are gave their relevant responds but 12 respondents are not gave their responds. Meanwhile the data has categorized into three parts: demographic characteristics of respondents; substantives questionnaires and interview of respondents for data analysis and interpretation based on the respondents.

**TABLE 4. 1 Reliability Statistics** 

| Cronbach's<br>Alpha | Number of Items |
|---------------------|-----------------|
| .856                | 14              |

Source: Own Survey, 2018

Reliability Statistics .856 and number of items are 14 which mean fitness of threshold for research questionnaires survey.

# 4.2 Demography Analysis

**TABLE 4.2 Gender Characteristics of Respondents** 

| No | Items  | Frequency | Percent |
|----|--------|-----------|---------|
| 1  | male   | 90        | 56.6    |
| 2  | female | 69        | 43.4    |
|    |        |           |         |
|    | Total  | 159       | 100.0   |
|    |        |           |         |

Source: Own Survey, 2018

Table 5.2 shows the gender characteristics frequency and percent are 90 respondents represented 56.6% are males whereas 69 respondents represent 43.4% are females and total 159 respondents represents 100% are both of genders that they gave their relevant respondents. It can be inferred that the majority of respondents are male.

**TABLE 4.3: Age Category of Respondents** 

| No    |       | Frequency | Percent |
|-------|-------|-----------|---------|
| 1     | 18-29 | 38        | 23.9    |
| 2     | 30-45 | 76        | 47.8    |
| 3     | 46-60 | 45        | 28.3    |
| total |       | 159       | 100.0   |

Source: Own Survey, 2018

Table 5.3 above shows the age category frequency and percent from 18-29 respondents are 38 represented 23.9% from 30-45 respondents are 76 represented 47.8% and 46-60 respondents are 45 represented 28.3% whereas total 159 respondents represented 100% are among of ages. It shows that the majority of the respondents are found in the category of 30 - 45 ages. This implies the majority of respondents are at productivity ages.

**Table 4.4: Education** 

| No |                      | Frequency | Percent | Valid Percent | Cumulative |
|----|----------------------|-----------|---------|---------------|------------|
|    |                      |           |         |               | Percent    |
| 1  | High.scho. and below | 2         | 1.3     | 1.3           | 1.3        |
| 2  | Diploma              | 7         | 4.4     | 4.6           | 5.9        |
| 3  | first degree         | 94        | 59.1    | 61.8          | 67.8       |
| 4  | 2nd degree and above | 49        | 30.8    | 32.2          | 100.0      |
| 5  | Total                | 152       | 95.6    | 100.0         |            |
| 6  | Missing 99.00        | 7         | 4.4     |               |            |
|    | Total                | 159       | 100.0   |               |            |
|    |                      |           |         |               |            |

Source: Own Survey, 2018

The above table 5.4 shows the education category the major respondents are first degree holders 94 respondents represents 59.1% whereas valid percent 61.8% and cumulative 67.8% second degree and above holders 49 respondents represented 30.8% diploma holders seven respondents are represented 4.4 whereas valid percent 4.6% and cumulative 5.9% in the meantime high school and below two respondents represented 1.3% whereas valid percent 1.3% and cumulative 1.3% which means both diploma and high school and below are insignificant for this education

category from total of 152 respondents are represented 100% meanwhile there is seven unrespondented that represented 4.4.% from total respondents. This data shows the great majority of the respondents are first degree and above graduates.

**Table 4.5 Marital Status** 

| No |              | Frequency | per cent | Valid Per cent | Cumulative per |
|----|--------------|-----------|----------|----------------|----------------|
|    |              |           |          |                | cent           |
| 1  | single       | 56        | 35.2     | 35.2           | 35.2           |
| 2  | married      | 79        | 49.7     | 49.7           | 84.9           |
| 3  | divorced     | 15        | 9.4      | 9.4            | 94.3           |
| 4  | divorced     | 7         | 4.4      | 4.4            | 98.7           |
| 5  | Missing99.00 | 2         | 1.3      | 1.3            | 100.0          |
|    | Total        | 159       | 100.0    | 100.0          |                |

Source: Own Survey, 2018

The above table 5.5 shows the marital status category based on respondents single 56 respondents are represented 35.2% valid per cent 35.2% cumulative 35.2% married 79 respondents are represented 49.7% valid per cent 49.7% whereas cumulative 84.9% divorced 15 respondents are represented 9.4% valid per cent 9.4% and cumulative 94.3% whereas widowed seven respondents are represented 4.4% valid per cent 4.4% and cumulative 98.7% meanwhile there is two unrespondented represented 1.3% valid per cent 1.3% and cumulative 100% from the total of 159 respondents. This data shows the great majority of the respondents are married.

## **4.3 Descriptive Statistics Analysis**

**Table 5.6: Descriptive Statistics of Success Factor Variables** 

| no | Variables                 | N   | Mean   | Standard deviation |
|----|---------------------------|-----|--------|--------------------|
| 1  | Top management Commitment | 159 | 3.8994 | .88729             |
| 2  | Visionary leader          | 159 | 3.5629 | .73507             |
| 3  | Communication             | 159 | 3.7893 | .72344             |
| 4  | Customer focus            | 159 | 3.9371 | .80099             |
| 5  | Empowerment               | 159 | 3.9434 | 1.40070            |
| 6  | Process orientation       | 159 | 3.7704 | 1.77780            |
| 7  | Process standard          | 159 | 3.6038 | 1.79404            |
| 8  | People orientation        | 159 | 3.7767 | 2.14332            |

Source: Own Survey, 2018

The above table:5.6 shows that Top management Commitment (X=3.90, STD=0.89), visionary leadership practiced (X=3.56, STD=0.73), Communication (X= 3.79, STD= 0.72), Customer focus(X=3.94,STD=0.80). Empowerment (X=3.94,STD=1.40), Process orientation(X=3.77,STD=1.78), Process standard(X=3.60, STD=1.79), People orientation (X=3.78, STD=2.14), This data shows that employee empowerment and customer focus are the better practiced success factor variables

**Table 4.7 Descriptive Statistics Of Technical Factor Variables.** 

| No    | Variables              | N   | Mean   | Standard deviation |
|-------|------------------------|-----|--------|--------------------|
| 1     | Visual management      | 159 | 3.6447 | .73851             |
| 2     | 5s/ Five S             | 159 | 3.7767 | .77265             |
| 3     | Kaizen Principles      | 159 | 4.3962 | .85698             |
| 4     | Team work              | 159 | 3.9497 | .79196             |
| 5     | Discipline             | 159 | 3.8868 | .77117             |
| 6     | Continuous improvement | 159 | 3.6792 | .77803             |
| Total |                        | 159 |        |                    |

Source: Own Survey, 2018

The above:5.7 table shows that visual management practiced (X=3.64, STD =0.74), 5s/ Five S (X=3.78, STD= 0.82), Kaizen Principles (X=4.46,STD= 0.86), Team work(X=3.94,STD=0.79), Discipline (X=3.89, STD= 0.77), Continuous improvement(X=3.79, STD=0.78). This data shows that Kaizen Principles and Team work are the better practiced technical factor variables.

Table 4.8 Descriptive Statistics of Performance Factor Variables.

| No | variables                | N   | Mean   | Standard deviation |
|----|--------------------------|-----|--------|--------------------|
| 1  | Social system Outcome    | 159 | 3.6981 | .81718             |
| 2  | Technical system Outcome | 159 | 3.6541 | .84933             |
| 3  | Employee Work Attitude   | 159 | 3.8019 | 1.88097            |
| 4  | Employee skill           | 159 | 3.8365 | 1.10673            |
| 5  | Operation Cost saving    | 159 | 3.9465 | 1.39233            |
| 6  | Profit Generated         | 159 | 3.8931 | .89011             |
|    | (list wise)              | 159 |        |                    |

Source: Own Survey, 2018

The above table:5.8 shows that Social system Outcome practiced (X=3.78, STD =0.82), Technical system Outcome (X= 3.65, STD= 0.85), Employee Work Attitude(X=3.80, STD= 0.90), Employee skill (X=3.84,STD=1.11), Cost saving (X=3.95, STD= 1.42), Profit Generated (X=3.93, STD=0.89). Whereas this data shows that operation cost saving and profit generate are the better practiced performance factor variables.

Table 4.9 Descriptive Statistics of Success Factors, Technical and Performance Variables.

| No | Variables           | Mean   | Standard deviation | N   |
|----|---------------------|--------|--------------------|-----|
| 1  | Success Factors     | 3.8522 | .88496             | 159 |
| 2  | Technical Factors   | 3.9455 | 1.01760            | 159 |
| 3  | Performance Factors | 3.9086 | 1.05568            | 159 |

Source: Own Survey, 2018

The above table: 5.9 shows that the Success Factors (X=3.85, STD=0.88), Technical Factors(X=3.95, STD=1.01), Performance Factors(X=3.91, STD=1.06) whereas. This data indicated Success, Technical Factors and Performance Factors are the better practiced.

Table 4.10 Descriptive Statistics of Performance, Technical and Success Factor Variables.

| No | Variables          | Mean   | Standard deviation | N   |
|----|--------------------|--------|--------------------|-----|
| 1  | Performance Factor | 4.7080 | 7.69272            | 159 |
| 2  | Technical Factor   | 4.0980 | 2.10803            | 159 |
| 3  | Success Factor     | 3.8836 | .95403             | 159 |

Source: Own Survey, 2018

The above table: 5.10 shows that the Performance Factor (X=4.71, STD=7.72). Technical Factor (X=4.10, STD=2.11), Success Factors (X=3.88, STD=0.10), Whereas. This data indicated Technical Factors and Performance Factors are the best practiced.

## **4.4 Correlations Analysis**

**Table: 4.11 Correlations of Success Factors** 

| Variable<br>s              | Visionar<br>y leader | Communicat ion | Empowermen t | Process<br>orientation | Process<br>standar<br>d | People orientatio n | Commitm<br>ent | Custom<br>er focus |
|----------------------------|----------------------|----------------|--------------|------------------------|-------------------------|---------------------|----------------|--------------------|
| Visionar<br>y leader       | 1                    | .733           | .309         | .388                   | .281                    | .279                | .747           | .582               |
| Commun ication             | .733                 | 1              | .332         | .341                   | .307                    | .326                | .716           | .802               |
| Empowe                     | .309                 | .332           | 1            | .206                   | .215                    | .149                | .413           | .409               |
| Process<br>orientati<br>on | .388                 | .341           | .206         | 1                      | .187                    | .098                | .376           | .323               |
| Process<br>standard        | .281                 | .307           | .215         | .187                   | 1                       | . 137               | . 259          | .330               |
| People<br>orientati<br>on  | .279                 | .326           | .149         | .098                   | .137                    | 1                   | .224           | .28                |
| Commit                     | .747                 | .716           | .413         | .376                   | .259                    | .224                | 1              | .650               |
| Custome r focus            | .582                 | .802           | .409         | .323                   | .330                    | .283                | .650           | 1                  |

Source: Own Survey, 2018.

N=159

To investigate if there was a statistically significant association between visionary leadership and communication correlation was computed. Pearson moment product correlation was calculated, r (159) = .73, p=0.000. The direction of the association was positive, which means as visionary leadership increases, communication will improve. Using Cohen's (1998) guideline, the magnitude of association is strong. Same correlation was calculated between visionary leadership and empowerment r(159) = 0.30. This association is weak. Pearson moment product Correlation was calculated between visionary leadership and process orientation r(159) = 0.39. The magnitude of this association is medium.

Pearson moment product Correlation was calculated between visionary leadership and process standard r(159) = 0.28. The magnitude of this association is weak. Whereas Pearson moment product Correlation was calculated between visionary leadership and people orientation r(159) = 0.28. The magnitude of this association is weak. And Pearson moment product Correlation was calculated between visionary leadership and Commitment r(159) = 0.75. The magnitude of this association is strong. And Pearson moment product Correlation was calculated between visionary leadership and Customer focus r(159) = 0.58. The magnitude of this association is medium. Whereas Pearson moment product Correlation was calculated between visionary leadership and Customer focus r(159) = 0.58. The magnitude of this association is medium. Pearson moment product Correlation was calculated between visionary leadership and r(159) = 0.58. The magnitude of this association is medium.

The variables are having statistical association. Empowerment r(159)=0.33. Process orientation r(159)=34. Process standard r(159)=0.31. People orientation r(159)=0.33. Commitment r(159)=0.72. Customer focus r(159)=0.80. This data shows have positive correlated with communication from weak medium up to strong association. Process orientation r(159)=0.21. Process standard r(159)=0.22. People orientation r(159)=0.15 commitment r(159)=0.413. Customer focus r(159)=0.41. This data indicated have weak and medium correlated empowerment with process orientation, process standard and people orientation. Visionary leader r(159)=0.39. process standard r(159)=0.19. People orientation r(159)=0.098. commitment r(159)=0.38. and customer focus r(159=0.32). this data indicated process orientation has correlated with visionary leader, process standard, people orientation; commitment and customer focus have weak and medium association. Process standard r(159)=0.28. r(159)=0.28.

Communication r(159)=0.30. People orientation r(159)=0.137. Commitment r(159)=0.26. Customer focus r(159)=0.33. This data indicated Process standard has weak association with communication, people orientation, commitment and customer focus. Visionary leader r(159)=0.28. Communication r(159)=0.33. **Empowerment** r(159)=0.15.Commitment r(159)=0.224.Customer focus r(159)=0.28. this data shows people orientation has weak association with Visionary leader, communication, empowerment, commitment and customer focus. Visionary leader r(159)=0.75. Communication r(159)=0.716. Empowerment r(159)=0.41. process orientation r(159)=0.38. process standard r(159)=0.26. People orientation r(159)=0.224. Customer focus r(159)=0.65. This data shows Commitment has strong association with Visionary leader, communication and customer focus whereas Commitment has medium association with empowerment and process orientation; meanwhile commitment has weak association with process standard and people orientation. Visionary leader r(159)=0.58. Communication r(159)=0.80. Empowerment r(159)=0.41. Process orientation r(159)=0.32. Process standard r(159=0.33). People orientation r(159)=0.28. Commitment r(159)=0.65. This data implies Customer focus has strong association with communication and medium association with Visionary leader and empowerment; whereas process orientation, process standard and people orientation have weak association with Customer focus.

**Table: 4.12 Correlations of Technical Factors** 

| Variables        | Visual     | 5s   | Team | Discipline | Continuous  | Kaizen    |
|------------------|------------|------|------|------------|-------------|-----------|
|                  | management |      | work |            | improvement | principle |
| Visual           | 1          | .803 | .643 | .501       | .395        | .694      |
| management       |            |      |      |            |             |           |
| 5s               | .803       | 1    | .760 | .624       | .433        | .825      |
| Team work        | .643       | .760 | 1    | .760       | .536        | .765      |
| Discipline       | .501       | .624 | .760 | 1          | .709        | .635      |
| Continuous       | .395       | .433 | .536 | .709       | 1           | .437      |
| improvement      |            |      |      |            |             |           |
| Kaizen principle | .694       | .825 | .765 | .635       | .437        | 1         |

Source: Own Survey, 2018.

N=159

Correlation is significant at the 0.01 level (2-tailed).

To investigate if there was a statistically significant association between Visual management and communication correlation was computed. Pearson moment product correlation was calculated, r(159) = 0.80. The direction of the association was positive, which means as Visual management increases, 5s will improve. Using Cohen's (1998) guideline, the magnitude of association is strong. Same correlation was calculated between Visual management and Teamwork r(159) = 0.64. This association is strong. Pearson moment product Correlation was calculated between Visual management and Discipline r(159) = 0.501. The magnitude of this association is medium. Continuous improvement r(159) = 0.395. Kaizen principle r(159) = 0.694. This data indicated the association is medium and strong. In general all the data indicated The magnitude of this association is medium and strong.

**Table: 4.13 Correlations of Performance Factors.** 

| Variables           | Work     | Employee | Cost saving | Profit    | Technical | Social  |
|---------------------|----------|----------|-------------|-----------|-----------|---------|
|                     | Attitude | skill    |             | Generated | Outcome   | Outcome |
| Work Attitude       | 1        | .296     | .188        | .335      | .333      | .235    |
| Employee<br>skill   | .296     | 1        | .309        | .533      | .447      | 325     |
| Cost saving         | .188     | .309     | 1           | .460      | .281      | .180    |
| Profit<br>Generated | .335     | .533     | .460        | 1         | .528      | .425    |
| Technical Outcome   | .333     | .447     | .281        | 1         | .528      | .697    |
| Social<br>Outcome   | .235     | .325     | .18         | .425      | .697      | 1       |

Source: Own Survey, 2018

N = 159

Correlation is significant at the 0.05 level (2-tailed).

This shows Employee skill r(159)=0.296. Cost saving r(159)=0.188. Profit Generated r(159)=0.335. Technical Outcome r(159)=0.33. Social Outcome r(159)=0.225. This data implies Work Attitude has weak association with Employee skill, Cost saving, Profit Generated, Technical Outcome and Social Outcome. Cost saving r(159)=0.31. Profit Generated r(159)=0.53. Technical Outcome (159)=0.447 Social Outcome r(159)=0.325. This data indicated

that Employee skill has medium association with Technical Outcome and profit generated whereas Cost saving and Social Outcome has weak association with Employee skill.

Profit generated r(159)=0.46. Technical Outcome r(159=0.28). Social Outcome r(159)=0.18. This data shows that profit generated has medium association with Cost saving. Technical Outcome r(159)=0.528. Social Outcome r(159)=0.425. This implies profit generate has medium association with Technical Outcome and Social Outcome. Finally Technical Outcome r(159)=0.697. Has medium association with Social Outcome.

### **4.5 Regression Analysis**

**Table: 4.15 Model Summary** 

| No | Model | R    | R Square | Adjusted R | Std. Error of |
|----|-------|------|----------|------------|---------------|
|    |       |      |          | Square     | the Estimate  |
| 1  | 1     | .545 | .297     | .292       | .85602        |

Source: Own Survey, 2018

a. Predictors: (Constant), Success Factorb. Dependent Variable: Technical Factor

The data shows 29% of changes in technical factor is explained by the model (p=0.000).

the (R=0. 545, R Square=0.30, Adjusted R square 0.29, STD. Error of the Estimate 0.86). this data indicated positive Estimate Error.

Table: 4.16 Anova (Analysis of Variance).

| No | Model      | Sum of  | df  | Mean   | F      | Sig. |
|----|------------|---------|-----|--------|--------|------|
|    |            | Squares |     | Square |        |      |
| 1  | Regression | 48.567  | 1   | 48.567 | 66.279 | .000 |
| 2  | Residual   | 115.044 | 157 | .733   |        |      |
| 3  | Total      | 163.611 | 158 |        |        |      |

Source: Own Survey, 2018

a. Dependent Variable: Technical Factorb. Predictors: (Constant), Success Factor

This shows that the (R=(48.67) F=(66.28)). This data shows associated between the variables that indicated the effect of the independent variables and the dependent variables; which means percentage of the effect of the independent variables the dependent variables.

**Table: 4.17 Coefficients** 

| No | Model          | Unstandardized<br>Coefficients |            | Standardized<br>Coefficients | t     | Sig  |
|----|----------------|--------------------------------|------------|------------------------------|-------|------|
|    |                | В                              | Std. Error | Beta                         |       |      |
| 1  | (Constant)     | 1.532                          | .304       |                              | 5.038 | .000 |
| 2  | Success Factor | .626                           | .077       | .545                         | 8.141 | .000 |

Source: Own Survey, 2018

a. Dependent Variable: Technical Factor

Technical factor=a+B(success factor) + e

Technical factor = 1.52 + 0.63 (success Factor) + 0.08; significant at (p=0.000)

That the summary model shows (R=0. 545, R Square=0.30, Adjusted R square 0.29, STD. Error of the Estimate 0.86). This data indicated positive Estimate Error.

The Annova shows that the (R=(48.67) F= (66.28). associated between the variables that indicated the effect of the independent variables and the dependent variables; which means percentage of the effect of the independent variables the dependent variables. That the coefficient shows technical factor=A+B(success factor = constant 1.53+ Beta 0.55, +Std.Error 0.30). Success Factor 0.63, Beta 0.55, Std. Error 0.08) whereas the Coefficients model is constant.

# 4.6 Interview and Document Analysis Result

#### **4.6.1 Document Analysis**

The researcher has tried to obtain the relevant information from primary data which means survey questionnaire, structured interview and secondary data from institute documents especially from 2013 up to April 2018 each annual reports are analysed in this section.

According to the annual reports has been started kaizen office in 2013 in all directorate directors by using 5s especially first year it was implemented sort, shine and set in order. Based on these experienced prepared kaizen manual, instruction, procedures and formed kaizen core team by approved top management for the purpose of full of kaizen implementation; coordination. And then 5s implemented in full of capacity with enough training and orientation program as an institute's management members and employees based on this well organized implementation

process in the first year institute have been gain over 850,000 birr from effectiveness of the kaizen: annual report (2013). P.28 meanwhile the other reports showed us there are many achievements in the institute that are employee work attitude, skills, as well as all employees better performance; financial performance and increased process facilitate performance. On the other hand the institute successful or established well organized management system these are excellent working environment; documentation management system; human resource and time management; excellent office and other resource management. According to the institute's kaizen implementation road map and successful scales are above 85% excellent from 60-85% very good 30-60% good and below 30% poor based on these successful scales the institute achieved the following factors. These are: effectiveness of human resource and time management 90% employee performance 92% overall 5s tools achievement 90% financial performance 97.5% annual report (2013). P.28,65,66). And annual report (2016). P.51 (2017) P.25-26. The above results indicated there is excellent practiced as an institute.

#### 4.6.2 Interview Analysis

According to interview respondents top management has tremendous commitment in kaizen implementation from the beginning still now top management members are committed. That's why the institute some of kaizen principles and tools like team work discipline continuous improvement as well as people orientation, process standard, process orientation and 5s tools are better practiced throughout the institute. On the other hand institute has programed training for better work attitude and skills in different change tools by capacity building directorate director and then follow up by monitor and evaluate the result of training that the performance of all employees as well as institutional performance. As an institute kaizen implementation some of kaizen principles related with institute and 5s tools as much as possible waste management. based on the respondents institute has excellent communication system within internal and external customers as well as coordination and integration for kaizen implementation by using continuous monitoring and evaluation set up of criteria and standards.

According to interview respondents the institute has been achieved from the following aspects; employee work attitude, skills, as well as all employees better performance; financial performance and increased facility management system; process performance. On the other hand the institute successful or established well organized management system these are cost

minimize, visual management, excellent working environment; documentation management system; human resource and time management; excellent office and other resource management.

Meanwhile the institute has been faced many challenges during kaizen implementation starting. Part of the challenges are lack of employees understanding and accepted about kaizen principles, techniques and tools; as well as there was no interest to accept and implement kaizen in the institute. Because kaizen is new in Ethiopia and service sector and change tool; misconception of employees work attitude, top management, leadership system was traditional. But the institute solving all challenges step by step by established people oriented, process oriented, process standard, kaizen automation and giving programed training for all institute management members and employees.

To finalized both document analysis and interview analysis; the institute established well organized management system these are cost minimize, visual management, excellent working environment; documentation management system; human resource and time management; excellent office and other resource management. At the same time as indicated result in figures; effectiveness of human resource and time management 90% employee performance 92% overall 5s tools achievement 90% financial performance 97.5 % all the above figures indicated the institute achieved on average 92.4 % which means the institute currently at excellent level by the effectiveness of kaizen implementation on organizational performance based on annual reports and interview.

#### **CHAPTER FIVE**

## SUMMARY, CONCLUSION AND RECOMMENDATION

# 5.1 Summary of major Findings

## **5.1.1 Descriptive Statistics of Finding**

N = 159

As explained all variables in the literature review part, one of the impacts of visionary leader is very important to achieve for any organizational or institutional mission, vision, and goals. With respect to the respondents result mean (3.62). STD (0.73) agrees. As explained in the literature review part, one of the impacts of communication two way process or approach thus sender and receiver or bottom up and top down approach therefor from the respondents result mean (3.9) STD (0.72) agree. And as discussed in the literature review one of the effects of kaizen is empowerment and involvement of employees. With respect to the respondents mean (3.9) STD (1.4) agrees. Whereas as indicated in the literature review Process orientation is key element for kaizen implementation that process oriented before results can be improved process must be improved, as opposed to result-orientation to institute: The mean (3.8) STD(1.77) agreed. whereas as discussed in the literature review one of the relevant aspects is Process standard as a result of on-going efforts in the institute. Therefor with respect to the respondents mean (3.6). STD(1.79) agree. Whereas People orientation principle is basically referred to kaizen team where the benefit gained from kaizen implementation can be seen on daily basis by all company employees. Therefor with respect to the respondents mean (3.8) STD(2.14) respondents are agree as the benefit of People orientation in the institute.

Top management is the high level of the organization and the mind and leaders of the organization that responsible for establishing Kaizen philosophy and implementation. Whereas the respect to the respondents are mean (4.00) STD(0.887) agrees. And as explained in the literature review part Customer satisfaction translates directly in to increase profit and that the issue of survival for any organization/institute. Therefor with respect to the respondents mean (3.93) STD(0.80) agrees.

As discussed in the literature review one of the kaizen philosophy's tools are 5s aspects and the first implemented tools are 5s. Therefor with respect to the respondents mean (3.9). STD(0.77) agrees whereas as in the literature review one of the biggest principles of the kaizen approach is the ability to work in teams and each department is considered as a team in the institute. And then with respect to the mean (3.95) STD(0.79) agrees. As a review of the literature discipline is necessary for kaizen and strive the effectiveness of kaizen implementation for any institutions. The mean (3.96)STD(0.77) agrees. AS in the literature review one of the impact of kaizen is continuous improvement principle whereas The is mean (3.79) STD(0.778) agrees. And as stated in the literature Visual Management refers to a management system that attempts to improve organizational performance through use of visual integrate mission, vision, values and culture into an organization's operating systems. Therefor with respect to the mean is (3.64)STD(0.738) agree that the achievement of Visual Management in the institute.

As a review of the literature principle of kaizen is team work, continuous improvement, people oriented, process-oriented thinking and others because process must be improved before results are obtained. with respect to the mean (4.46) STD(0.79) agree and strongly agree that the successful of principle of kaizen in the institute. As discussed in the literature review work attitude is the most important for every one and companies or institutions. Therefore to the mean (3.8)STD(1.88) agree that the successful of work attitude in the institute. Meanwhile in the literature review employee skill is the ability of capacity building in every employee for the purpose of successful performance who has position and professional that the responsibility and accountability within the institute. Therefore with the respect to mean (3.84) STD(1.10) agree that the successful of employee skill in the institute.

As explained in the literature review part cost saving is no choice for the institute to accomplish the organizational performance with minimized cost. As a result shows the respect to mean (3.95)STD (1.39)agree that the successful of cost in the institute. in the meantime As discussed in the literature review part kaizen is social system outcome which means human approach it is based on the belief that human being shall be contribute to improving his workplace were spend one-third of his life. As a result indicated the mean (3.78)STD(0.81) agree that the successful of social system outcome in the institute.

As discussed from the literature review part technical system outcome are employee knowledge, skill and attitude these three dimensions describes employee characteristics that are required to adequately perform desired responsibility. As a result indicated the mean (3.65)STD(0.849) agree that the achievement of technical system outcome in the institute.

As stated in the literature review part the term profit can be used in two senses: the first is as an owner oriented concept, the second is an operational concept; For the purpose of signifies economic efficiency. Therefore with the respect of the mean (3.9)STD(0.89) agree that the achievement of profit in the institute.

As developed theoretical model group indicated are performance factors whereas; mean (3.9)STD(1.05) agree that the achievement of all performance factors in the institute. As developed theoretical model group indicated are technical factors whereas; mean (3.9)STD(1.017) and as a result indicated are agree that the achievement of all technical factors in the institute. As developed theoretical model group indicated are successful factors whereas; mean (3.85) STD(0.88) as a result shows respondents are agree that the achievement of all successful factors in the institute. Meanwhile as the descriptive statistics shows all variables have better practiced with each other in the institute.

#### **5.1.2. Summary of Correlation**

As indicated that correlation interpretation that have positive correlated with visionary leader therefore, the variables have statistical association. As indicated that data shows have positive correlated with communication from weak association up to medium association. Whereas as the data indicated have correlated empowerment with process orientation, process standard and people orientation weak and medium association. And the data indicated process orientation has correlated with visionary leader, process standard, people orientation; commitment and customer focus have weak association.

As the correlation data shows Process standard has weak association with communication, people orientation, commitment and customer focus. This data shows people orientation has weak association with Visionary leader, communication, empowerment, commitment and customer focus. The data shows Commitment has strong association with Visionary leader, communication and customer focus whereas Commitment has medium association with

empowerment and process orientation; meanwhile commitment has weak association with process standard and people orientation. This data implies Customer focus has strong association with communication and medium association with Visionary leader and empowerment; whereas process orientation, process standard and people orientation have weak association with Customer focus.

The above correlation shows the data implies Work Attitude has weak association with Employee skill, Cost saving, Profit Generated, Technical Outcome and Social Outcome. This data indicated that Employee skill has medium association with Technical Outcome and profit generated whereas Cost saving and Social Outcome has weak association with Employee skill. That the data shows that profit generated has medium association with Cost saving. And that the implies profit generate has medium association with Technical Outcome and Social Outcome.

Finally Technical Outcome (r = (0.77) has strong association with Social Outcome. Commitment r = (0.72) with customer focus r = (0.80). Communication r = (0.716). Have strong association each other Visionary leader r = (0.75). With Communication r = (0.716). Customer focus r = (0.65). With Communication r = (0.716). Have strong association each other and the other variables have from weak up to medium association.

## **5.1.3** Summary of Technical, Success and Performance Factors

The data shows that the Technical Factor  $(r = (.47) \text{ Success Factor } (r = (.393) \text{ this data shows have positive correlated with Performance Factor by medium association. Mean while Technical Factor <math>(r = (.545) \text{ and Performance Factor } (r = (.393) \text{ this data shows have positive correlated with Success Factor within medium association.}$ 

## 5.1.4. Summary of Regression

Simple regression was conducted to how well success factors in Ethiopian management institute predict technical factors. The result was statistically significant F(1,157) = 66.279, p = 0.000. The identified equation to understand this relationship was technical factor = 1.53 + 0.63(success factor) + 0.08. The adjusted R square 0.29. This indicates that 29% of the variance in technical factor is explained by Success Factor.

#### 5.1.5 Conclusion

The Kaizen principles and techniques has been implementing in Ethiopia Management Institute; not only to speed up the service sector performance but also to transform the social and technical aspects of the sector as well as the nation. And measured by linker scale from 1-5 that are strongly disagree, disagree, moderate, agree and strongly agree that the result indicated minimum result above 3.6 whereas maximum result above 4.00 so this result should take as an a better practiced.

The objective of this study was to assessing the level of Kaizen implementation, on organizational performance major achievements, challenges and to explain the impact of Kaizen implementation on success factors, technical factors for kaizen and performance factors grouped. Based on study encouraging findings were relevant evidenced from the effect of Kaizen implementation in Ethiopian Management Institute. These achievements and challenges are in short:

From success factors perspective: top Management Commitment, Training, Cultural Change, Visionary Leadership, Communication, Processes orientation, Processes standard, and People orientation are better practiced in the institute. And from technical factors perspective: Visual management, 5s Concept, Discipline, Continuous and incremental Improvement are better practiced in the institute. Whereas from performance factors perspective: Social system Out Come; Technical system Outcome; Employees work attitude, Skill, are better practiced in the institute. Meanwhile there are best practiced from among three main perspective factors these practices are:

- ❖ That the study result indicated that the success factors that employee empowerment and customer focus are the best practiced from other success factor variables in the institute.
- ❖ That the study shows that the technical factors that Kaizen Principles and Team work are the best practiced from other technical factor variables. Whereas
- ❖ That the performance factors indicated the operation cost saving and profit generate are the best practiced from other performance factor variables. Finally as a result indicated among the three main factors Technical Factors and Performance Factors are the best practiced in the institute. Therefore other public organization should take as a good practical experienced for their practice.

The institute faced many challenges those are:

- Lack of work attitude, skill, and lack of knowledge about kaizen principles, techniques and tools.
- Misconception of interest to accept and implement kaizen for the first starting year in the institute. Because kaizen is change tool and new philosophy in Ethiopia especially in service sector.
- Leadership system was traditional before starting kaizen and other change tools.
- Lack of awareness about kaizen and benefit of kaizen in service sector. But the institute trying to solving all challenges step by step by identified bottleneck of the challenges to implement kaizen with aligned people oriented; process oriented, process standard, kaizen automation and giving programed training for all institute management members and employees.

#### **5.1.6 Recommendation**

This study proposes some recommendations for institute, other public organization and practice, policy makers it is very important for service provider of public organization in Ethiopia to adopt kaizen practices for the purposes of improving their service operations performance and will give them a competitive edge/advantage in the global market. Accordingly kaizen a new philosophy and tools for Ethiopia especially in service sector: the institute has achieved as indicated on conceptual model in this study from perspective of success factors; technical factors including kaizen principles and organizational performance are better practiced in the institute.

- As a result indicated the institute should be improved from better practiced level to best practice level; by prepared strong planed; key performance indicator (KPI).
- ➤ Institute should have monitoring and measurement system with aligning from top management up to workers in the following aspects: From success factors perspective: top Management Commitment, Training, Cultural Change, Visionary Leadership, Communication, Processes orientation, Processes standard, and People orientation.
- ➤ And from technical factors perspective institute should focused Visual management, 5s Concept, Discipline, Continuous and incremental Improvement.
- ➤ Whereas from performance factors perspective: Social system Out Come; Technical system Outcome; Employees work attitude are needed improve mental action. Therefore the institute should be used this studied result as a good experienced and to improve from better practiced level to best practice level.

The institute should become involved through well designed programs in promotion of kaizen practices such as to increased service and productivity for better utilization of resources most of which are scarce in the developing countries. This can be achieved by integrating the institute, kaizen institute and government giving support to organizations like JICA and which are involved in promoting Japanese kaizen practices worldwide.

The limited adoption of kaizen in the institute aligned with service is mainly due to the limited knowledge on kaizen principles, techniques, tools, work attitude and its effectiveness by the institute management and employee. This scenario should be engaged by having kaizen

promotion and activities across all sectors of the economy by all service industry players including public and private sector through sect oral organizations such as Ethiopia Management Institute (EMI) other the government organizations through the concerned ministries.

Therefore regarding the prospects of Kaizen program implementation in view of the EMI achievement. The Ethiopian Kaizen Institute (EKI) is the only institute responsible for the implementation of kaizen program in Ethiopia. The Institute, with its current capacity, reaching all the federal, regional and private manufactures and service sectors were unlikely:

- ❖ The Institute should work closely with stakeholders and partners
- ❖ The Institute should open similar institutes in regions as needed
- ❖ Introduce more Kaizen in to the Technical Vocational Education and Training (TVET) system.
- ❖ Introduce more Kaizen at the universities level.
- ❖ By using different media, journals, Bulletin and different social Medias the Institute should create national awareness of about Kaizen.

Meanwhile event follow up procedures do not guaranteed the sustainability of outcomes, a full-length of survey of Kaizen team members and the establishment of control mechanisms to observe sustainable development is crucial. Therefore, to document and monitor the availability of continuous improvement at EMI a time series study is helpful.

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## **APPENDIX A**

# ST. Marry University School of Graduate Studies Institution of Quality and Productivity Management

The effect of kaizen Implementation on Organizational Performance of Service provider public institution: The case of Ethiopian Management Institute.

## **Questionnaire for employees**

Dear respondent

My name is Geteye Terfie, a graduating class student of Quality and Productivity Management at Saint Mary's University. Currently, I am doing a thesis on the effect of kaizen Implementation on Organizational Performance of Service provider public institution the case of Ethiopian Management Institute. The purpose of this questionnaire is to obtain information based on your personal view, on how kaizen implementation effect your performance and the challenge encounter up on implementation:

The quality of the result is in this research based on accuracy of the information you provided. This research work is for academic purpose only. So the research will assure the information provide is going to be communicated anonymous. I appreciate and thank for all the accurate reflections you provided.

If you have any comment or questions please contact Geteye Terfie (<a href="mailto:getrakieb2016@gmail.com">getrakieb2016@gmail.com</a>) or 09-11-58-42-60/09-13-42-46-32

Thank you in Advance for your help in this important research.

| Part one: | Demographic | Characteristics | of Respondents |
|-----------|-------------|-----------------|----------------|
|           |             |                 |                |

| I.   | Gender Male          | Female_          |                  |                  |           |
|------|----------------------|------------------|------------------|------------------|-----------|
| II.  | Age from 18          | _29 30           | 45 46            | 60 and 60+       |           |
| III. | Level of education:  | High school grad | uate and below _ | Diploma          | _ Highest |
|      | level of Educational | first degree     | second degr      | ee: third degree |           |

| IV.    | Years of kaizen started and current implementation position |
|--------|---|
| V.     | Your work experience in the institute and Your department   |
|        | /position   |
| v. Ave | rage monthly income   |
| vi. Ma | rital status: Single Married Divorce Widowed                |

# **APPENDIX B**

Part two: Substantive Section within linker system

NB: strongly disagree represent 1 disagree 2 moderate 3 agree 4 strongly agree 5 please circle and give your response on the space provided that the best describe your answer.

| no | Item   | 1 | 2 | 3 | 4 | 5 |
|----|--|---|---|---|---|---|
| 1  | How do you rate the level of top management              |   |   |   |   |   |
|    | commitment.  |   |   |   |   |   |
| 2  | The level of on kaizen training and cultural change.     |   |   |   |   |   |
| 3  | To what extent visionary leadership is well organized.   |   |   |   |   |   |
| 4  | To what extent the level of visionary leadership in your |   |   |   |   |   |
|    | institute.   |   |   |   |   |   |
| 5  | To what extent communication within internal & external  |   |   |   |   |   |
|    | customers.   |   |   |   |   |   |
| 6  | How do you rate the level of communication in your       |   |   |   |   |   |
|    | institute.   |   |   |   |   |   |
| 7  | To what extent the level of for the internal & external  |   |   |   |   |   |
|    | customers focus.   |   |   |   |   |   |
| 8  | To what extent of empowerment and involvement in         |   |   |   |   |   |
|    | kaizen implementation.                                   |   |   |   |   |   |
| 9  | How do you rate the level of workers involvement in      |   |   |   |   |   |
|    | kaizen decision making.                                  |   |   |   |   |   |

| 10 | To what extent of processes orientation in your institute. |  |  |  |
|----|--|--|--|--|
| 11 | To what extent the level of processes orientation in your  |  |  |  |
|    | institute.   |  |  |  |
| 12 | To what extent of processes standard by kaizen             |  |  |  |
|    | implemented in EMI.  |  |  |  |
| 13 | How do you measure the level of processes standard in      |  |  |  |
|    | your institute.  |  |  |  |
| 14 | To what extent of people orientation in your institute.    |  |  |  |
| 15 | How do you measure the level of people orientation in.     |  |  |  |
|    | your institute.  |  |  |  |
| 16 | To what extent of visual management and organizational     |  |  |  |
|    | performance.   |  |  |  |
| 17 | What the level of practice of visual management in your    |  |  |  |
|    | institute.   |  |  |  |
| 18 | To what extent the concept of 5s system in your institute. |  |  |  |
|    |  |  |  |  |
| 19 | How do you rate the level of 5s system implementation in   |  |  |  |
|    | your institute.  |  |  |  |
| 20 | How do you rate the level of kaizen principles.            |  |  |  |
| 21 | To what extent understanding of teamwork benefits in       |  |  |  |
|    | your institute.  |  |  |  |
| 22 | To what extent the level of building teamwork culture and  |  |  |  |
|    | benefits.  |  |  |  |
| 23 | To what extent the employees and leaders are well          |  |  |  |
|    | disciplined.   |  |  |  |
| 24 | To what extent the level of employees and leaders are      |  |  |  |
|    | well disciplined.  |  |  |  |
| 25 | To what extent the level of understanding of continuous    |  |  |  |
|    | improvement in EMI.  |  |  |  |
| 26 | To what extent the level of continuous and incremental     |  |  |  |
|    | improvement in EMI.  |  |  |  |

|    | improvement  |  |  |  |
|----|--|--|--|--|
| 27 | How do you rate the kaizen social outcome.                 |  |  |  |
| 28 | How do you rate the kaizen technical outcome.              |  |  |  |
| 29 | To what extent employees work attitude kaizen in EMI.      |  |  |  |
| 30 | How do you rate the level of employees work attitude in    |  |  |  |
|    | EMI.   |  |  |  |
| 31 | To what extent the employees skill kaizen in               |  |  |  |
|    | implemented.   |  |  |  |
| 32 | How do you rate the level of employees skill within        |  |  |  |
|    | kaizen in EMI.   |  |  |  |
| 33 | To what extent achievement based on employees skill and    |  |  |  |
|    | kaizen within EMI.   |  |  |  |
| 34 | To what extent the achievement of financial performance    |  |  |  |
|    | by the effects of kaizen implementation in your institute. |  |  |  |
| 35 | To what extent the achievement of the operational cost     |  |  |  |
|    | saving in EMI.   |  |  |  |
| 36 | How do you rate the level of achievement of profit         |  |  |  |
|    | generate in EMI.   |  |  |  |
| 37 | To what extent the organizational culture and employees    |  |  |  |
|    | work attitude based on kaizen implemented in EMI.          |  |  |  |
| 38 | To what extent kaizen outcomes and sustainability in your  |  |  |  |
|    | institute.   |  |  |  |
| 39 | To what extent the level of kaizen sustainability in your  |  |  |  |
|    | institute.   |  |  |  |
| 40 | How effects kaizen implementation in ensuring              |  |  |  |
|    | organizational performance.                                |  |  |  |
| 41 | How do you rate the level of organizational performance    |  |  |  |
|    | in EMI.  |  |  |  |

# **APPENDIX C**

# Part three: Qualitative questions

| What type of principles of kaizen applied the institute? processes orientation principle  processes standard principle people orientation principle teamwork and discipline All of them |
|---|
| 2. What type of kaizen tools implemented practices did you have in your institute ? 5s waste eliminating quality control circles visual managementALL of them                           |
| 3. Do you think you and your colleagues have relevant knowledge of continuous improvement?  |
| I. Yes No I don't know  If your answer for question 3 is no or I don't know please specific the reason.   |
| 4. Do you think kaizen implementation is sustainability in your institute?  I. Yes No   |
| If your answer for question 4 is no please specific the reason.   |
| 5. Do you have understanding of continuous improvement and you are part of kaizen implementation in your institute?   |
| i. Yes No  If your answer for question (5) is no please specific the reason?  |
| 6. Do you have enough training on kaizen philosophy and implementation in your institute?   |
| I. Yes No  If your answer for question number (6) is no please specific the reason?   |
| 7. Do you think is there organizational performance based on kaizen implementation within   |

financial and employee's performance in your institute?

| I.       | Yes _       | N          | o  |
|----------|-------------|------------|--|
| If your  | answer fo   | r question | number (7) is no please specific the                               |
| reason?  | )           |            |  |
| 8. In yo | our views t | here was v | well organized experience during kaizen implementation?            |
| I.       | Yes         | No         | _ If your answer for question number (8) is no please specific the |
|          | reason?     |            |  |
| If you h | nave other  | comment    | about your experience with kaizen, please include in the back this |
| page.    |             |            |  |

#### APPENDIX D

# PART FOUR INTERVIEW FOR EMI DIRECTOR GENERAL AND DIRECTORATES DIRECTOR ON THE OVERALL KAIZEN PROGRAM IMPLEMENTATION PROCESSES AND OUTCOMES ATTAINED.

- 1. What was the level of top management commitment, training and cultural change in EMI.
- 2. To what extent influenced and well organized kaizen implementation.
- 3. The leadership is committed, employee's opinions and suggestions are given in to consideration in your institute.
- 4. To what extent the role of top management in kaizen implementation process, of, evaluate measure and manage processes orientation, processes standard and people orientation within visual management?
- 5. To what extent the coordination, communication and integration of kaizen implementation within employees and stakeholders?
- 6. How was kaizen event organized to conduct within employee work attitude, skill and kaizen outcome, social system outcome in the EMI?
- 7. How do you measure the level of internal and external customer focus?
- 8. What type of kaizen principles, tools/techniques practice have you applied in your institute? Does the institute undertake continuous monitor and evaluation? If yes what was the outcomes register and gaps identified?
- 9. Would you please mention major achievement and failure as a result of kaizen implementation? would you explain details on which and why kaizen implementation is challenged within institute?

| 10. To what extent human resource policies in the institute for employees motivation, |   |
|---|---|
| encouraging with/without incentive ? a. if yes please mention the policies            | b |
| if no what do you think the reason behind?  |   |

- 11. Do you have well established top management committed within visual management and setup processes orientation, processes standard and people orientation for organizational performance overall in your institute?
- 12. what's the level of kaizen implementation effects in ensuring organizational performance and sustainability of kaizen implementation?
- 13. what are the major challenges during kaizen implementation and what solution would you suggest for the challenges kaizen implementation finally what mechanisms do you suggest to sustainable kaizen implementation and outcomes?

#### **APPENDIX E**

## Part five: Interview guiding question for EMI change tools/kaizen unit

- 1. How was effective the institute in implementing kaizen management philosophy across the service sector?
- 2. How was the process/steps of kaizen program implementation and how did you evaluate and measure top management commitment within visual management, including processes orientation, standard and people orientation taking time particularly in EMI?
- 3. How do you see the contribution of kaizen program implementation from the traditional management system and how do you measure the level of communication, customer focus?
- 4 how do you measure the level of coordination, monitoring and evaluation of kaizen intervention? If yes what are the outcomes register and gap identified in the institute?
- 5. how do you evaluate and measure the outcomes of kaizen program implementation in the institute? If yes what are the outcomes registered in the institute?
- 6. To what extent the level of empowerment and involvement to come up the attitude of employees towards the new work culture? If yes what are the new work cultures due to kaizen implementation?
- 7. what are the major achievements and failure as a result of kaizen implementation in the institute?
- 8. what's measurable achieved are realized and what type of non- measurable achievements are realized?
- 9. what mechanisms do you suggest to sustainable kaizen implementation and outcomes?