Experience of Kaizen in Ethiopia and the way forward

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1. Introduction
2. Concepts of Quality and Productivity
3. Quality/Productivity in Ethiopia
4. Kaizen in Ethiopia and Africa
5. A Way Forward
6. Conclusion
Key Statistics of Ethiopia (2010)

- Land Area: 1,106,000 sq km.
- Population over: 80 million

Contribution of sectors to the GDP growth:

- Agriculture: 41.5%
- Industry: 13.3%
- Service sector: 46.9%
1. Introduction

- Ethiopia has registered successive development in the past five years at about 10% per year.
- The Government of Ethiopia planned to sustain the growth and increase the contribution of industrial sector from 13.3% in 2010 up to 19.1% in 2015.
- Quality and productivity improvement are considered as a means to achieve the plan.
2a. Concept of Quality

- Reducing variation – Deming
- Fitness for purpose – Juran
- Conformance to requirements – Crosby

Exceeding customers expectations!!
The central idea lays on customer, because:

- Today is the customer economy.

- Customer has upper hand.

  - Lowest price, highest quality and best services are the standards of customer satisfaction.
At the heart of quality movement, there are **two simple aims**, they are:

- **Make things right the first time and every time.**
- **Work for continual improvement.**
If Quality (KAIZEN) is introduced and managed correctly, will:

- Eliminate waste
- Cut inventories
- Improve customer satisfaction and
- Enhance profitability
2b. Concept of Productivity

“Productivity is a state of mind... an attitude that seeks the continuous improvement of what exists. It is a conviction that one can do better today than yesterday and that tomorrow will be better than today.”

European Productivity Agency (1959)
“Productivity is an attitude of mind that strives for and achieves the habit for improvements, as well as the systems and the set of practices that translate the attitude into action”

National Productivity Board, Singapore
3. Quality/Productivity in Ethiopia

- There were and are sporadic efforts to promote quality/productivity in Ethiopia.
  - Government
  - Ethiopian Quality Award Organization
  - National Association of Ethiopian Industries
  - Ethiopian Society of Industrial Engineers
  - International development partners
  - Private quality promoters
Government’s effort

- Related to quality:
  - Ethiopian Standard Institute
  - Ethiopian Authority for Standardization
  - Quality and Standard Authority of Ethiopia
  - Quality Infrastructure
- Productivity improvement center
- Civil Service reforms
International development partners

- GiZ - Quality infrastructure
- JICA - Kaizen
4a. Kaizen Activities in Ethiopia

- Prime Minister Meles requested - July, 2009:
  - Advice on Ethiopia’s industrial development strategy, from East Asian perspectives.
  - How to stimulate private sector dynamism? How to enhance the policy of the private sector?

- JICA-GRIPs team responded:

  “National Movement for Mindset Change!”
Accordingly, framework of study for Kaizen was designed (from October, 2009 to May, 2011) with three phases.

Phase 1 (2009): Preparatory work
Phase 2 (2010): Implementation of pilot project
Phase 3 (2011): Kaizen unit start performing diagnosis & guidance

All the three phases are completed on time.
In 2009

- JICA and MOTI agreed the study on Kaizen
- KU (Kaizen Unit) formed under MOTI
- Kaizen Project launched

In 2010

- Lessons from African countries that implemented Kaizen
- Training and Seminars were conducted
- Kaizen implementation commenced in 1st batch companies
- Kaizen high level forum carried out
- Performance evaluation of implementers’ carried out.
In 2011

- 2\textsuperscript{nd} batch implementation of Kaizen commenced
- Kaizen manual prepared and it is under pilot testing
- Kaizen high level forum carried out
- Kaizen Audio-visual materials have been prepared
- Kaizen dissemination plan has been proposed
- Kaizen Library formed and equipped
- EKI institutional design
Kaizen implementation project constitutes:

- Organizing of Quality Control Circle (QCC)
- 5S implementation
- Operation Standard and Time Study
- Elimination of wastes (MUDAs)
General benefits obtained from the Kaizen projects were:

- Capacity utilization improvement
- Profits improvement
- Waste minimization
- Costs reduction
- Down time minimization
- Cycle time reduction
Some of **qualitative results** obtained are:

- Clean working environment created
- Teamwork and motivation of workers developed
- Health and occupational safety of workers improved
- Knowledge obtained on how to meet delivery & reduce costs

Some of **quantitative results** obtained are:

- Reducing costs - ETB 78,000 per annum
- Generating additional income of ETB 1.2 million per year.
- Decreasing downtime ETB 204,000 per day
- Reduction of floor space around 50%
Challenges faced in the kaizen implementation process were:

- Power is very much concentrated in the hands of top managers
- Workers motivation to improvement and change in the organizations were limited
- Awareness creation among the management and employees took much time
National dissemination of kaizen activities in Ethiopia may require:

- Kaizen needs to be publicized as a national movement
- Create enabling environment for Kaizen dissemination
- Create Kaizen day/month
- Establish Kaizen award
- Human resource development through training
- Customization of the Kaizen guidance methodology
- Standardization of Kaizen consultancy
- Integrate Kaizen in all educational systems
- Synchronization of the GTP with Kaizen projects
4b. Kaizen in Africa

- Currently, four organizations are considered as vital to spread Kaizen method in Africa.

  - Kaizen institute
  - JICA
  - APO
  - ILO
- The efforts are very limited

- However, competitiveness of Africa is still very low
### Global Competitiveness Index (GCI) - Selected Countries

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World Map Based on Population
World Map Based on Development
The need to integrated movement of quality/productivity in Africa are:

- To maximize resources utilizations
- To facilitate successful experience sharing
- To conduct joint research
- To accelerate the movement of quality/productivity
5. A way Forward

- Quality and Productivity improvement is a global agenda.
- Kaizen has become a global activity spread by multinational companies and their employees to improve quality and productivity.
- However, propagation of Kaizen in Africa is still very low due to the limited number of players who bring the practice and excellence.
Establishing **Pan African Kaizen Initiatives Institute (PAKII)** will be a remedy to the challenges faced by African countries.
What would be the objectives of PAKII?

- To serve as a focal point for promoting quality and productivity improvement (Kaizen) in Africa.
- To disseminate Kaizen activities and concepts to all African countries.
- Networking, sharing, harvesting ideas and learn with peers to each other in all African countries.
- Discuss common issues and solutions in African context.
The establishment of PAKII

- It is important to create a conducive environment for PAKII that will enable it to coordinate and participate all African countries.
- PAKII would work in cooperation with AU and other African institutions that would enable to achieve its objectives.
6. Conclusion

- Currently, the leadership in Ethiopia has recognized the need for attitude change in working culture and established the Ethiopian Kaizen Institute (EKI).
- It is high time to keep the momentum.
- African’s integrated action (PAKII) for quality/productivity improvement in an organized way will significantly accelerate the movement’s success.
Thank you