Overview of National Movement for Quality and Productivity Improvement: Experiences of Selected Countries in Asia and Africa

Izumi Ohno, GRIPS Development Forum

May 2011 (@Addis Ababa)

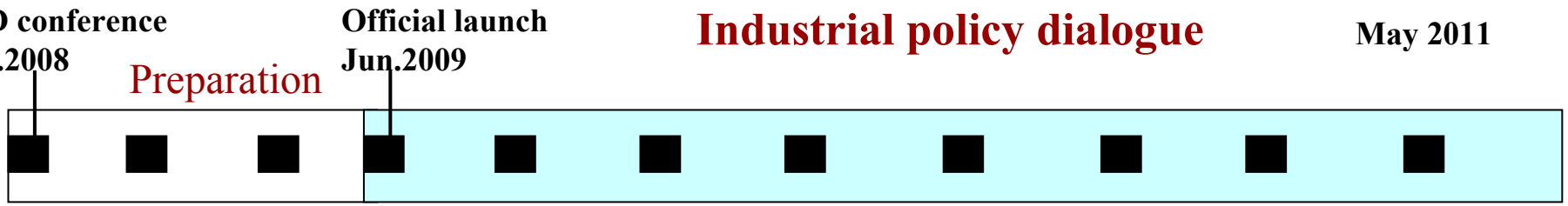
Ethiopia-Japan Industrial Policy Dialogue (2009-2011)

- Request from Prime Minister Meles: July 2009
  - Advice on Ethiopia's industrial development strategy, from East Asian perspectives
  - Frank exchange of views, through regular policy dialogues
- JICA-GRIPS team has responded to his request
  - By sharing concrete, hands-on information on EA experiences and by discussing implications for Ethiopia's industrial development strategy
- Additional question from Prime Minister: Sept. 2009
  - How to stimulate private sector dynamism? How to enhance the policy response capacity of the private sector?

➔ **Our tentative answer**

National Movement for Mindset Change !

JICA-GRIPS Industrial Policy Dialogue with Ethiopia (2009-2011)



Topics: development regime, *kaizen*, import substitution, metal processing, policy documents, organizations, PASDEP/GTP, etc.

Interim Report

Final Report

Note: black squares indicate policy dialogue in Addis Ababa with (i) Prime Minister, (ii) concerned Ministers, and (iii) operational levels.

Industrial support projects

Kaizen (30 pilot firms)

Basic metal & engineering industries study
(With ECBP)

Institutionalization of *kaizen*

Other projects

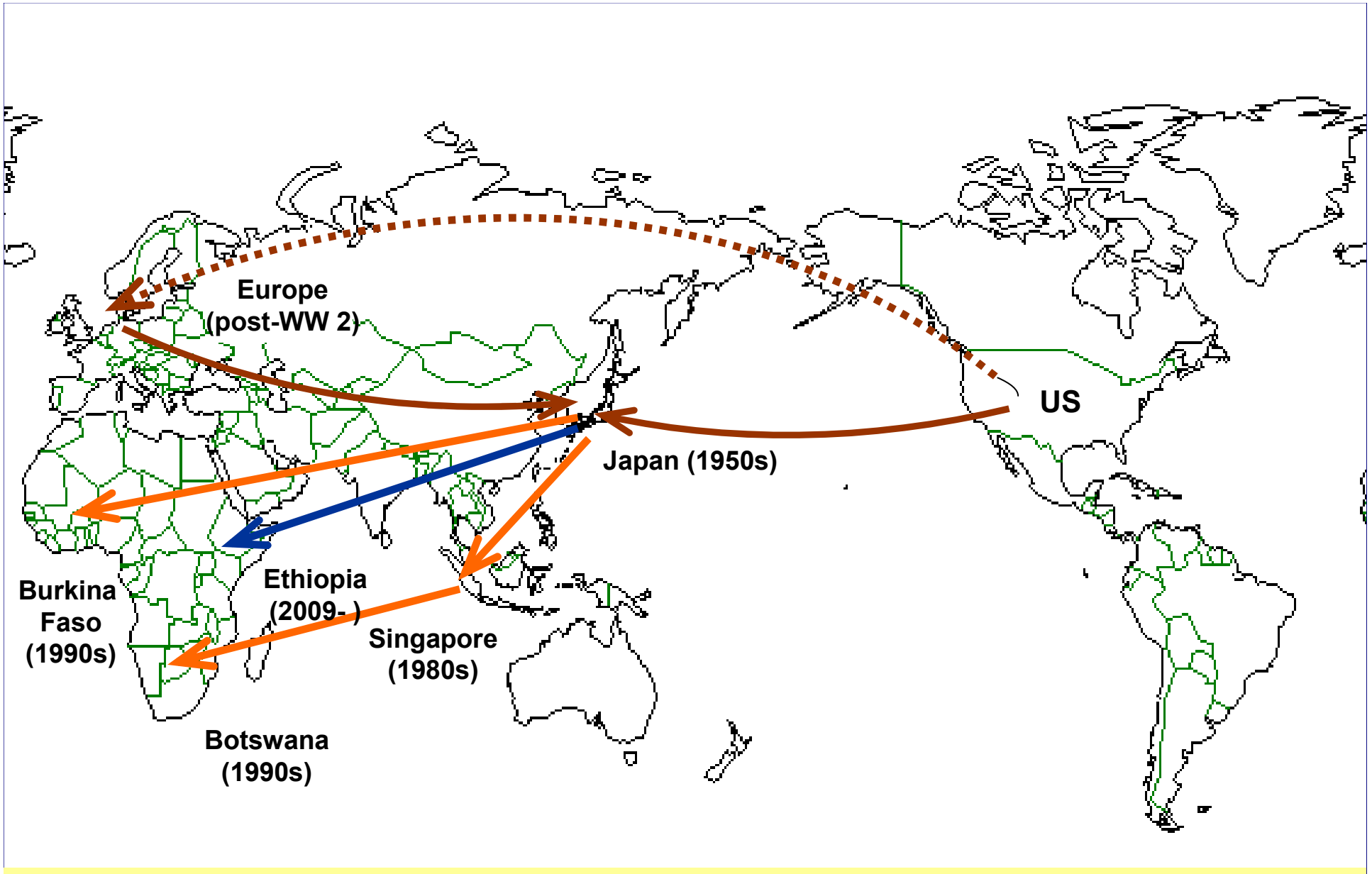
National Movement for Mindset Changes

- Many developing countries suffer from weak private sector response:
  - Firms are too passive, waiting for customers or official support
  - Workers do not learn skills; job hopping is rampant
  - Short-term speculation is preferred over long-term investment in manufacturing technology
- If mindset does not change spontaneously, state may have to force it from the top until it becomes part of national culture.
- Forced movement is a double-edged sword. Some countries succeed brilliantly, but others fail. It must be designed with knowledge and care.

➔ **This presentation will focus on National Movement on *Kaizen* (Quality and Productivity Movement)**

Outline of Presentation

1. Factors for successful Quality and Productivity Movement
   - Overview of experiences in Asia and Africa
2. Examples of selected countries
   - Japan's quality and productivity (*kaizen)* movement (1950s-)
   - Singapore's productivity movement (1980s-), with Japanese assistance
   - Burkina Faso's QC Circles movement (1990s-), with WB/Japanese assistance
   - Botswana's productivity movement (1990s-), with Singaporean assistance
3. Lessons and implications for Ethiopia's *kaizen* institutionalization



Quality and Productivity Movement:

Experiences of Selected Countries in Asia and Africa

Factors for Successful Quality and Productivity Movement

National movement is not just a few projects; it is a comprehensive drive with strong passion and deep commitment, involving everyone from top to bottom and taking a decade or more to accomplish.

- Strong personal commitment of top leader
- Establishment of core organization(s) responsible for quality and productivity improvement
- Massive campaign (for **mindset change**)
- Supporting institutions and mechanisms at central and local levels
- Authorized and standardized training programs and materials for those concerned
- Developing private sector capability, esp. fostering private, productivity management consultants

Country-Specific Factors

- Drivers of Quality and Productivity Movement
  - Political drive is absolutely necessary, but economic incentives are crucial to sustain the movement
  - Examples: domestically-driven (e.g., export drive of resource-poor countries), externally-driven (e.g., FDI demanding local companies for high-quality production capability)
- Degree of private sector dynamism
  - Private sector capability in initiating, scaling-up, and sustaining the movement
  - Absorptive capacity of new technologies, incl. educational and training levels of general workforce
- Level of technologies (depend on stages of development)
  - Basics (5S, QC Circles, etc.)
  - R&D, technological innovation

Overview of Quality and Productivity Movement (1): Factors for Success

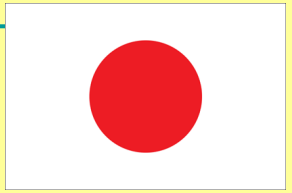
	Japan	Singapore	Burkina Faso	Botswana
Leadership	○	○	△	△
Core organization(s)	○ (private)	○ (public)	△/× (public➔ private)	△ (public)
Supporting institutions (central and local levels)	○	○	△ (fragmented)	△
Massive campaign	○ (national movement)	○ (national movement)	△ (partial)	△
Training programs and materials	○	○	△ (not updated)	△
Fostering private sector capability (productivity mgt. consultant)	○	○	×	×

Overview of Quality and Productivity Movement (2): Country-Specific Factors

	Japan	Singapore	Burkina Faso	Botswana
Drivers of productivity movement	Strong ▪Domestic ▪Need for export drive (resource-poor country	Strong ▪Domestic + External ▪Perceived poor work ethics ▪Need for FDI attraction (resource-poor country)	Moderate ▪Domestic + External ▪Need to enhance supply-side response during SAP	Moderate ▪Domestic ▪Perceived poor work ethics ▪Need for economic diversification (resource-rich country)
Degree of private sector dynamism	Strong ▪Private sector-led national movement	Moderate ▪Govt.-led national movement	Weak ▪Govt.-initiated movement	Weak ▪Govt.-initiated movement
External support	US & Europe	Japan	WB/Japan	Singapore

SAP: Structural Adjustment Program

Japan: Main Points



- Sense of urgency for industrial catch-up (after WW 2 devastation), by exporting manufacturing products
- Private sector took initiative to create core organizations for quality and productivity improvement
  - Strong leadership of top management of private organizations
  - Central and local-level networks for mass participation
- Collaborative relationships among govt., industry, and academia / within factories (btw. managers and workers)
- Absorptive capacity of companies to adopt and develop new technologies (incl. managers, engineers, and workers)
- Various national systems established to support quality and productivity improvement

Japan: Core Organizations for Quality and Productivity Improvement

Japan Productivity Center (JPC)

- Established in 1955 as a public-interest foundation; received US support during 1955-61
- Tripartite collaboration: govt., business, and labor unions
- Main role: productivity improvement (leading Productivity Movement)

(➔supporting Singapore's Productivity Movement under JICA project)

Union of Japanese Scientists and Engineers (JUSE)

- Established in 1946, as an incorporated foundation
- Main role: quality improvement ("Deming Prize", QC Circles)

(➔supporting Burkina Faso (QCC) under WB/Japan PHRD fund project)

Japan Management Association (JMA)

- Established in 1942, as an incorporated association
- Main role: *noritsu* (efficiency) improvement, management innovation

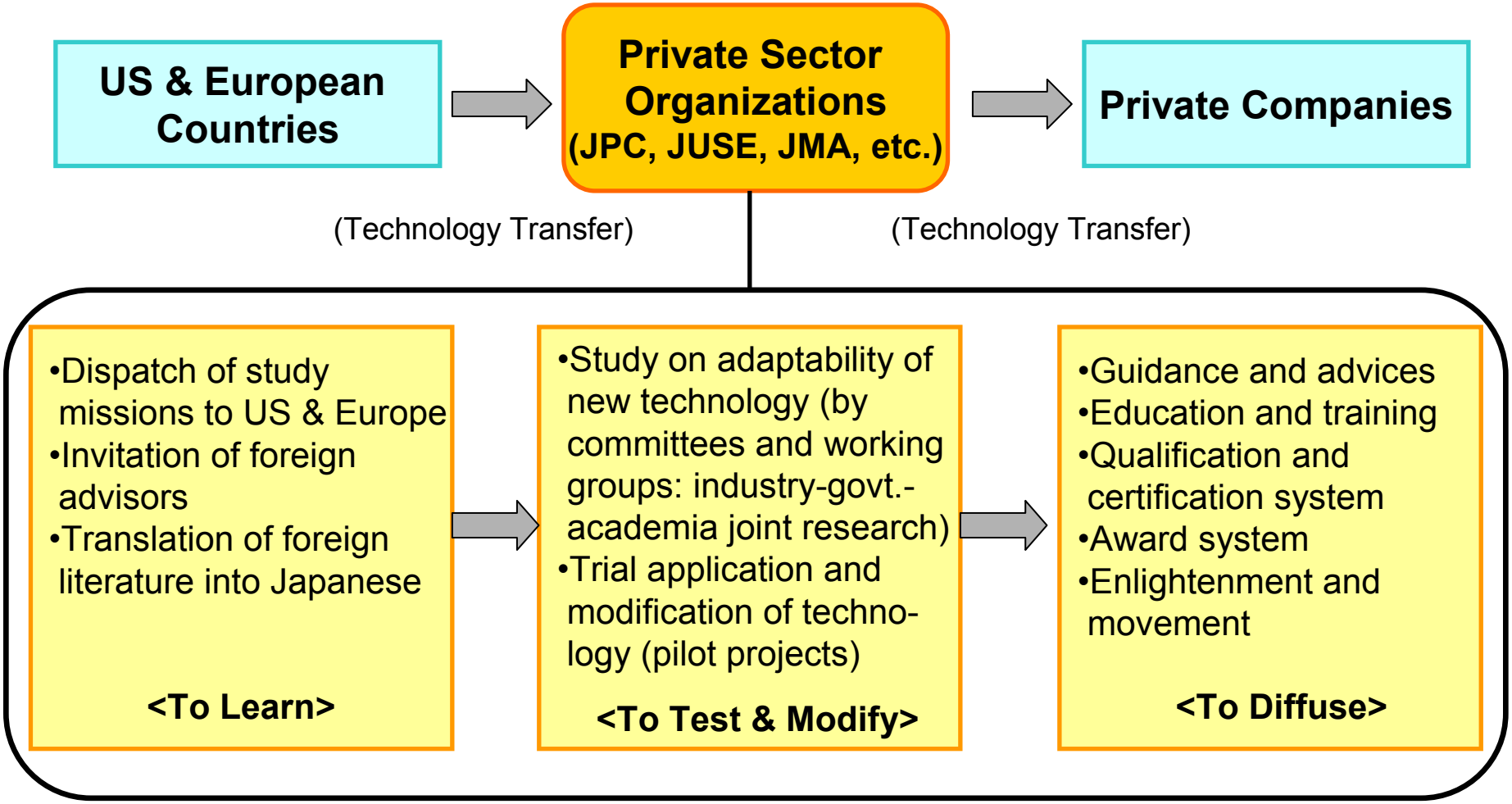
Japan Productivity Center (JPC): 1955-

- In 1951, Mr. Goshi (who later became the first chairman of JPC) visited Europe as a member of Keizai Doyukai mission and learned Productivity Movement.
- Mr. Goshi was convinced of the need for Productivity Movement in Japan, and invited other major business organizations to jointly establish JPC.
- Govt. also recognized the need for JPC. In 1954, the Cabinet adopted a policy for productivity improvement.
- MITI Enterprise Bureau planned to set up a productivity organization. But, business leaders insisted that JPC be a private organization.
- In 1955, JPC was established, funded by both public and private sectors. Govt. will not interfere into JPC financial and personnel matters.
- Govt.-business coordination committee was established, chaired by a private sector representative and attended by vice ministers and JPC-selected private sector members.

Union of Japanese Scientists and Engineers (JUSE): 1946-

- Promoting the concept and techniques of quality control (QC) and statistical quality control in Japan.
  - Invited Drs. Deming and Juran (prominent American experts) for lecturers and seminars on statistical quality control methods and quality management, in 1950 and 1954 respectively.
  - Established “the Deming Prize” in 1951: award ceremony broadcasted on TV every year.
  - Established the Quality Control Research Group, composed of academic institutions, industry and govt.
- The QC movement introduced at the workshop level in the 1950s was developed into QC Circles by the 1960s.
  - QC Circle Center and grass-root activities (Regions, Chapters)
- Promoted QC activities by broadcasting training programs on radio/TV and publishing journals.

Role of Private Sector Organizations in Introduction, Development and Diffusion of Foreign Technologies



Source: Adapted from Tsuyoshi Kikuchi "The Roles of Private Organizations in the Introduction, Development and Diffusion of Production Management Technology in Japan" (original paper published in the Bulletin of the Graduate School of International Cooperation Studies No. 4, 2011, Takushoku University).

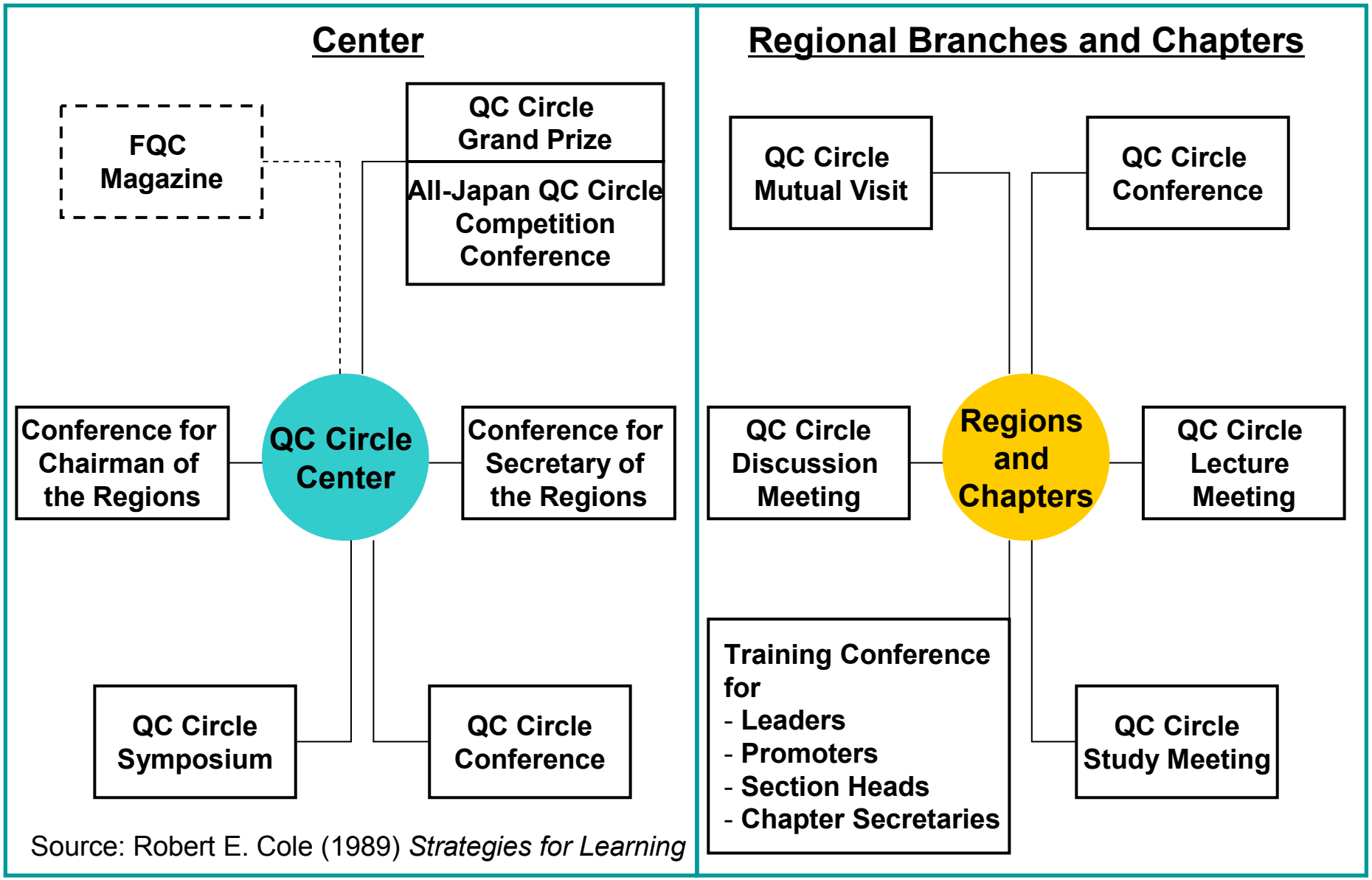
Trend of Study Missions Abroad by JPC (1955-60)

- A number of study missions were sent abroad and their findings were disseminated widely (organized by top management, industry-specific, specialization, labor unions, SMEs, etc.)

Fiscal year	Missions No.	Participants No.	o/w SMEs		Mission briefings	Participants (Mission briefings)
			Missions No.	Participants No.		
1955	15	174	5	58	33	10,020
1956	27	307	0	0	130	33,960
1957	43	430	4	46	180	27,420
1958	62	652	12	141	98	12,177
1959	75	749	13	137	74	7,894
1960	84	821	15	154	11	1,740
Total	306	3,133	49	536	526	93,211

Source: *History of Trade and Industry*, Vol. 6, Edited by the Ministry of Trade and Industry (original data come from various reports of the Japan Productivity Center)

Central and Local Level Networks of Japanese QC Circle Activities (JUSE)



Source: Robert E. Cole (1989) *Strategies for Learning*

Establishment of Various National Systems

- Mutually reinforcing, comprehensive approach
- Various national systems were established, to support the efforts for quality and productivity improvement
  - Standards system (JIS: Japan Industrial Standards)
  - Public research organizations (local-level testing and research centers to meet the industrial needs of local communities)
  - Export inspection system
  - *Shindan* system (SME management consultant system), etc.

Singapore: Main Points

- Singapore is a successful example of govt.-led Productivity Movement. It now offers consultancy to developing countries.
- In the early 80s, the govt. launched Productivity Movement, aiming at ***mindset change*** at all levels. Unlike Japan, the core organization was established by the govt.
- Productivity Movement was introduced to not only the business, but also the public sector.
- JICA assistance from 1983 to 1990 (JPC experts)
- Key factors for success:
  - Strong personal commitment by Prime Minister
  - Massive campaign for awareness raising; later combined with company-based consultancy
  - Tripartite cooperation among the govt., industry, & labor unions
  - Producing private consultants from JICA trainees by installing proper system and incentives

History of Productivity-related, Core Organizations

Period	Organization	Remarks
1964	**Productivity Unit**, within Economic Development Board (EDB)	**65**:Charter for Industrial Progress, Productivity Code of Practice
1967-72	**National Productivity Center** - Autonomously-run division under EDB	**71**:Tripartite Interim Committee (to prepare NPB)
1972-95	**National Productivity Board (NPB)** - Statutory body, initially affiliated with Ministry of Labor and later with Ministry of Trade and Industry (MTI)	**73**:Singapore Productivity Association (SPA) formed **81**:*Productivity Movement* Launched; National Productivity Council (NPC) created
1996-2001	**Productivity Standard Board (PSB)** - Statutory body, affiliated with MTI	
2002-present	**Standards, Productivity and Innovation Board (SPRING)** - Statutory body, affiliated with MTI	

Singapore's Productivity Movement

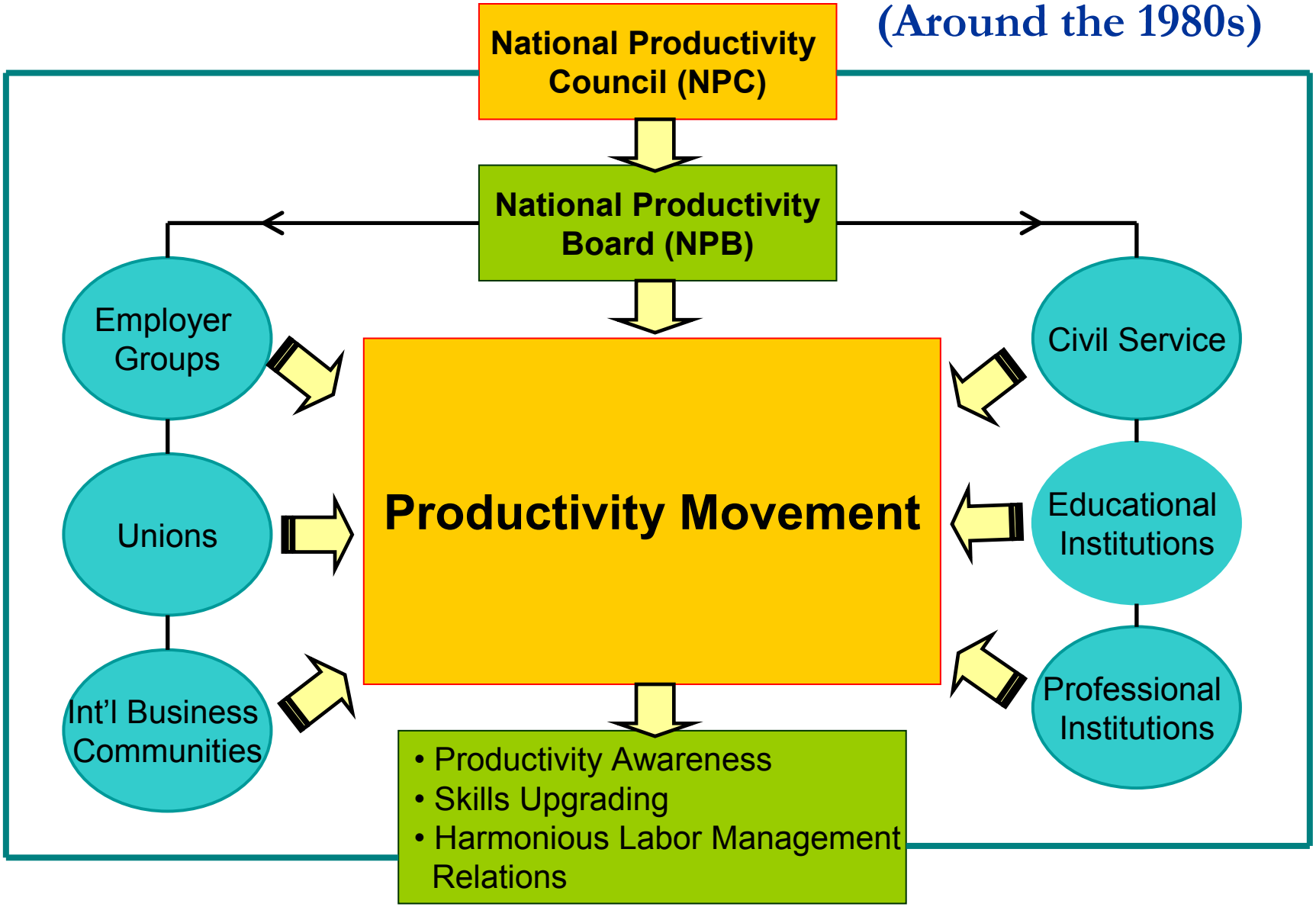
- 1979: PM Lee Kuan Yew states "Workers here are not as proud of or as skilled in their jobs compared to Japanese or Germans."
- 1981: LKY studies Japanese practices; LKY met Mr. Goshi, then Chairman of the Japan Productivity Center (JPC) and asked for cooperation.

➔ ***Productivity Movement launched***

- 1981: National Productivity Council (NPC) established, with high-level representation from govt., employers, unions and academia
- 1981-87: November is designated as Productivity Month; LKY delivers his annual speech on productivity for seven consecutive years

Framework for Productivity Movement

(Around the 1980s)



Source: Information provided by Mr. Lo Hock Meng to the GRIPS mission on Sept. 2, 2010.

Channels of Scaling-up and Institutionalization

- Public sector
  - Productivity campaign by the Central Productivity Committee; also linked with civil service reform programs
  - Involving MINDEF and the Singapore Armed Forces
- Labor unions
  - Productivity campaign by the NTUC Productivity Promotion Council
- Employer group
  - Involvement of business associations
- Training at educational institutions (polytechnic, etc.)
- Development of private, management consultants
- Incentives for companies
  - Workforce training (via Skills Development Fund)
  - Singapore Quality Award (for both public and private sectors)

Core Organization: National Productivity Board (NPB) 1981-95

- Serving as the secretariat of National Productivity Council (NPC)
- Training and developing a cadre of management consultants
  - Company visits
  - Model company project
  - Training NPB Associates
  - Management consultancy referral system
  - Industry-based consultancy assistance scheme
- Promoting Work Excellence Committee and Quality Control (QC) Circles
- Promoting productivity campaign
- Administering Skills Development Fund
  - Training of workforce

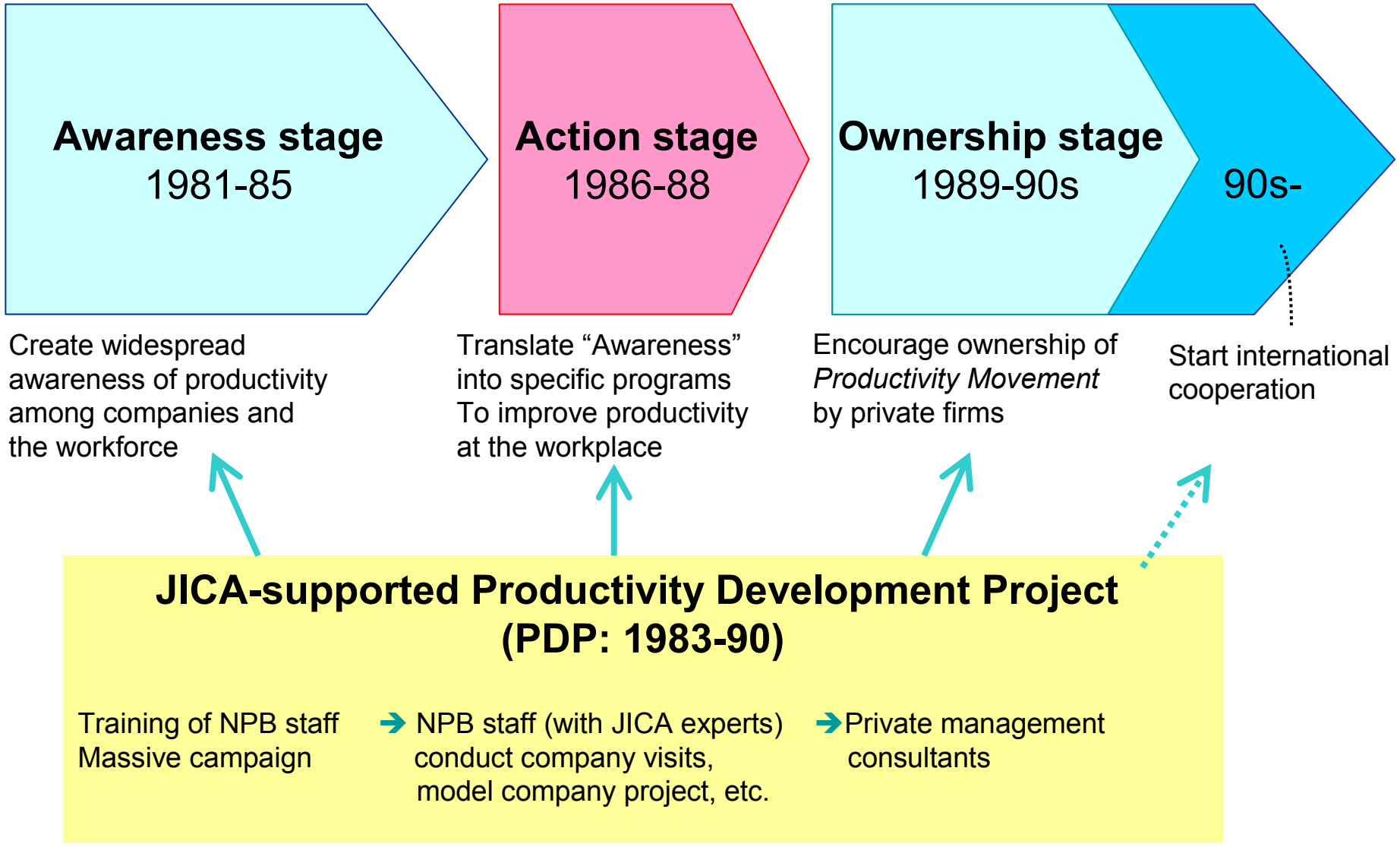
Cf. Skill Development Fund: an employer-based funding that provides financial incentives for staff training. Established in 1978. All employers must pay Skills Development Levy for all workers.

Core Organization: Singapore Productivity Association (SPA)

- Established in 1973 as an affiliated body of NPB (now, SPRING)
- Promote the active involvement of organizations and individuals in *Productivity Movement* and expedite the spread of productivity and its techniques
- Organize courses and seminars, company visits, study tours to promote knowledge/skills acquisition
- Members (institutional or individual) have access to information, training and seminars, networking opportunities, etc.
- International cooperation: in collaboration with MFA, MTI, SPRING, APO, AOTS, etc.

http://www.spa.org.sg/index.php

Evolution of Productivity Movement in Singapore



Awareness Stage: 1981-85

- Focus
  - Positive work attitude
  - Teamwork
  - Recognition for companies and individuals
- Measures taken
  - Education of the public
  - Information dissemination and training
  - Strengthening company loyalty
  - Promotion of labor-management joint consultation
  - Promotion of productivity in the public sector

Source: Information provided by Mr. Lo Hock Meng to the GRIPS mission on Sept. 2, 2010.

Key Message

Teamy Bees

- ***"Together We Work Better"***
- Productivity campaign slogans and posters

- Virtuous cycle (political message)
  Increased productivity
  - ➔ Growth of business/economy
  - ➔ More consumer demand for products
  - ➔ Welfare improvement of individuals

Action Stage: 1986-88

- Focus
  - Skills upgrading of management and workers
  - Upgrading of companies' operational efficiency
- Measures taken
  - Model company project – implemented jointly by NPB staff & JICA experts
  - Management consultancy referral schemes, associate consultant scheme – mobilizing private consultants trained under JICA-supported PDP
  - Industry-based consultancy assistance scheme
  - Training of workforce (via. Skills Development Fund)
  - Collaboration with other National Training Programs

Source: Information provided by Mr. Lo Hock Meng to the GRIPS mission on Sept. 2, 2010.

Ownership Stage: 1989-90s

- Focus
  - Self-sustaining *Productivity Movement*
- Measures taken
  - Private sector leading the annual productivity campaign
  - Singapore Quality Award (1994-)
  - Launch of Productivity Activists Scheme (1996-)

Cf. Productivity Activists Scheme (introduced by PSB): network to enable member companies to benchmark their productivity against partners and improve their skills and techniques. Resources are pooled for an effective exchange of information in support of productivity movement.

Source: Information provided by Mr. Lo Hock Meng to the GRIPS mission on Sept. 2, 2010.

Burkina Faso: Main Points

- 1989: Govt. introduced QC Circles on a pilot basis, at the recommendation of World Bank (Japanese TM)
  - To complement the Structural Adjustment Program (1991-), by enhancing supply-side capacity
- 1989-2000: WB/Japan PHRD fund assistance in pilot QC Circles (mobilizing JUSE experts)
- Initially, the core organization was a unit of the ministry ➔ transferred to a private organization.
- QC Circles were implemented in both private and public sectors, by combining awareness and action stages.
- However, challenges remain:
  - How to sustain the core organization and build a comprehensive system for quality and productivity management?
  - How to train the second generation of experts, after WB project?

Source: Sayoko Uesu, "Case Study: QC Circle Experience in Burkina Faso", Ch.2. in *Japanese Approach to Growth Support in Developing Countries: International Comparison and Case Studies*, GRIPS Development Forum, 2010

History of QC Circle-related, Core Organizations

Year	Organization	Remarks
Late 1990	**QC Circle Promotion Unit** established in the Ministry of Export Promotion (MoEP)	
1992	**Burkinabe QC Association (ABCERQ)** established as a non-profit organization -QC Circle Promotion Unit acted as the Secretariat for ABCERQ (Initially 9 members from private & public enterprises, where pilot QC Circles were implemented)	-Secretariat was headed by Mr. Justin Bayili, MoEP
1995	ABCERQ become independent of the Ministry of Trade and Industry (former MoEP) -Secretariat function was transferred to ABCERQ (Collecting membership fees, charging fees for specific consultancy)	-Mr. Bayili moved to ABCERQE as Secretary General
2002 - present	**Burkinabe Quality Management Association (ABMAQ)** -ABCERQ reorganized to include such functions as SMEs, ISO, quality management -About seven training instructors	-Mr. Bayili left ABMAQ to lead ONAC/ MoEP (2006)

Note: The Ministry of Economic Promotion (MoEP 1985-90) became the Ministry of Industry, Trade and Mining (1990-95), and the Ministry of Trade, Industry and Handicraft (1995-2000). Now, it is called the Ministry of Trade, Promotion of Entrepreneurship and Handicrafts (2000-).

Evolution of QC Circle Movement in Burkina Faso

WB/Japan PHRD project (1989-2000) | **Post-WB ?**

<Pilot Phase: 89-91>

1989-90：
1）Seminars on QC Circle
2) Pilot implementation of QC Circles

1990-91：
1) Creation of QC Circle Promotion Unit (MoEP)
2) Training (Japan, Burkina Faso)
3) Skill training at factory site (pilot companies)
4) Additional pilot of QC Circles and new pilot for public organizations
5) Preparation of pilot for public organizations (incl. development of manuals)

<Phase 1: 91-98> Technology transfer to local companies & institution building

1991.6-98:
1) Support to QC Circle Promotion Unit (MoI) and creation of ABCERQ
2) Training (Japan, Burkina Faso)
3) Skill training at factory site
4) Additional pilot for QC Circles and new pilot for public organizations
5) Analysis of socio-cultural and organizational aspects
6) Production of manuals designed for introduction in other African countries
7) Seminars (incl. National QC Conference)

<Phase 2: 98-2000> Technology transfer to public organizations & institution building

1998.11-2000.6:
1) Skill training at factory site
2) Implementation for public organizations
3) Capacity building of ABCERQ

2002:
ABMAQ (ABCERQ reorganized)

Training stagnating…

Role of Japanese Experts under the WB/Japan PHRD Project

- From late 1989: J. experts visited every four months (for two weeks), providing technical advice periodically.
  - Asked the pilot QC Circles to resolve problems and difficulties faced during the intervals between missions
- From mid-1991: J. experts trained national QC experts
  - Two from QC Circle Promotion Unit (Ministry of Trade/Industry), two from ABCERQ through OJT method
  - National experts of ABCERQ started to provide technical assistance to the pilot enterprises
- Developed three training modules for ABCERQ
  - Management
  - QC facilitator (middle-management level)
  - QC animator (foreman level)

Awareness and Action Stages (combined)

- Linking pilot QC Circles with National QC Conferences
- National QC Conferences motivated the members of pilot QC Circles to present the best results of their activities
  - Attendance of high-level govt. officials, incl. Minister of Industry
  - Media coverage; good publicity
- 1989-2000: Pilot implementation of QC Circles in private companies
- 1991- present: National QC Conferences held annually
- First National QC Conference (July 1991), organized by QC Circle Promotion Unit, MoEP; "Quality Day" designated
  - ➔ Motivated the Minister of Civil Service and Modernization of Public Administration to introduce QC Circles in the public sector
- Second National QC Conference (July 1992), organized by ABCERQ
- 1992: Pilot implementation of QC Circles in public enterprises

Private and Public Enterprises that Introduced QC Circles and the Current Status

Organization	Project	Pilot phase 1989 to 1991	Phase 1 1991 to 1998	Phase 2 1998 to 2000	2001 to present (2009)	
World Bank/JUSE	Financial and technical support	Skills training for 5 companies, QC conventions, overseas training	Skills training for companies, establishment and ToT of secretariat (ABCERQ), QC conventions, overseas training	Technology transfer to ABCERQ and skills training for companies	-	
Government	Implementation	Pilot CP	Support for the establishment of the ABCERQ	-	–	
ABCERQ/ABMAQ	Project period (1992 to present)	-	Functions transferred gradually to holding QC conventions, etc., after the establishment of the ABCERQ in 1992	Training for member companies, holding QC conventions, etc.	Reorganized and renamed as ABMAQ in 2002, training, holding QC conventions, ISO training	
Manufacturing industry	**Sector**	QCC / ISO				**Current status of QCC**
SAP Olympique (private)	Manufacturing of tires				2004 -	⊙
SIFA (govt→private)	Manufacturing of motorcycles		1993 -		QCC suspended in 2007 Went out of business in 2009	-
SN-CITEC (govt→ private)	Manufacturing of soap, etc.		Not activated; changed to FasoPlast		Currently ISO	-
SAVANA	Beverage manufacturing			Shutdown in 1999?		-
Faso Fani (govt→ private)	Textiles	1990 -			Went out of business in 2001	-
Faso Plast (govt→ private)	Plastics			??	2001 - TQM; QCC suspended in 2007	-
INB (govt → private)	Printing	1990: training	not activated			-
SN-SOSUCO (govt→ private)	Sugar refinement		1994 -			⊙
Winner Industrie (private)	Chemicals					⊙
SOFITEX (govt→ semi-govt)	Production and processing of cotton	1990 -			2003 -	⊙
SAPHYTO	Manufacturing of insecticide			1998 -	??	-
CIMAT (govt→ private)	Cement manufacture			1998 -	??	-
MEDIFA	Medical products			??		-
Public organizations	**Sector**					
CNF-YO	Local hospital					-
CARFO	Pension for government officials		1992 -			-
CNSS	Social security		1992 - Introduced through a pilot project 1995 - company-wide development		2008 - QCC activated Quality improvement policy formulated in 2009	⊙
ONATEL (2006 private)	Telecommunications corporation		1995 -	Activities suspended in 1997		△
OST	Medical service				QCC suspended in 2006	-
SONABEL	Electric power corporation		1992 -		QCC suspended in 2006; 2008 - ISO	○
SONAPOST	Postal corporation			Adopted but not established on a permanent basis	2008 - Quality improvement policy formulated	-

Source: Sayoko Uesu "Case Study: QC Circle Experience in Burkina Faso," Ch.2, in GRIPS Development Forum (2010)
Note: Companies where interviews were conducted in November 2009 are underlined. There are other govt. organizations which have introduced QC Circle activities on a pilot basis. However, these organizations have practiced QC Circle activities only for a short period and are omitted from the table.

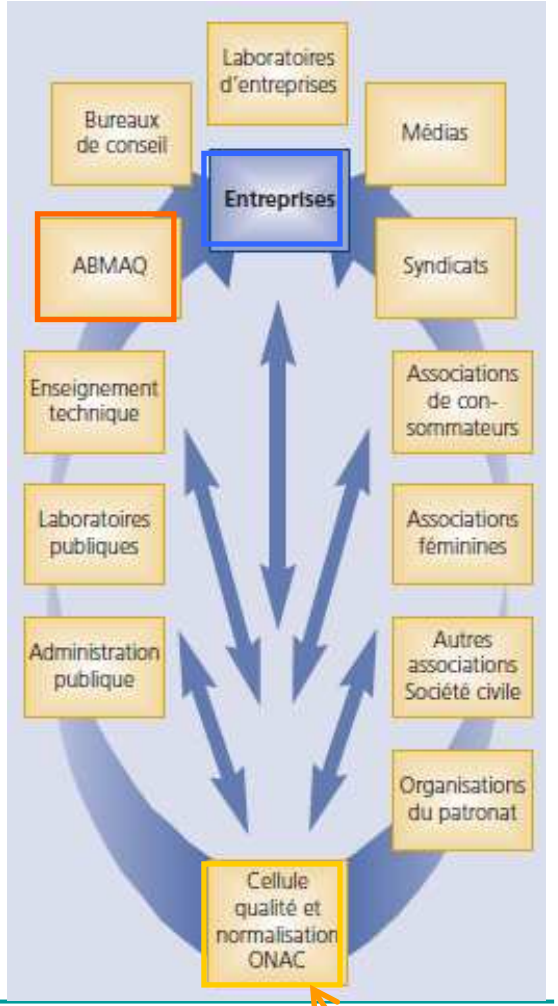
Challenges: Sustainability of Core Organization ABMAQ (as of 2010)

- Leadership
  - In 2006, Mr. Justin Bayili (= Mr. Quality), former Secretary General, who greatly contributed to QCC development, left ABMAQ to lead the National Office for External Trade (ONAC), MoT.
- Technical sustainability
  - ABMAQ staff and QC managers of companies are being replaced by second-generation of members who have not received skills training from Japanese experts
- Financial sustainability (membership fees as the main source for covering administrative costs)
  - Training business for private companies has been stagnant due to economic difficulties
  - Member companies decreasing: about 60 (90s) ➔16 (2011) (difficulty to involve SMEs)
  - Number of workers who received training decreasing: 450 (2005) ➔ 250-300 (2006) ➔154 (2008)

Challenges: Need for Integrated Institutional Framework (as of 2010)

- Lack of coordination among quality organizations
  - ABMAQ function overlapping with other organizations (standards, testing, etc.)
- ABMAQ facing competition from private consulting companies
- Ongoing efforts to formulate comprehensive National Policy for Quality Improvement (supported by AfDB)
  - Creation of High-Level Quality Committee proposed (under the Office of Prime Minister or President?)
  - Possibility for integrating ABMAQ into other organizations?

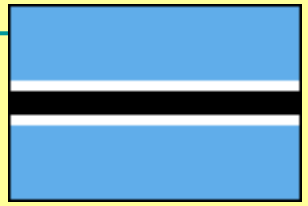
Quality-related Organizations
Source: UNIDO (2005)



ONAC quality & standards
(Ministry of Trade)

Botswana: Main Points

(see Prof. Daniel's presentation for details)



- 1991: Govt. started Productivity Movement and requested Singapore for technical cooperation.
- 1993: President Sir Ketumile Masire announced the establishment of Botswana National Productivity Center (BNPC)
- 1991-early 2000s: Singaporean assistance
- BNPC created as a parastatal, reporting to the Minister for Presidential Affairs and Public Administration
  - Tripartite Board comprising of representatives from govt., employers and workers' organizations.
  - Work for both public service and enterprise support programs
- Major efforts on awareness raising: Tripartite and community-based structure and networks (DPIFs); "Productivity Week" etc.
- However, despite 20 years of awareness raising, limited progress on practical implementation

Source: Botswana Mission Report by Daniel Kitaw (March, 2011)

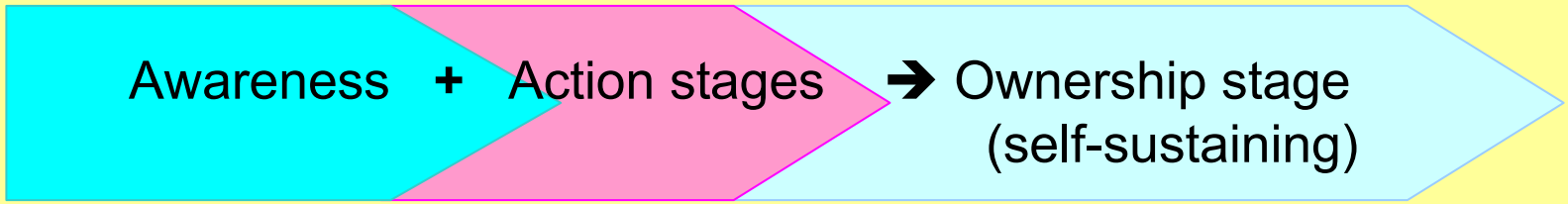
Challenges: Sustainability of Core Organization BNPC (as of 2011)

- BNPC has achieved high awareness at a national level, but slow progress on implementation
- Limited private sector involvement in productivity activities
  - SMEs cannot afford consulting fees
- BNPC has difficulty to attract and retain qualified and experienced consultants
  - Frequent staff changes
  - Competition with private sector consultants
- Financial sustainability
- BNPC is scheduled to serve as the secretariat of the SADC Regional Productivity Organization

Implications for Ethiopia's *Kaizen* Institutionalization

- Ethiopia has a committed leader and plans to establish the core organization (EKI), building on achievements of *kaizen* pilots.
- To diffuse and sustain *kaizen* on the ground, the following issues may worth consideration.
  ➔Mr. Sato, JICA Kaizen Institutional Framework expert, is currently advising the Ethiopian authorities on the details.

- National Movement requires long-term efforts; be mindful of three stages



- Important role of the core organization throughout the stages
  - Massive campaign for ***mindset change***
  - Training programs and materials (by using and adapting *kaizen* manuals being developed now)
  - Mechanism for nationwide outreach, including MSEs
  - Mechanism for inter-agency coordination

Implications for Ethiopia's *Kaizen* Institutionalization

- Ownership stage is critical (but difficult)
- Collaborative relationship among govt., business, academia
  ➔Adapting and internalizing *kaizen* into the Ethiopian context
- Sustainability of the core organization
  ➔Technical sustainability:
  - Need to constantly update knowledge (e.g., linking with FDI strategy?)
  - Retain national experts and gradually foster private mgt. consultants (e.g., qualification system?)

  ➔Financial sustainability (public, or private?)
- Important role of TVET and education to raise the absorptive capacity of the future workforce
- Develop comprehensive policy framework and supporting institutions for quality and productivity improvement