Implementing KAIZEN to improve productivity in Ethiopia

Ethiopia is currently building what will be the largest hydroelectric power plant on the African continent once complete. The Grand Ethiopian Renaissance Dam (GERD) will be the 7th largest dam in the world and ties in seamlessly with Ethiopia’s grand plans to transform the country into a middle income economy by 2025.

With a population of over 100 million people, Ethiopia has seen an impressive GDP growth rate of between 8% and 10% and is currently recorded as the fastest growing economy on the continent. Ethiopia’s Prime Minister, Abiy Ahmed, has indicated that Ethiopia wants to "shift from being a developmental state to a middle income economy" by 2025.

The construction of the dam forms part of the massive projects the country is involved in such as building railways and industrial parks aimed at transforming its economy and pulling the country out of poverty. The dam construction is currently at 60% and is expected to provide a major boost to the Ethiopian economy upon completion.

The grand scale of the GERD underlines Ethiopia’s resolve in enabling a shift away from the poverty quagmire that has beset the Horn of Africa country for decades. However Ethiopia is not only focused on projects of a mega scale and one of the effective projects that has not received much publicity is the implementation of the Japanese management philosophy, Kaizen, to improve Ethiopia’s productivity. In acknowledging that productivity improvement underpins economic growth, Ethiopia has created a Kaizen Institution in a concerted bid to turn around the country’s fortunes. Kaizen is a Japanese concept premised on the principle of continuous improvement within the workplace. Kaizen or “Continuous Improvement” is a concept aimed at productivity improvement. To this end, in 2011 the Ethiopian created the Ethiopian Kaizen Institute (EKI) headed by the now retired Former Director General and Principal Kaizen Consultant, Mr. Getahun Tadesse.

Fig One: Former Director General of EKI, Mr. Getahun Tadesse.
The current Director General of EKI, Mr. Mekonnen Yaie, says the implementation of Kaizen in Ethiopia has yielded positive productivity results. Yaie says for instance “between 2013 and 2018, 1st Level Kaizen was introduced to 600 companies with 2nd Level Kaizen introduced to

Fig Two: The current Director General of EKI, Mr. Mekonnen Yaie, lauds the impact of Kaizen in Ethiopia

In monetary terms Yaie says Kaizen has contributed to a gain of Birr 2.72 Billion (90.4 Mil US). Yaie says companies that implemented Kaizen saw a surge in productivity of 40.1% and increase in quality of 40.1%.

The lead Japan government agency that is responsible for the implementation of Kaizen is the Japan International Cooperation Agency (JICA). The implementation of Kaizen forms part of Japan’s socio economic development and global cooperation strategy.

During the sixth Tokyo International Conference of African Development (TICAD VI) in 2016, Kaizen was highlighted as a promising method in raising productivity, improving standards and ensuring total quality management in production. The TICAD VI looked into key policies and institutional arrangements required for industrialization in Africa, focusing also on the potential contribution of the Kaizen approach.

JICA ‘s Deputy Director, Private Sector Development Group Industrial Development and Public Policy Development, Ms. Suzuki Momoko, says Kaizen is a management philosophy that helped Japan rebuild its economy following the devastating effects of World War Two.
About Kaizen

Kaizen is seen as a concept that can enable productivity enhancement as a game changer for socio-economic transformation and re-shaping the industry landscape and help in the realisation of a productivity driven agenda to inclusive growth and development.

JICA has been providing support for Kaizen projects in industrial sectors in around 30 countries. In Africa, Kaizen-related technical cooperation projects have been carried out in Cameroon, Ethiopia, Ghana, Kenya, Tanzania, and Zambia since the first project in Tunisia was implemented in 2006.

The projects have generated different results and impact among the countries. In the implementation of Kaizen various lessons were learned such as the need to ensure commitment of high level government officials, the need to establish and maintain a strong Kaizen promotion organization and system, and standardization of an approach to secure quality of Kaizen promotion personnel.

Kaizen is an umbrella concept that includes a series of Japanese Management Systems, covering production planning activities, human resource policies and practices, organisational and leadership approaches. Kaizen is process-oriented, focusing on discipline, time management, skill development, participation and involvement, morale and communication.

Kaizen creates a culture that allows employee creativity and ideas to flourish thereby enabling companies to grow the bottom line. To further accelerate industrial development through dissemination of Kaizen in the African continent, JICA in collaboration with NEPAD (New Partnership for African Development) Agency launched “Africa Kaizen Initiative”.

As part of these efforts, a JICA research project, “Standardizing Kaizen Approaches in Africa”, was conducted from April 2017 to June 2018 to ensure more effective dissemination of Kaizen in Africa, by synthesizing and analysing experiences accumulated in various countries where Kaizen projects were conducted.

Underpinning this research was a need to establish specific processes and procedures for the implementation of the initiative and to standardize Kaizen approaches and curriculums for the development of human resources responsible for Kaizen dissemination.

Ethiopia implements Kaizen

Ethiopia adopted the Kaizen concept much earlier and started implementing Kaizen in its country as early as 2011 with the formation of the Ethiopian Kaizen Institute (EKI). The adoption of Kaizen and the results have been phenomenal and contributed towards productivity improvement in Ethiopia. One of the companies that implemented Kaizen, Home Base Wood Works Factory based in Addis Ababa, saw an increase in sales as per illustration.
Yaie, says the formation of the EKI started with an exploratory phase whereby the then Prime Minister of Ethiopia the late Meles Zenawi, held policy dialogue discussions with the world renowned National Graduate Institute for Policy Studies (GRIPS), Professor Kenichi Ohno and Professor Izume Ohno. The discussion followed a JICA-supported intellectual cooperation, “Japan-Ethiopia industrial policy dialogue”.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Factory Product</th>
<th>Sales volume by %</th>
<th>cumulative</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Kitchen Cabinet</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>2</td>
<td>Cupboard</td>
<td>21</td>
<td>52</td>
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<tr>
<td>3</td>
<td>Interior Door</td>
<td>20</td>
<td>72</td>
</tr>
<tr>
<td>4</td>
<td>Exterior Door</td>
<td>7</td>
<td>79</td>
</tr>
<tr>
<td>5</td>
<td>Others</td>
<td>8</td>
<td>87</td>
</tr>
<tr>
<td>6</td>
<td>Closet</td>
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<td>89</td>
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<td>7</td>
<td>Accessory</td>
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<td></td>
<td>Total</td>
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Fig Three: A Japan International Cooperation Agency (JICA) Kaizen advisor goes through the paces with employees at Home Base Wood Works Factory

The cooperation aimed to share the East Asian development experiences with senior policymakers in Ethiopia including a study of quality and productivity improvement in Asia and Africa through the Kaizen National Movement.

The rationale behind the discussions was to establish how policy could be put into place to enable the implementation of Kaizen in Ethiopia. Yaie says during 2009 – 2011, JICA conducted the study on Quality and Productivity Improvement (Kaizen) in Ethiopia.
**Fig Four:** One of the Ethiopian companies that has implemented Kaizen, Home Base Wood Works, has seen double digit increase in sales after implementing Kaizen.

As a result of the collaboration between the Japanese government and Ethiopia, EKI was established in 2011 by a council of Ministers in Ethiopia with a vision to “being a centre of excellence for transformed working culture and innovation by 2025” The primary duties of the EKI are formulation of Kaizen policy and strategy, productivity training and consulting, research and accreditation plus certification on Kaizen training.

He says by 2014 Ethiopia entered into a more advanced phase of the implementation of Kaizen whereby JICA facilitated the Project for Capacity Building for Dissemination of Quality and Productivity Improvement. The critical success factor in the implementation of Kaizen in Ethiopia was the buy in by the leadership of the country.

In 2014 the then Prime Minister of Ethiopia, Hailemariam Dessalegn, declared a National Kaizen Month in Ethiopia. The current Prime Minister, Abiy Ahmed, has endorsed JICA Project Phase III which entails a project on Capacity Development for Kaizen Implementation for Quality and Productivity Improvement and Competitiveness Enhancement in Ethiopia that will end in 2020.

The Commissioner, Civil Service Commission in Ethiopia, His Excellency Mr. Bezabih Gebreyes, says government “commitment to the Kaizen in Ethiopia remains heated and the success of Kaizen in Ethiopia has prompted the government to map a roll out of Kaizen in schools”. Gebreyes says Ethiopia aims to carry out Kaizen beyond 2020. H.E Gebreyes believes the success of Kaizen in Ethiopia can be replicated for the rest of the continent.
New Partnership for Africa Development (NEPAD) and JICA launched the “Africa Kaizen Initiative” in April 2017 which was endorsed by the African governments during the 35th Session of the Africa Heads of States and Government Orientation Committee (HSGOC) held in July 2016. The “Africa Kaizen Initiative” focusses on the following key strategies:

- Advocating Kaizen at policy level
- Creating and strengthening the function of Centre of Excellence
- Standardizing Kaizen in Africa, and
- Networking with Kaizen Promoting Institutions around the world.

Efforts to spread the implementation of Kaizen in Africa remains in full steam. The head of the Kaizen Unit within NEPAD, Professor Diran Makinde says in recent years, Kaizen has attracted the interest of an increasing number of governments in Africa. Kaizen was highlighted as a promising method in raising productivity, improving standard and ensuring total quality management in the manufacturing sector.

Professor Makinde says in July 2018, the third Africa Kaizen Conference was held in Durban, South Africa organized jointly by JICA and NEPAD to further create momentum to accelerate Kaizen dissemination based on the context of Africa.

In 2019, the fourth Kaizen seminar will be held in Tunis, Tunisia in June to promote application of Kaizen in African countries through mutual learning process of know-how and practical experiences of Kaizen activities in Africa. Professor Makinde is hopeful that the
implementation of Kaizen with grow exponentially thereby aligning itself with the African Union (AU) objectives.

The AU is a continental union consisting of 55 member states located on the continent of Africa founded on 26 May 2001 in Addis Ababa, Ethiopia. The AU aims to enable the social-economic integration of the continent.