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Determinants of Successful Implementation of Operational Excellence (In The Case of East Africa Bottling Share Company, Bahir Dar Plant)

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DETERMINANTS OF SUCCESSFUL IMPLEMENTATION OF OPERATIONAL EXCELLENCE

**(IN THE CASE OF EAST AFRICA BOTTLING SHARE
COMPANY, BAHIR DAR PLANT)**

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JULY 2020

BAHIR DAR, ETHIOPIA

BAHIR DAR UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

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OF OPERATIONAL EXCELLENCE**

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This Thesis is Submitted to Department of Management College of Business and Economics of Bahir Dar University in Partial Fulfillment of the requirements for the Award of Degree of Master of Arts in Business Administration (MBA)

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JULY 2020

APPROVAL SHEET
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As Thesis research advisor, I hereby certify that I have read and evaluated this Thesis prepared, under my guidance, by Eba Melaku entitled “DETERMINANTS OF SUCCESSFUL IMPLEMENTATION OF OPERATIONAL EXCELLENCE (In the CASE OF EAST AFRICA BOTTLING SHARE COMPANY, BAHIR DAR PLANT)”

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DECLARATION

I, under signed graduate student declare that this research study is my original work and it has not been presented in any other university or institution for academic credit.

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List of Abbreviation and Acronym

BPR	Business Process Reengineering
CCBA	Coca Cola Beverages Africa
EABSC	East Africa Bottling share company
EFQM	European Foundation for Quality Management
FSSC	Food Safety System Certification
HR	Human Resource
HRM	Human Resource Management
IT	Information Technology
ISO	International Organization for Standardization
MBNQA	Malcolm Baldrige National Quality Award
NOSA	National Occupational Safety Association
SCM	Supply Chain Management
TQM	Total Quality Management
VIF	Variance Inflation Factor

Abstract

Understanding the determinants of operational excellence is critical to grasp great results at the end. The purpose of this research is to see the main factors which affect the successful implementation of operational excellence. Based on different literature reviews, this paper proposed three main factors as determinants for operational excellence. These are Leadership, HR practice and Organization culture. This done by collecting relevant data from East Africa Bottling share company Bahir Dar plant employees. The data collection tool used for this research development was questionnaire. The data collection was done by taking 210 samples from the total population of 423 with successful response rate of 84.3%. The sampling technique followed was simple random probability sampling method. The collected data analyzed by using descriptive and inferential statistics. SPSS version 26 software used as a supporting tool for conducting data analysis using statistical techniques. The research found that leadership, HR practice and Organizational culture positively correlate and significantly determine successful implementation of operational excellence. The researcher recommended the organization to keep its norms, values and behavior to maintain the current organizational culture and the management need to review on enhancing trust relations, empowering employees and compensation package. Since the contribution of leadership, HRM practice and Organizational culture have 62% on operational excellence the researcher recommended further research to understand additional determinants of operational excellence.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

As competition in the 1990s intensified and markets became global, so did the challenges associated with getting a product and service to the right place at the right time at the lowest cost. Organizations began to realize that it is not enough to improve efficiencies within an organization, but their whole supply chain has to be made competitive. The understanding and practicing of supply chain management (SCM) has become an essential prerequisite for staying competitive in the global race and for enhancing profitably

The business environment changes rapidly and continuously. This is attributed to varying customer needs, changing demographics, giant leaps in technological advancement in areas such as transportation, computing, automation and mechanization, information and telecommunications, and the general effects of globalization (Davis et al., 2003).

As Ozumba (2011) stated the changing tastes of customers, and their desire to get products and services cheaper, faster, and in better quality cause organizations to search for means of developing customer needs in economical ways to stay in the business. Again, with focus on people and environmental safety growing each day. Organizations work toward conforming to the laws of government and other regulatory bodies and thus strive to meet global standards in required areas.

Every day, there are more products and services for consumers to choose from, with an increasing number of providers for such products and services in the global market place, leading to very high levels of competition. To stay relevant in business, organizations in all spheres such as manufacturing, banking, Information Technology (IT), and healthcare have had to adopt different measures. For instance, according to Haddock et al., (2006), some organizations in manufacturing for example, adopted a low-cost model which involved producing their goods in regions associated with low labor and material costs. However, they noted that the gains achieved by the low production costs of these regions may eventually be eroded by logistics costs, lack of scale and quality gaps.

Over the past few decades, operational excellence has evolved to include process improvement through individual management programs. In the manufacturing sector, management philosophies such as total quality management (TQM) and Lean Management Tools-Six Sigma, Business Process Reengineering (BPR) are often used to achieve operational excellence. Operational excellence is the efficient management of people, transactions or hangovers, measurement on quality, cost and time, with a provision of a limited variety of products (Muazu, 2017).

As Ozumba (2011) stated the purpose of operational excellence is to minimize financial and material waste, enhance product and service quality, protect people and the environment, and maximize profit and customer value.

Russell & Koch (2009) state that there is the tendency for organizations to pursue efficiencies in discrete areas as manufacturing, sales and procurement and other functional areas, by implementing appropriate improvement tools

The initiative factor to select East Africa bottling share company (EABSC) Bahir Dar plant as a case for this study is, the plant currently trying to be the excellence center in operations and implementing different tools to be world class organization. The main operational excellence tools which are on implantation phase are “Supply chain way” for manufacturing and logistics functions. “People way” for human resource management. “Finance way” for finance function. “Procurement way” for Procurement department.

EABSC is a member of Coca Cola Beverages Africa (CCBA) which is working in different African countries

EABSC has three factories in Ethiopia, located at Addis Ababa, Diredawa and Bahir Dar. The Bahir Dar plant located at Bahir Dar city Kebele 14 industrial zone

As a bottling plant of Coca Cola the plant need to comply all the regulatory as well as saturator requirements. The plant is certified in different quality management systems which are mandatory for many coca cola bottling plants, ISO 9001: 2015, ISO 14001: 2015, FSSC 2200, and NOSA (5star accredited). This accreditation’s guiding the organization to focus on meeting the expected customer demand.

On the journey to operational excellence determining the main critical factors which determine the successful implementation of operational excellence are very important. The feedback from this research will help the plant to fast-track its move to operational excellence. Most researches are not done based on Ethiopian context. So, this research will help as a base line for Ethiopian manufacturing firms.

1.2 Statement of the Problem

A literature search indicates that the adoption of Operational Excellence as a continuous improvement philosophy is basically in the West and Asia, with many success stories recounted in different sectors (Ozumba, 2011).

Nowadays, achieving operational excellence is a requirement to the organizations. In order to increase the performance and to be competitive, organizations are giving more attention to achieve the higher levels of operational performance. This scenario has influenced 80% to 90% of 500 companies to implement the operational excellence program like Lean and Six Sigma. Unfortunately, only 30% of the companies achieve their expected results. This is because many organizations have not found a better management system that company can use to manage its operations in order to achieve operational excellence (Seifert & Soto, 2015). In order to achieve the excellence results, an effective management system is highly needed in the organization (Calvo-Mora et al., 2014).

Moreover, today's competitive and market conditions have forced the organization to seek long term success by achieving excellence in the business. However, how to achieve operational excellence and sustain competitive advantages is one of the fundamental questions in the operation performance (Cesarotti & Spada, 2009; Dahlgaard-Park & Dahlgaard, 2007). Many organizations are seeking the excellence performance in order to be competitive in the business. One of the ways to achieve the excellence result is by using the improvement initiatives and tools such as excellence model. Unfortunately, many of them have failed to gain the benefits from the improvements initiatives and could not achieve the excellence level due to the lack of clear understanding and appropriate guidelines regarding what, where and how to implement improvements initiatives to achieve the excellence results (Dahlgaard-Park & Dahlgaard, 2007; Mohammad, et al., 2011). Additionally, the practitioners require practical and detailed guidance to achieve the potential

benefits of excellence. However, the guidelines or approach regarding the nature of excellence are still unclear and such implementations have followed a trial and error approach (Sharma & Kodali, 2012). To assist the organizations towards operational excellence, it is important to identify critical elements that might affect the organization (Oakland et al., 2002).

Research's done in this area (Andre 2013; Muazu 2017; Shehadeh et al., 2016) identify Leadership characteristics, HR practice and organizational culture as determinants of operational excellence

Identifying the main determinants of successful implementation of operational excellence will safeguard organizations from big loss, help them to achieve the aimed operational excellence and to be more competitive on the market.

Most research's done on operational excellence focus on developed countries and on some middle east countries. Operational excellence for manufacturing sector is given less attention in Ethiopia. The researcher didn't found literature's written based on the context of Ethiopian service and manufacturing sector. This research will be a base for Ethiopian Industries to focus on operational excellence and to identify determinants of Operational excellence to be more competitive and stronger on the market.

East Africa bottling share company, Bahir Dar plant is implementing a supply chain way, Procurement way, finance way and people way which believed enhance the performance of the organization and lead the company to be more operational excellent. Hence, the company is on the implantation phase of tools which lead to operational excellence, it is mandatory to identify the basic determinants for successful implementation of Operational excellence. This study will help on understanding the determinants of successful implementation of operational excellence on the context of EABSC, Bahir Dar plant.

1.3 Research Questions

In order to undertake the study, the researcher developed the following research questions:

1. What components are important to achieve operational excellence?
2. How leadership affect the successful implementation of operational excellence?

3. How HR practice affect the successful implementation of operational excellence?
4. How organizational culture affect the successful implementation of operational excellence?

1.4 Objective of the Study

1.4.1 General Objective

The main objective of this study is to identify the determinants of successful implementation of operational excellence in EABSC Bahir Dar plant

1.4.2 Specific Objectives

- To assess the status of operational excellence in EABSC Bahir Dar plant
- To examine effect of leadership on successful implementation of operational excellence in EABSC Bahir Dar Plant
- To examine effect of HR practices on successful implementation of operational excellence in EABSC Bahir Dar Plant
- To examine the effect of organizational culture on implementation of operational excellence in EABSC Bahir Dar plant

1.5 Research Hypothesis

From the literature reviewed in similar topic the researcher predicted the below points as outcome of this research.

H1. Good Leadership characteristics has a positive significant effect on the successful implementation of operational excellence

H2. HRM practice has a positive significant effect on the successful implementation of operational excellence

H3. Organizational culture has a positive significant effect on the successful implementation of operational excellence

1.6 Significance of the Study

In implementing Operational Excellence successfully, organizations would be better poised to compete favorably with their peers, ensure clear organizational focus on priorities, foster better team work, promote higher levels of staff engagement, excellent commitment to organizational performance improvement and achieve greater customer satisfaction. Verifiable evidence that the successful implementation of the philosophy of Operational Excellence for continuous improvement will lead to improved organizational performance and competitive advantage will promote its adoption and result in the ultimate survival and growth of businesses. Professionals in industries would understand and know more about creating and sustaining flow of value to customers and ensuring that the flow is addressed before it breaks down (Ozumba, 2011).

This study will help the organizations to understand the determinants of successful implementation of operational excellence and additionally it will help on below points

1.6.1 Contribution for EABSC Bahir Dar plant

This research will help EABSC Bahir Dar plant leaders to understand, what are the basic determinants of operational excellence, which factors are the most influential for successful implementation of operational excellence and initiate the management to take corrective action going forward to be successful on implementation of operational excellence tools.

1.6.2 Contribution for the Ethiopian Manufacturing Industry

This research will contribute other industry leaders in Ethiopia to give more attention for the determinants of successful implementation of operational excellence and used as a base for future further research on this area

1.6.3 Contribution for Future Studies

This research will be a base for future studies to understand successful implementation of operational excellence

1.7 Scope of the Study

This study only focuses on the determinants of successful implementation of operational excellence. The determinant factors identified in this research are leadership characteristics, HR practice and Organizational culture.

This research is limited to the East Africa Bottling share company subsidiary of Coca Cola Beverages Africa, Bahir Dar Plant.

Sample will be taken from the total population and analyzed using IBM SPSS software. The analysis will be done using descriptive and inferential statistics.

1.8 Operational Definition of Terms

Determinants – factors which affect implementation of operational excellence in EABSC Bahir Dar plant.

Operational Excellence – is about reaching the height of operational efficiency through doing things better, faster, and cheaper.

Leadership – The social influence whereby one person seeks the voluntary participation of subordinates to reach organizational goals in given situation

HRM Practice -activities conducted to attract and coordinate human resource

Organizational culture – the shared values, beliefs that help individuals understand the organization functioning and thus provides them with norms for behavior in the firms

Dependent variable – one variable depends upon or is a consequence of the other variable. On this research Operational excellence is dependent variable.

Independent Variable - variable that is antecedent to the dependent variable. In this research the independent variables are leadership, HRM practice and organizational culture.

1.9 Limitations of the Study

This research was limited to the sample organization due to time and resource limitations. This affected the universality of the findings and possible applications of the recommendations to other organizations in the general public.

Less resource on the field of study was another limitation for this research

The researcher faced some challenges when distributing and collecting the data instrument. Some respondents didn't return the questionnaires on time or not at all that caused delay in collecting and analyzing the data, and also reduced the rate of questionnaire return.

1.10 Organization of the Paper

This research paper will be organized in five chapters. Chapter one gives an introduction of the study focusing on background to the study, statement of the problem, research questions, objective of the study, research hypothesis, significance of the study, scope of the study, operational definition of terms, limitations of the study and organization of the paper. Chapter two will focus on reviewing research related literatures and conceptual frame work of the research. Chapter three will focus on research methodology, population and sample size, measurement instrument, validity and reliability of measuring instrument. Chapter four will focus on data presentation, analysis and discussion. Finally, chapter five sums up the findings of the study, gives conclusions and recommendations and suggests areas of further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Customers have now higher requirements than ever before, and to be competitive in the twenty-first century organizations need to continuously improve and perform to an excellent level of quality. One of the ways to approach excellence is by using excellence models (Carvalho, 2017).

According to Sampaio et.al., (2012) there is no best model, and diversity guarantees some competition and fosters improvement. Such models of excellence are most widely used by organizations for self-assessment and improvement, with some companies also adapting and customizing them, in search of competitive advantage and specific context application for moving further.

Carvalho (2017) stated that according to Shingo model for operational excellence closer attention must be paid in studying and applying models of organizational excellence. Excellence should not be considered in the short term as simply a program or set of tools, or as another management fad. Instead, it should be regarded as a management philosophy, a set of principles and behaviors that guide and inspire managers and associates and that will produce the best overall results in long term, providing support to a future sustainable improvement. Araújo and Sampaio (2014) support the idea that the real implementation of excellence models happens when they are fully integrated with the regular practices of the organization. The integration of excellence models can be achieved through its combined use, as part of strategic planning and deployment, by aligning its use with other systems, linking its procedures with management performance and involving the whole organization

Fontes (2016) stated operational excellence can be viewed not only in terms of process management and continuous improvement, but also as stemming from a strategic vision within an organization. A vision as a continuous and deliberate process that ultimately becomes a cultural shift. This vision, which includes safety, personal health, environment, reliability, and efficiency,

encourages strong leadership and company-wide engagement that requires openness, trust, and collaboration to be successful. The fulfillment of this vision entails a process of change management that involves an evolution of values, culture, and commitment among the members of the organization.

As stated by the Shingo Institute (2014) tools do not manage themselves or change organizations, but rather are used by people in those organizations as means to achieve results and, in that sense, they will be highly impacted by the established beliefs, values and working methods of people. It is precisely this culture and human-sensitive characteristic that makes excellence programs so powerful but at the same time, it is the side that represents the biggest challenge that they have to overcome. Excellence requires people motivation and participation, strong leadership, top management commitment, fully involved employees, a cultural orientation towards excellence (or a 'culture of excellence') among others. It is not only enough to apply a tool, a methodology or an approach and wait for excellent results to appear. An excellence-oriented culture is imperative sustainable excellent results require the alignment and transformation of a culture to one where every single person is engaged every day in making small, and from time-to-time, large changes

In summary, as stated by Carvalho (2017) excellence is not an abstract concept, but is made of organizational culture, values and people which cannot be defined by any prescriptive standard

2.2 Operational Excellence

Different scholars define operational excellence in different ways. The below definitions are some of them:

Kevin (2010) defines operational excellence as when employee's see the flow of value to the customer and fixing that flow before it breaks

Van Assen (2011) defines operational excellence as the design and management to maximize operating profits through continuous operation of an excellent production and delivery system that offering product and services to customers at right value.

Dunggan (2012) explained that operational excellence is a term that the operation is at the top level of performance and the organization has reached the highest operation can be. Operational excellence is not only about operation performance such as cost, time, quality, and flexibility metrics but also about how operation side of the business support the business growth. It also not just only includes cost reduction and quality improvement but also need to be handle people and resources efficiently.

Awuor (2013) defines operational excellence is a philosophy of leadership, teamwork and problem-solving techniques resulting in continuous improvement throughout the organization by focusing on the needs of the customer, empowering employees, and optimizing existing activities in the process.

Ojha (2015) defines operational excellence is the state of any business organizations that the organization achieves through the development of innovation and technology in the product and service development and distributions. The organization reaches to this level through the inception of continuous improvement methodologies on its every value adding activities for the satisfaction of customers.

Russell & Koch (2009) stated that operational excellence is about reaching the height of operational efficiency through doing things better, faster, and cheaper. Traditionally, operational excellence means optimizing business processes, production and manufacturing that aim to satisfy customer demand, improve quality and increase productivity and efficiency. Today, operational excellence means much wider and it's a key lever for improving profitability and competitive advantage. It's not just about managing day to day operations with efficiency, but it is a way to foster continuous improvement

Cesarotti & Spada (2009) posited that operational excellence is a comprehensive approach to achieve world class performance in productivity, quality and delivery of products and services. The systematic approach of operational excellence enables organizations to achieve a continuous improvement culture, service excellence and customer orientation and at the same time achieve the customer satisfaction and operational efficiency.

Friedli et al., (2013) stated operational excellence is a balanced management of quality, cost and time and at the same time focusing on the customer requirement. Operational excellence emphasizes on performance and organizations practices that the way organizations to achieve superior performance and continuous improvement. It is a continuing improvement in all dimensions of the production plant and measured by the performance efficiency and effectiveness. To achieve operational excellence, top management must play a role to engage the operational excellence structure and culture to their employees.

Miller (2014) Operational excellence is the continuously pursuit of better performance and effectiveness in all dimension of the organization. Operational excellence not only concern about production process, consistency and reducing waste but also concern in creating value through interaction performance of employees, customers and supply chain. Hence, operational excellence is not for perfection but to achieve the superior performance and profits by using a systematic approach which is focusing on people and implement the changes by involving customers, constantly innovating, operation continuous improvement and moving at optimal speed.

2.3 Benefit of Operational Excellence

As stated in Wikipedia (2020) given two companies with the same strategy, the Operationally Excellent company will have lower operational risk, lower operating costs, and increased revenues relative to its competitors, creating value for customers and shareholders. It may more simply be interpreted as "Execution Excellence."

Carvalho (2017) described an organization can sustain only if it becomes effective, which means can produce results. For giving best results, there require excellence in internal organizational process of production and its delivery to the customer with high score of satisfactions. Often this internal production process is understood as operational excellence. Customer satisfactions are determined by how organization processes, produces, and makes delivery to the customers. Any strategies formulated are materialized through the operation process so many scholars and companies have started to believe operational aspects of the organizational plan is most

challenging to handle. Therefore, in the later days, there have been developed many innovations in procurement, manufacturing, and service and distribution system in different types of industries as regards to making organizations more responsive towards customers, which made some of the organizations most successful and consequently, these practices are spreading all over the world

2.3.1 Organizational Sustainability

Ojha (2015) stated Organizational sustainability is most commonly understood as the state of organizational capability to meet customers need. Management of successful organizations is proactive regarding sustainability development. For sustainability organizations outfaces many of its issues related to identification, developing short-term plans in congruent with long-term plans, a consistent and reliable funding system, employee development and empowerment, and internal processes of decision-making.

2.3.2 Organizational Efficiency and Effectiveness

Booz (2014) stated an organization's operating excellence is linked with organizational efficiency and effectiveness. In the competitive environment, every organizations are under the intense pressure reducing cost without decreasing volume of output and quality, often termed as efficiency. When organizations become efficient in reducing waste of time, raw materials, unnecessary processing, and energy used in transportation, storing, and operating plant then the state of organization efficiency is generated and when organization achieves its long-term goals through increased customer satisfactions and proves its reason of being then this state is called effectiveness. Operational excellence assures both.

2.4 Empirical Review on Determinants of Operational Excellence

Researchers and practitioner have discussed that there are several factors that organization might consider achieving the excellence in the businesses. From the previous studies and literature, the factors might be influencing operational excellence is internal factors (Jaeger et al., 2014; Ojha, 2015; Pellissier, 2009; Romano, 2003; Yew, et al., 2013). The internal factors are the factors that being control by the organizations which are consists of soft factors and hard factors. To attain the excellence result, it is important for organization to strengthen both the soft factors and hard

factors. The combination of soft and hard factors will reward the organization to achieve an improvement in overall performance (Calvo-Mora et al., 2014; Gadenne & Sharma, 2009).

2.4.1 The Soft factor and the Hard Factor

Muniz et al., (2010) stated that the soft dimension is related to work organization while the hard dimension is related to production organization in the production management models. The work organization is referring to method, job content, role and responsibilities in a production system. Additionally, work organization related with the social relationships among individuals and groups, their behavior, skills, capabilities, feelings and other human aspects. Moreover, the hard dimension refers to production organization in the production management models. Production organization refers to the processes, activities, types and physical arrangement of equipment and material flow that result in services and goods in a production system. The hard factors are considered the measurable technical factors, while soft factors refer to social or intangible factors where it not easy to quantifiable and the integration of the two factors for organizations performance for making improvement (Ng and Hung Kee, 2012).

Furthermore, the soft and hard dimensions is the core concepts of TQM in almost TQM definition (Bou-Llugar et al., 2009; Calvo-Mora et al., 2014). Additionally, in the TQM framework, these aspects present as complementary aspects which are soft aspects relates to social and behavioral factors and the hard aspects associated with the technical factors. Moreover, the hard factors refer to the quality improvement tools and techniques while the soft aspects are related with management and principles such as leadership, employee empowerment, culture (Fotopoulos and Psomas, 2009). According to Bou-Llugar et al., (2009), the hard factors reflect to the method for the production and operation improvement and processes and procedures for the continuous improvement of goods and services to customers and the soft factors refers to human resources management, leadership, teamwork, training and employee involvement. Furthermore, the hard and soft dimension is represented in the business excellence models such as EFQM and MBNQA. Additionally, Calvo-Mora et al., (2014) grouped the elements in the EFQM model into soft and hard factors. They added that the soft factors in the EFQM models correspond to the criteria leadership and people and they also identify the policy and strategy, strategic management of partners and resources, and processes management as hard factors (Wahab et al., 2016)

Moreover, Calvo-Mora et al., (2014) explained that the soft factors and hard factors influence the organizational results. They added that the soft and hard factors are important for the organizations to achieve the excellence result. Additionally, Yew & Ahmad (2014) stated that the hard element and soft element had an effect on the achievement of the company's operational excellence. Additionally, the hard factors and soft factors will help the organization to maintain and to realize continuous improvement in services and to introduce and develop organizational structure and will impact on the operational excellence culture in all employees. The operational excellence culture throughout all the organization and all employees will contribute to the organizational improvement

In the past organizational changes processes, many organizational only focus their efforts on hard factors. However, Wahab (2016) argued that most successful companies work hard at the soft factors. Indeed, the soft factors can make or break a successful change process simply because we cannot impose hard systems on the organization without considering the effect on people

As Carvalho (2017) stated an important issue that should be considered by companies before implementing an operational excellence program is how to sustain such a program. One of the reasons why a significant number of quality improvement programs do fail is because companies put a lot of effort in the implementation phase and completely forget to sustain it later on. It is imperious to sustain the program implementation, and the organization strategy definition process should consider the continuous pursuit of excellence, so that companies can stay excellent over time. For that purpose, a series of conditions must be observed: (1) senior leadership must be united in driving excellence, (2) the organization, in a holistic perspective, must be committed and engaged, (3) the organization strategy must be clear, defined and communicated, (4) the organization must have process improvement ongoing activities together with self-assessment, and (5) the use of information and data analysis must be a daily practice of the organization

Based on literature review, three soft factors were identified in this study were included leadership style, human resource and organizational culture.

2.4.2 Leadership

Leadership is the key components in achieving excellence. Moreover, leadership is main criteria in the European Foundation for Quality Management (EFQM) Excellence Model (EFQM, 1999). According to Friedli et al., (2013a) leadership is fostering change and ensuring stability in operational excellence and the basic requirement needed to the leaders are required to establish structures, planning for improvements, organizing activities, establishing routines, caring about people, communicating, coaching, supporting and motivating employees.

Leaders are accountable not only for achieving results but achieving them effectively and efficiently. Competitive failure is often self-induced through poor leadership coincident with an inability to form a coherent strategic vision and effectively execute it. Successfully identifying and eliminating operational wastes and barriers to the implementation of Operational Excellence requires a strong foundation provided by organizational leaders.

Ozumba (2011) stated corporate leadership has to believe in the importance of a set of tools and methodologies to drive value for customers and shareholders and visibly demonstrate a commitment to Operational Excellence. Leaders must view the organization as performing a set of business processes that extend across functions. Thus, they must collaborate across functions and work for the greater good of the organization, not functions. They must institute a strong governance structure by ensuring policies, procedures, regulations, organizational structure, metrics, defined roles and responsibilities are all in place. They must see to it that all elements of the organization's structure are aligned throughout the organization and directed in a way that drives desired behaviors and unwavering organizational discipline. They must ensure that initiatives are well integrated, organizational focus well defined and appropriate resources are applied to priorities

Some scholars state that transformational leadership characters are important to lead operational excellence in an organization than other leadership styles. Transformational leadership has a positive relationship with effectiveness across different context compared to the transactional leader which has more ambiguous relationship with effectiveness. Transformational leadership

behavior also influences the changes in employees' efforts towards effectiveness compared to the transactional leadership behavior (Abdullah et al., 2012; Lowe et al., 1996). Bass (1999) explained that the transformational leadership refers to the leader transforms the follower from their own self-interest through idealized influence (charisma), inspiration, intellectual stimulation or individualized consideration. It increases the follower's maturity level and concerns on the achievement, self-actualization, and the well-being of others, the organization, and society. Transformational leaders transform followers' attitudes, beliefs and values by motivate them to attain performance (Rafferty & Griffin, 2004).

2.4.3 Human Resource Management Practice

According to Barney (1991) Human resources (HR) are recognized as one of the most important assets in an organization where it can produce valuable benefits to the organization. In the resourced-based view of an organization, HR provides rare and unique source of competitive advantage. HR may lead an organization to achieve and retain competitive advantage through their employees' competencies and skills. According to Yew & Ahmad (2014), HR is an intellectual capital which can include skills, knowledge and competencies that organization process and channelize to sustain the organizational excellence. HR has strategies and practices that work as a tool for the organization in order to achieve superior performance.

According to Wahab (2016) firm's human resources are the larger sources which can contribute to the competitive advantage. HR systems which is HR practices are designed to enhance employee's skills, commitment and productivity.

Huselid (1995) stated an effective performance of HR practices such as employee recruitment and selection procedures, incentive compensation and performance management systems and extensive employee involvement and training will improve the employee's knowledge, skills, abilities, motivation and enhance retention of quality employees. HR is the most important component for an organization and it is a major source of achieving competitive advantage.

Pirzada et al., (2013) stated that HR management is a challenging task and it should be supported by HR practices. HR practices refer to the organizational activities to manage weak human resources and enhance the resources towards organizational objectives.

The HR practices such as recruitment and selection, training and development, performance appraisal and compensation are the universal use of HR practices in an organization (Yew & Ahmad, 2014) and was acknowledged as the key HR practices which are the best reflect HR practice (Shehadeh et al., 2016). Moreover, these HR practices also has been found have a significant effect on various settings such as on operations management settings across countries and industries (Ahmad & Schroeder, 2003; Vlachos, 2008).

Furthermore, previous studies showed that HR practices have been found to have positive relationship on the performance and significantly influence the operational excellence (e.g. Abdullah et al., 2010; Cesarotti & Spada, 2009; Jaeger et al., 2014; Martinich, 2014; Moorthy et al., 2012; Ojha, 2015; Seidl, 2007; Yew et al., 2013).

2.4.4 Organizational Culture

Robbins (1983) states that culture has been understood as one issue of anthropology, while Lewis (1996) argues that culture is an interdisciplinary phenomenon with contributions from psychology, sociology, anthropology and social psychology. Culture is a property of groups and can be thought of as the accumulated learning that a given group has acquired during its history (Schein, 1990).

Schein (1990) defines culture as a pattern of basic assumptions, invented, discovered or developed by a given group, as it learns to cope with its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore is to be taught to new members as the correct way to perceive, think and feel in relation to those problems.

According to the Shingo Institute (2014), there are three insights of enterprise excellence revolving around culture: (1) ideal results require ideal behaviors, (2) beliefs and systems drive behavior, and (3) principles inform ideal behavior.

Corbett and Rastrick (2000) stated all organizational culture styles are good or bad depending on the strategy and goals of the organization and on its business environment. A culture is good only if 'fits' to the context.

The culture and climate of the given organization refer to normative, collective structures that shape the behaviors of the individual members (Trevino, 1986). Schein (2004) defined organizational culture as “a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration”. The culture of the organization can influence behavior and play a part in the moral development of individuals through the assignment of roles and decision-making responsibilities (Trevino, 1986).

Hofstede (1994) posited, “Values represent the deepest level of a culture” and, although individuals may enter a work environment with many of their values firmly established, they can become socialized to the practices and customs of the new environment.

According to Deal and Kennedy (1982), “a strong culture is a system of informal rules that spells out how people are to behave most of the time. In a weak culture, employees waste a good deal of time just trying to figure out what they should do and how they should do it”. While workplace culture can be described as the way we do things around here, the work climate refers to the way things are around here (Vardi, 2001).

Workplace climate involves shared perceptions of the organization, while the culture refers to organizational *assumptions* (Agarwal and Cruise, 1999). Schneider (1975) defined work climates as “psychologically meaningful moral perceptions that people can agree to characterize a system’s practices and procedures”. His seminal work climate theory asserted that individuals seek to achieve a sense of order in their respective environments and adapt their behaviors accordingly. Thus, individuals exhibit certain behaviors in response to a *perceived* environment of accepted practices and procedures. They seek “congruity between behavior and the system’s practices and procedures”. Similarly, Hellriegel and Slocum (1974) found that individuals tend to not only accept but also internalize the climate of the organization, and this has a significant effect on their behavior. According to Denison (1990), both culture and climate in organizations “entertain the possibility of a shared, holistic, collectively defined social context that emerges over time as organizations struggle with the joint problems of adaptation, individual meaning, and social integration”. Culture is thus not only a socially-derived construct, but one that is ultimately internalized and guides individual behavior.

According to Schein (2004), culture involves three basic human activities; what people think, what people do, and what people create. Schein (2004) further states that, several common properties of organizational culture arise; i.e., culture is shared, learned, transmitted cross generationally, symbolic, adaptive, and integrated.

Sony (2019) stated Organization culture is defined as a complex set of shared values, belief, assumptions, and symbols that are reflected in the norms and behaviors of the organizations. It is important to manage organizational culture as it impacts the people's perception of all aspects of work.

There are many definitions of organizational culture and however what it clearly present as a set of guiding principles that will influence every behavior, action and working relation (Carvalho et al., 2017). Organizational culture is one of the most important critical success factors for the implementation of quality management. It is observed that many organizations are failing to implement the quality management program, and the main reason for this failure is not proper usage of tools, but not having an appropriate organizational culture to adopt and use the quality tools. Organizational culture is something which cannot be implemented overnight, but it takes a lot of time to implement the culture within the organization. It is not an easy and straightforward process but something where one encounters a large amount of resistance (Johnson, 1992). Organizational culture can be improved through a well-thought strategic plan by taking into consideration the organizational environment (Denison, 1996). The organization culture should be seen in line with organization strategy and its environment. The effort to change the culture should not be in isolation but should be studied as a combination of both organizational strategy and environment. The operational excellence initiatives to be successful, the organizations should install a culture towards it in both the organization strategy and environment.

Carvalho (2017) stated it is critical for the successful implementation of excellence initiatives, as organizations need to uniformly understand and adopt the program accordingly. These conditions raise evidence of the importance of organizational culture. Although there are different perspectives over the definition of organizational culture and its elements, most of them end up

coming together, clearly present organizational culture as a set of guiding principles that will influence every working relation, internal or external. Values, norms, behaviors, assumptions and artefacts are considered as the elements of an organizational culture

Carvalho (2017) stated to be successful, the implementation of an operational excellence program is mostly dependent upon the way the project is assimilated by the culture of the organization. The culture of the organization is a very specific and intrinsic issue in each company, and the company's 'behavior' will always be the reflection of that culture. However, the culture of an organization can be shaped in the long-term. A 'culture of excellence' is not a static part of an organization – it is an orientation towards excellence and it should be continuously developed over time in order to fill in the gap to the desired excellence alignment. This leads us to state that when an operational excellence program takes place it is expected to orient and transform the culture of the organization, i.e., there is a culture before the intervention (operational excellence program implementation) and it is expected to have a different culture after the intervention – an excellence-oriented culture. The implementation of an operational excellence program should be understood by organizations as a continuously ongoing project.

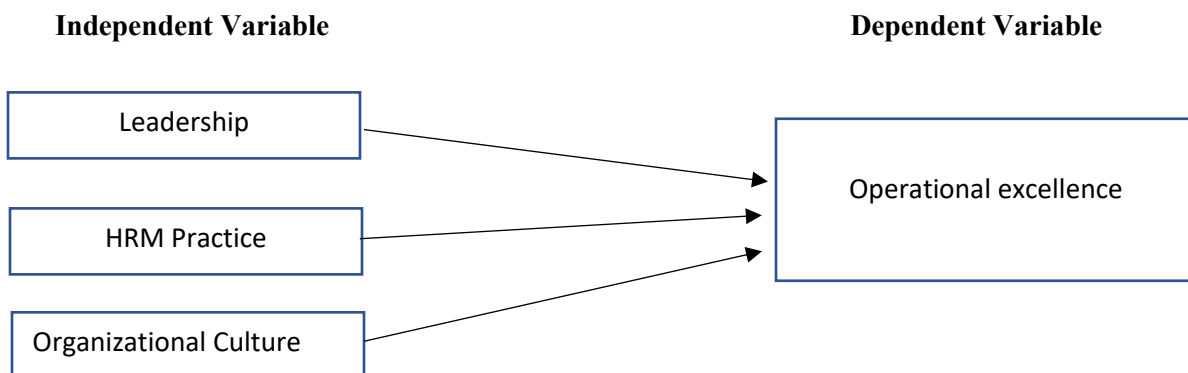
According to Carvalho (2017) It should have different cycles that will promote successive changes of the culture of the organization over time, increasingly orienting it and setting evolutionary 'cultures of excellence' in pursuit of a complete alignment between the organizational culture and the operational excellence principles (Figure 2.1 - The influence of operational excellence programs in orienting an organizational culture towards excellence). During this evolution, it is expected that the operational excellence requirements are aligned with the elements of such an organizational culture and, if not, it is also expected that the implementation of the operational excellence program contributes to close or minimize that alignment gap.



Figure 2. 1 The influence of operational excellence programs in orienting an organizational culture towards excellence

2.5 Conceptual Frame Work of the Study

A conceptual frame work can be defined as a set of broad ideas and principles taken from relevant field of inquiry and used to structure subsequent presentation (Reichel and Ramey, 1987). The conceptual frame work of the study shows the dependent relationship of variables, constructs and concepts. This research also adopts conceptual note for determinants of operational excellence. This research investigates the significance of Leadership, HRM practice and organization culture for operational excellence in EABSC Bahir Dar Plant. This conceptual frame work diagram is constructed by reviewing different literatures and articles about determinants of operational excellence



Source: Prepared by researcher based on the scenario of EABSC, Bahir Dar Plant

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

In order to achieve the study objectives, the researcher used the explanatory research design to determining relationship between the independent variables (Leadership, HRM practice and Organizational culture) and the dependent variable (Operational Excellence) in EABSC Bahir Dar plant. Different literatures and empirical studies were reviewed to gain insights and background information about the determinants of successful operational excellence. The information from this step helps in designing questionnaire and to better understand the problem of the study.

3.2 Research Approach

Since this research tries to build knowledge using cause and effect thinking the chosen research approach is quantitative research approach and primarily utilizes the survey questionnaire for data collection

3.3 Source of Data

Our source of data for the study will be a primary source. The data collection method will be by using structured questionnaires to employees of EABSC Bahir Dar plant. The questionnaires will be sent to respondent using online and printed hard copy. Both methods are available and based on respondent preference the questionnaire will be distributed or link will be sent.

The questionnaire prepared in English as well as in Amahric languages and this able the respondent to get clear understanding about the questions on the questionnaire and makes the data more reliable

Pilot testing will be done for 10 respondents to see whether the questionnaire needs further editing or not. Based on the pilot test and result action will be cared out and the final questionnaire will be distributed for the targeted group.

3.4 Population and Sampling

3.4.1 Population

A population is a well-defined or set of people, services, elements, events, group of things that are being investigated (Bhattacharjee, 2012).

The total population of the study area is 423. From this number 391 are male and 32 are female.

3.4.2 Sampling

The study will use simple probability sampling. Simple Probability Sampling is a sampling technique in which sample from a larger population are chosen using a method based on the theory of probability. For a participant to be considered as a probability sample, he/she must be selected using a random selection. The most important requirement of probability sampling is that everyone in the population has a known and an equal chance of getting selected

Using known random sampling technique formula, Solven's formula (Altares, 2003)- is used to calculate the sample size (n) given the population size (N) and a margin of error (e).

$$n = \frac{N}{1 + N(e)^2}$$

Where, n- sample size

N- total population size

e - level of precision

$$\begin{aligned} n &= \frac{423}{1 + 423(0.05)^2} \\ &= 206 \end{aligned}$$

Those the sample population is **206** employees of EABSC, Bahir Dar plant. Even though the required sample will be **206** the researcher will distribute additional questionnaire more than this to cover missing and lost questionnaires

I, will nominate respondents by using simple random sampling method. Simple random sampling procedure ensures that each element in the population will have an equal chance of being included in the sample

3.5 Measurement / Survey Instrument /

The survey research questionnaires were employed in this study. The question is divided into two parts. The first part contains questions pertaining to the demographic profile of the respondents according to the following: employee gender, age, education level, total working experience and working experience on the organization on survey. The second part shows questions to determine the success factors of operational excellence which identified as independent variables. Leadership, HR practice and Organization culture are measured using modified questioner from different studies based on the literature review. The responses to each of the questions were rated using a 5-point Likert scale labeled as 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly agree

3.6 Method of Data Analysis

The study will use descriptive type of data analysis technique. Descriptive data Analysis is a type of data analysis at the foundation of all data insight. It is the simplest and most common use of data in business today. Descriptive analysis answers the “what happened” by summarizing collected data.

Gathered data will use mainly Percentages and mean, and interpretations will follow to analyze the data. The analysis, interpretation and findings will be collected and recorded in to tables for simplicity and understanding. The findings of the analysis will be described by using different charts.

The researcher will further employ a multivariate regression model to study the determinants of successful implementation of operational excellence. The research deems regression method to be useful for its ability to test the nature of influence of independent variables on a dependent variable. Regression is able to estimate the coefficients of the linear equation, involving one or more independent variables, which best predicted the value of the dependent variable. The researcher uses linear regression analysis to analyze the data

3.7 Data Analysis Tools and Interpretation

After the data was collected, the researcher checked the raw data for editing before coding, data entry and analysis takes place. The purpose of editing is to check and adjust the data for omission, legibility and consistency. After editing, the data is coded, entered and analyzed using statistical techniques based on their information. Therefore, the survey data is processed using SPSS statistics software. The data obtained through questionnaire were presented and analyzed by using descriptive and inferential statistics such as Pearson coefficient correlation for testing the relationship among variables and multiple regressions to analyze the contribution of each independent variable to the dependent variable. The descriptive analysis will be done for each item and questions. This will include the frequency, mean, percentage and standard deviation. Also, tables are used to increase understanding and facilitate easy comparison of the data collected from the survey.

The study also employed inferential statistics of multiple regressions to establish the relationship between the study variables and operational excellence at EABSC Bahir Dar plant. The study used Pearson correlation to establish a single summary number that tells whether a relationship exists between the independent and dependent variables, how strong that relationship is and whether the relationship is positive or negative. The following multiple regression equation was used.

$$Y = E + B_1X_1 + B_2X_2 + B_3X_3$$

Where B_1 , B_2 , B_3 is the regression coefficient of the independent Variable

Y = dependent variable

X_1 = Leadership

X_2 = HRM practice

X_3 = Organization Culture

E = Error

3.8 Validity and Reliability of Instrument

Bhattacharjee (2012) stated two things we need to measure: (1) these scales indeed measure the unobservable construct that we wanted to measure (i.e., the scales are “valid”), and (2) they measure the intended construct consistently and precisely (i.e., the scales are “reliable”). Reliability and validity, jointly called the “psychometric properties” of measurement scales, are

the yardsticks against which the adequacy and accuracy of our measurement procedures are evaluated in scientific research.

To check the validity of the survey instrument pilot test with 10 respondents was done and based on the feedback given the questions corrected. There were some questions with double question and corrected to separate question based on the feedback from the respondents. The questionnaire and the measuring scale were overlooked by the research advisor and given proper correction accordingly.

Reliability taste was done using SPSS Software and the Cronbach alpha value is above 0.7 Cronbach alpha statistic provides an indication of the average correlation among all of the items that make up the scale. Nunnally (1978) recommends a minimum level of 0.7

Table 3. 1 Cronbach’s alpha result measure

	Mean	Std. Deviation	N	Cronbach's Alpha
Leadership	3.5793	.83653	177	.925
HRM Practice	3.5017	.97806	177	.927
Organizational Culture	3.6532	.88339	177	.907
Operational Excellence	3.9447	.78653	177	.941

3.9 Ethical Issues

The researchers hold a moral obligation to treat the information collected in the study with utmost confidentiality. The researchers therefore assured the respondents that the information they provided would be treated with confidentiality. Further, the researcher will assure the respondents of anonymity in their responses and that the information collected will only be used for academic purposes only.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter will present the questionnaire result, the data analysis and finally the discussion. The objective of the research is to identify the determinants of operational excellence in EABSC Bahir Dar plant. The main independent variables of the research were Leadership, HRM practice and Organizational culture. The dependent variable was Operational excellence. The questionnaire response rate, demographic analysis, descriptive and inferential statistics will be presented in this chapter.

4.2 Response Rate

The questionnaire was distributed for employees of EABSC Bahir Dar plant in different ways. Hard copy questionnaire and online response was available for employees as per their preference. The questionnaire was prepared in Amharic and English languages. The total distributed questionnaire was 150 with hard copy and 60 online questionnaire links where sent to employees from this the returned amount is 177 online and hard copy together. This will give us **84.3%** successful response rate.

Table 4. 1 Questionnaire Response Rate

	Distributed	Returned	Missed	Rejected	Accepted	Rate
Hard copy	150	126	24	6	120	80%
Online	60	60	0	3	57	95%
Summary	210	186	24	9	177	84.3%

Source: Survey Data ,2020

4.3 Descriptive Analysis

4.3.1 Demographic Analysis

This section summarizes the demographic characteristics of the respondent, which includes gender, age, education level, total working experience and Working experience with in the organization. The purpose of the demographic analysis in this research is to describe the characteristics of the respondent such as the proportion of males and females, range of age, education level, and working experience. The Personal and demographic characteristics of the respondents are presented in the tables below.

4.3.1.1 Gender

From the total 177 respondents 153 (86.4%) were male and 24(13.6%) were female respondents. This shows that most of the respondents were male.

Table 4. 2 Response Rate by Sex

Sex	Frequency	Percentage (%)
Male	153	86.4
Female	24	13.6
Total	177	100

Source: Survey Data, 2020

4.3.1.2 Age

From the total 177 respondents 95 (53.7%) were between age of 25-30, 56 (31.6%) were between 18-24 age, 23(13%) were between 31-35 age and 3 (1.7%) were between 36-40 years of age. This shows majority of the respondent were from 18- 30 years of age.

Table 4. 3 Age rate of the respondent

Age	Frequency	Percentage (%)
18 -24 years	56	31.6
25-30 years	95	53.7
31-35 years	23	13
36-40 years	3	1.7
41-50 years	0	0
Above 50 years	0	0
Total	177	100

Source: Survey Data, 2020

4.3.1.3 Educational Level

From the total 177 respondents 86 (48.6%) were having a degree, 69(39%) were having a diploma, 13(7.3%) were having 1-12 education level and 9(5.1%) were having master’s degree. This shows most of the respondents having a degree and diploma educational level.

Table 4. 4 Education level of the Respondents

Educational Level1	Frequency	Percentage (%)
1-12 completion	13	7.3
Diploma	69	39
Degree	86	48.6
Masters	9	5.1
Total	177	100

4.3.1.4 Total Working Experience

From the total of 177 respondents 64(36.2%) have 2-4 years working experience, 47(26.6%) have maximum 2 years working experience, 31 (17.5%) have 4-6 years working experience, 19 (10.7%) have 6-8 years working experience, 10 (5.6%) have 8-10 years working experience and 6(3.4%)have above 10 years working experience.

Table 4. 5 Respondents total working experience

Total working Experience	Frequency	Percentage of respondent %
0-2 years	47	26.6
2-4 years	64	36.2
4-6 years	31	17.5
6-8 years	19	10.7
8-10 years	10	5.6
Above 10 years	6	3.4
Total	177	100

Source: Survey Data, 2020

4.3.1.5 Working Experience in the Organization

From the 177 respondents 57 (32.2%) having 2-3 years, 41 (23.2%) having less than one-year experience, 35(19.8%) have 3-4 years' experience, 5 (2.8%) have 4-5 years' experience and 11 (2.8%) have above 5 years working experience with in the organization. So, most of the respondents have 2-3 years' experience with in the organization

Table 4. 6 Respondents working experience with in the organization

Total working Experience	Frequency	Percentage of respondent %
Less than one year	41	23.2
1-2 years	28	15.8
2-3 years	57	32.2
3-4 years	35	19.8
4-5 years	5	2.8
Above 5 years	11	6.2
Total	177	100

Source: Survey Data, 2020

4.3.2 Descriptive Analysis of Independent and Dependent Variable

4.3.2.1 Leadership

From the Data Analyzed using SPSS software, as shown in the Table 4.7 the mean of independent variables Leadership is 3.70 with 0.74 standard deviation and this means majority of the respondents agreed that the leadership is doing great for the operational excellence of the organization. Based on the response of the employees, the top management has clear vision got the maximum mean score of 3.97 and understanding employees position got the minimum score 3.3

Table 4. 7 Mean of Leadership

	N	Mean	Std. Deviation
Leadership	177	3.7	0.74

Source: Survey Data, 2020

4.3.2.2 HRM Practice

The analyzed SPSS data shown on below table 4.8 the mean for HR practice is 3.63 and the standard deviation is 0.88 and shows most of the HR practices are applied on the organization. Based on the response of the employees, the company has extensive employee selection process got the maximum mean score of 3.93 and periodical update of compensation package got the minimum mean score of 3.4

Table 4. 8 Mean of HRM Practice

	N	Mean	Std. Deviation
HRM Practice	177	3.63	0.88

Source: Survey Data, 2020

4.3.2.3 Organizational Culture

The analyzed SPSS data as shows on the below table 4.9 the mean for Organizational culture is 3.72 with standard deviation of 0.83 and this shows most of the respondents agreed that the organization have good organizational culture. Based on the response of the employees, teams are the building block of the organization got the maximum mean score of 4.12 and empowering and giving freedom got the minimum mean score of 3.26

Table 4. 9 Mean of Organizational culture

	N	Mean	Std. Deviation
Organizational Culture	177	3.72	0.83

Source: Survey Data, 2020

4.3.2.4 Operational Excellence

The analyzed SPSS data as shown on the below table 4.10 the mean for operational excellence is 4.03 with standard deviation of 0.69 and this shows most of the respondents agreed that the organization is on the journey of excellence. Based on the response of the employees, commitment to quality product got the maximum mean score of 4.38 and the company overhead cost is less than its competitors got minimum mean score of 3.55

Table 4. 10 Mean of Operational excellence

	N	Mean	Std. Deviation
Operational Excellence	177	4.03	0.69

Source: Survey Data, 2020

4.4 Inferential Statistics

The primary objective of this research is analyses and see the determinants of operational excellence. To see their relationship to properly identify the relationship of variable we need to analyze using regression method. Regression analysis is presented and interpreted going below

4.4.1 Correlation Analysis

As per Pallant (2005) correlation is used when we want to describe the linear relationship, the strength and direction of two variables. In this research we want to use Pearson correlation to see the relationship of independent and dependent variable. Pearson correlation coefficients can take only value from -1 to +1. The sign out the front indicates whether there is a positive correlation or negative correlation. The size of the absolute value provides an indication of the strength of the relationship. A perfect correlation of +1 or -1 indicates that the value of the variable can be determined exactly by knowing the value of the other variable. On the other hand, a correlation of 0 indicates no relationship between the two variables.

The Pearson correlation of the independent and dependent variable describes below

Table 4. 11 Pearson correlation of independent and dependent variables

		Leadership	HRM Practice	Org Culture	Operational Excellence
Leadership	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	177			
HRM Practice	Pearson Correlation	.786**	1		

	Sig. (2-tailed)	.000			
	N	177	177		
Org Culture	Pearson Correlation	.759**	.775**	1	
	Sig. (2-tailed)	.000	.000		
	N	177	177	177	
Operational Excellence	Pearson Correlation	.712**	.725**	.737**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	177	177	177	177

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

Source: Survey Data, 2020

Relationship between Leadership and Operational excellence

The relationship between Leadership and operational excellence was investigated using Pearson correlation coefficient. There was strong, positive correlation between the two variables ($r=+0.712$, $N=177$, $P<0.000$), with high level of leadership associate with high operational excellence.

Relationship between HR Practice and Operational excellence

The relationship between HR practice and operational excellence was investigated using Pearson correlation coefficient. There was strong, positive correlation between the two variables ($r=+0.725$, $N=177$, $P<0.000$), with high level of HR practice associate with high operational excellence.

Relationship between Organizational culture and Operational excellence

The relationship between organizational culture and operational excellence was investigated using Pearson correlation coefficient. There was strong, positive correlation between the two variables ($r=+0.737$, $N=177$, $P<0.000$), with high level of organizational culture associate with high operational excellence.

The correlation between independent variables and dependent variable need to show relationship. Form the person correlation coefficient we can see that the independent and dependent variables have relation.

4.4.2 Multiple Regression Analysis

Pallant (2005) states multiple regression is not just one technique but a family of techniques that can be used to explore the relationship between one continues dependent variable and a number of independent variables or predictors.

This research also conducted standard regression analysis to predict the dependent variable (operational excellence) using independent variables (Leadership, HR practice and Organizational culture)

4.4.2.1 Assumption Tests

4.4.2.1.1 Normality Test

The one important assumption in regression analysis is also that the dependent variable should be tested for normal distribution. Normality is used to describe a symmetrical, bell-shaped curve, which has the greatest frequency of scores around in the middle combined with smaller frequencies towards the extremes (Pallant, 2005). As below Figure 4.2 Histogram graph of the normality curve is bell- shaped this shows the normality test is fully satisfied

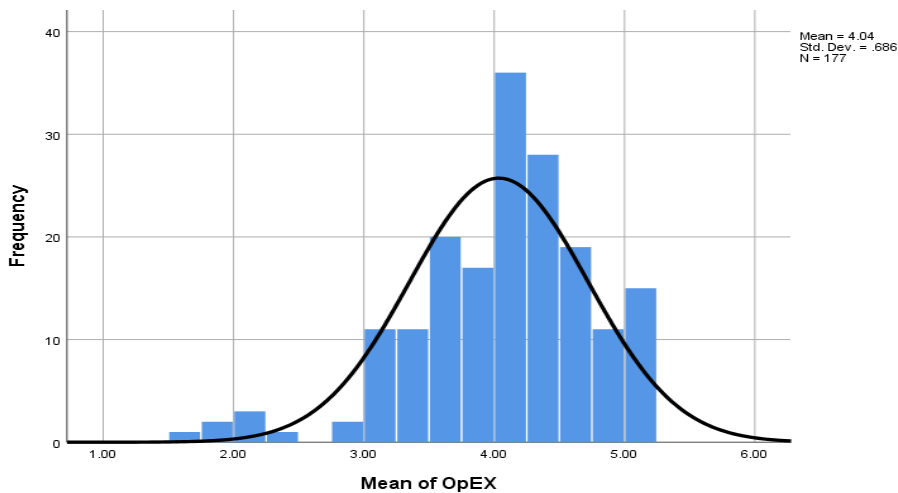


Figure 4. 1 Histogram graph

4.4.2.1.2 Multicollinearity Test

Multicollinearity test need to be done using Tolerance and VIF values. Tolerance >0.1 indicates that low multiple correlation with other variables and VIF less than 10 not show multicellularity. From the table below all the tolerance values are above 0.1 and VIF values are less than 10 (Pallant, 2005).

Table 4. 12 Multicollinearity test

Model	Correlations			Collinearity Statistics	
	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)					
Leadership	.712	.212	.134	.325	3.075
HRM Practice	.725	.236	.149	.307	3.257
Organizational Culture	.737	.314	.204	.341	2.934

4.4.2.1.3 Linearity Test

For this study the researcher also conducts a test of linearity assumption. Regression assumes that variables have a linear relationship (Berry and Feldman, 1985). Visual inspection of P –P plot used to test linearity. If there is no outlier from the regression; linearity is satisfied. According to this study Figure 4.2 of linearity, there are no far outliers from the regression line. This indicates that linearity assumption is fully satisfied.

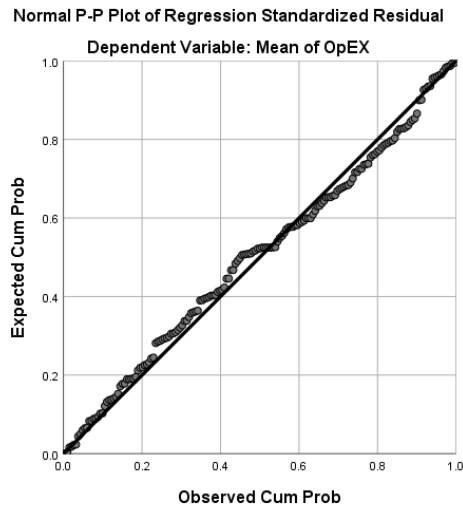


Figure 4. 2 Normal P-P Plot of Regression

4.4.1.2 Model Summary

From the model summary Table 4.13 below we got the R square (R^2) value. This shows how the variance in the dependent variable is explained by the model. R Square value is 0.62. This means the model will explain 62% of the variance in the dependent variable. The independent variables Leadership, HR practice and Organizational culture will explain 62% variation in operational excellence. Other 38% is explained by independent variables not mentioned in this study

Table 4. 13 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.787 ^a	.620	.613	.42666	.620	94.053	3	173	.000

a. Predictors: (Constant), Organizational Culture, Leadership, HRM Practice

b. Dependent Variable: Operational Excellence

From the below Table 4.14 we can see that the F- ratio is big and greater than 1. According to Field (2009) if F- ratio is greater than 1 we can say the model is fit and good model. So, we can conclude that the model is fit to predict the dependent variable operational excellence

Table 4. 14 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51.363	3	17.121	94.053	.000 ^b
	Residual	31.492	173	.182		
	Total	82.856	176			

a. Predictors: (Constant), Organizational Culture, Leadership, HRM Practice

b. Dependent Variable: Operational Excellence

Table 4. 15 Coefficient table

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.394	.168		8.301	.000	1.062	1.725
	Leadership	.218	.077	.234	2.848	.005	.067	.369
	HRM Practice	.211	.066	.270	3.189	.002	.080	.341
	Org Culture	.287	.066	.350	4.358	.000	.157	.417

The regression Model using the unstructured coefficients Beta value explained as:

$$Y = 1.394 + 0.218X_1 + 0.211X_2 + 0.287X_3$$

Where: X1 (Leadership), X2 (HRM Practice), X3 (Organizational culture)

The coefficient of Organizational culture is higher than the others this means the independent variable will make strongest contribution to explain the dependent variable operational excellence.

4.5 Hypothesis Testing Result

Pallant (2005) states that if significant value less than 0.05 then the variable is making a significant unique contribution to the prediction of dependent variable. The value of significance shows that all independent variables (Leadership, HRM practice and Organizational culture) contribute unique significant value to the prediction of the dependent variable operational excellence. P value for leadership < 0.005, P value for HRM practice < 0.002, P value for Organizational culture < 0.000.

H1: There is strong, positive relationship between Leadership and Operational excellence. The correlation between the two variables is positive ($r=+0.712$, $N=177$) and the P value less than 0.05, ($P=0.005$). which shows leadership has a significant effect on operational excellence

H2: There is strong, positive relationship between HRM practice and Operational excellence. The correlation between the two variables is positive ($r=+0.725$, $N=177$) and the P value less than 0.05, ($P=0.002$). which shows HRM practice has a significant effect on operational excellence

H3: There is strong, positive relationship between Organizational culture and Operational excellence. The correlation between the two variables is positive ($r=+0.737$, $N=177$) and the P value less than 0.05, ($P=0.000$). which shows Organization Culture has a significant effect on operational excellence

4.6 Discussion of Findings

The data obtained in this study found overall support for all hypotheses, showing a statistically significant effect and a highly positive relationship between the different research predictors with operational excellence, the research findings can be discussed as follows:

4.6.1 Leadership and Operational Excellence

In a previous research, Ozumba (2010) acknowledged leadership as the largest single factor responsible for the success of operational excellence. This research also found that Leadership is the critical factor for operational excellence.

The result shows that the top management have clear vision and employees are motivated to follow the leader's example and strive to achieve the leader's vision. This shows the leaders are visionary, supportive, advocates change, inspire the team and decisive. Leaders need to work more on understanding the employee's situation

4.6.2 HRM Practice and Operational Excellence

According to the literature, there is no doubt that HRM became a source of competitive advantage (Schuler and MacMillan, 1984), it has been proven that HRM has a positive impact on many areas such as organizational performance (Vlachos, 2008) , service quality (Santa et al., 2010) and operational excellence (Oo Fonk-Yew et al., 2013).

The highest mean obtained was the selection practice 3.93. The selection practice includes finding the best fit between the job and the person who is going to do the job; this indicates that EABSC Bahir Dar plant is most focused on carefully selecting their employees.

The lowest mean is represented by the compensation practice with a mean of 3.40, which reflects need to give more attention to the compensation plans and periodical checking is mandatory to ensure equitable structure.

When tested with the other factors using multiple regressions, the HRM shows a contribution of 21.1% to the variance occurred in the operational excellence.

4.6.3 Organization Culture and Operational Excellence

Culture is the invisible bond which ties community members together. When it comes to improvements, firms should transform to a cultural setting where every single person is involved (Shingo prize, 2014).

The highest mean value obtained was, the company believe on team work it is 4.12. This shows that the teams are the building blocks of the company

The lowest mean is 3.26. This shows the organization need to work on empowering the employees and giving them a freedom to decide and act

When tested with the other factors using multiple regressions, the Organization culture shows the highest percentage than the others. It is 28.7% to the variance occurred in the operational excellence.

The multiple regression test showed a high positive correlation between leadership, HRM practices, and organizational culture with the operational excellence where $R = 78.7\%$ and $R^2 = 62.0\%$

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Summary of the Research Finding

The data was collected from employees of EABSC, Bahir Dar pant. Majority of the respondents who filled the questioner was male 153 (86.4%) and the rest are female 24 (13.6%). From Total respondent's majority of the respondents 95 (53.7%) were on the age range of 25 -30, 56 (31.6%) on the age range of 18 -24, 23 (13%) on the age range of 31 -35, 3 (1.7%) on the age range of 36 -40. Regarding the educational status, Majority of the respondents have a degree level 86 (48.6%), 69 (39%) respondents have a diploma level, 13 (7.3%) respondents were 8 -12 grade completion, 9 (5.1%) respondents have a master's degree. Regarding the total working experience, 64 (36.2%) respondents have a working experience 2 -4 years, 47 (26.6%) have 0-2 years working experience, 31 (17.5%) respondents have 4-6 years working experience, 11 (10.7) respondents have 6-8 years working experience, 10 (5.6%) have 8-10 years working experience and 6 (3.4%) respondents have 10 years above working experience. Regarding the experience on the organization majority of the respondents 57 (32.2%) have 2-3 years working experience with in the organization, 41 (23.2%) respondents have less than 1 year working experience, 35 (19.8%) respondents have 3-4 years working experience, 28 (15.8%) respondents have 1-2 years working experience , 11 (6.2%) respondents have above 5 years working experience and 5 (2.8%) have 4-5 years working experience.

From the research it is found that leadership, HRM practice and Organization culture determine the successful implementation of operational excellence.

The regression analysis also showed that the positive change on leadership have direct positive effect on successful implementation of operational excellence. The positive change on HRM practice have a direct positive effect on successful implementation of operational excellence. The positive change on Organizational culture have positive effect on successful implementation of operational excellence.

R square (R^2) showed 62% variation on successful implementation of operational excellence is because of our three independent variables, Leadership, HRM practice and Organization culture.

Pearson correlation showed that there was strong, positive correlation between Leadership and Operational excellence ($r=+0.712$, $N=177$, $P<0.000$), there is strong positive relation between HRM practice and operational excellence ($r=+0.725$, $N=177$, $P<0.000$), there is strong positive relation between Organizational culture and operational excellence ($r=+0.737$, $N=177$, $P<0.000$).

5.2 Conclusion

The main objective of the study was to identify the determinants of successful implementation of operational excellence in EABSC, Bahir Dar plant from the descriptive research and regression analysis done we can conclude that leadership, HRM practice and Organizational culture are the determinants of operational excellence. Pearson correlation showed leadership has a positive correlation with operational excellence ($r=+0.712$, $N=177$, $P<0.000$). The regression coefficient for leadership has a value of 0.218. This means a unit change in leadership will factor operational excellence by 0.218. Most of the respondents gave a response that good leadership characteristics are shown on EABSC Bahir Dar plant. This leads the organization for successful implementation of operational excellence. From the result we can conclude that Leadership positively affect the successful implementation of operational excellence.

The second objective of the research was to examine the effect of HRM practice on successful implementation of operational excellence in EABSC, Bahir Dar plant. Pearson correlation showed HRM practice has a positive correlation with operational excellence ($r=+0.725$, $N=177$, $P<0.000$). The regression coefficient for HRM practice has a value of 0.211. This means a unit change in HRM practice will factor operational excellence by 0.211. Most of the respondents gave a response that HRM practices are implemented on EABSC Bahir Dar plant. This leads the organization for successful implementation of operational excellence. From the result we can conclude that HRM practice positively affect the successful implementation of operational excellence.

The third objective of the research was to examine the effect of organizational culture on implementation of operational excellence in EABSC Bahir Dar plant. . Pearson correlation showed Organization culture has a positive correlation with operational excellence ($r=+0.737$, $N=177$,

P<0.000). The regression coefficient for Organization culture has a value of 0.287. This means a unit change in Organizational culture will factor operational excellence by 0.287. This is the highest coefficient from the other two variables. This means organization culture is the major factor for successful implementation of operational excellence. From the result we can conclude that Organizational culture positively affect the successful implementation of operational excellence.

5.3 Recommendation

The following recommendations made from the research findings

- The research found organizational culture is positive correlated and the major factor for successful implementation of operational excellence in EABSC, Bahir Dar plant, Therefore the organization need to keep the values, norms and behavior of the plant not to erode through time.
- From the research it is found that low mean score 3.30 was got for the question, the management understand the employee's positions and understand with problems the employee face. This shows the organization leadership need to work on understanding the employees and supporting when they face any problem.
- The other recommendation is the top management need to maintain and strength trust relationship with people at all level. The mean score for this question was low 3.41. indicates there is a gap on this leadership character. The researcher recommends the top management need to see ways to maintain trust relationship between the employees
- The organization need to review the compensation structure and need to update periodically to meet the employees need hence the mean score for this question is low 3.40 compared with other HRM practices. This will have a positive output for successful implementation of operational excellence practice.
- The top management of the organization need to focus on empowering and giving freedom for employees to decide and act. The mean score for this question is the lowest from all questioner questions and the top management need to work on this organizational culture character. This will positively support the implementation of operational excellent practice on EABSC, Bahir Dar Plant

5.4 Suggestions for Further Study

The researcher has recommended further research to know determinants of operational excellence hence the contribution of leadership, HRM practice and Organizational culture have 62 % contribution.

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Appendix 1
Bahir Dar University
College of Business and Economics
Department of Management
Master of Business Administration
Survey Questionnaire

Dear Respondent,

This Questionnaire is prepared by Bahir Dar University post graduate student to collect information for the preparation of a paper as a partial fulfilment of the requirement of Master of Business Administration. The information required is on the determinants of successful implementation of operational excellence. You are requested to provide a required data in the questioner. The information that you provide will remain confidential and is sought exclusively for the completion of an MBA research. Thank you very much for taking the time to complete this survey. The questioner has two parts. The first part is general information about the respondent and the second part is research questions. The total page of the questionnaire is four (4) make sure you completed all by ticking () the chosen answer. Thank you!!

Part 1: General information

1. Gender Male Female

2. Age

18 – 24 25 - 30 31 – 35 36 – 40 40 – 50 Above 50

3. Educational level

1 -12 completion Diploma
Degree Masters

4. Total working experience

a. 0 – 2 years c. 4 – 6 years e. 8- 10 years
b. 2 – 4 years d. 6 – 8 years f. above 10 years

5. Working Experience with in this organization
a. Less than one year c. 2 -3 years e. 4 -5 years
b. 1 - 2 years d. 3 – 4 years f. above 5 years

Part 2 – Determinants of Operational excellence

Instruction - Please indicate your level of agreement with the following statements by make tick (✓)
 1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly agree

Number	Statement	1	2	3	4	5
Leadership						
1.	Our top management team has clear vision and sense of where the organization is supposed to go					
2.	Our top management team knows how to keep in track the achievement of the organization vision					
3.	Our top management team steers the team in the right direction and help them to overcome obstacles on the path to success					
4.	Our top management team understands an employee's position and empathizes with any problems the employee may face					
5.	Employees are motivated to follow the leader's example and strive towards achieving the leader's vision.					
6.	The top management Maintain and strengthen trust relationships with people at all levels					
7.	The management Live with integrity and lead by example					
8.	The top management Grow leaders from within					
9.	The managers Inspire people to accomplish extraordinary results					
10.	The top Management Stimulate change and improvement					
11.	The management Hold people responsible for results and be decisive toward nonperformers					
12.	The management is committed to the organization for the long haul					
HR Practice						
13.	The company spends a great deal of money to ensure that we hire the right person for the job,					
14.	The company have extensive employee selection process for a job (use of tests, interview, etc)					
15.	Multiple applicants are screened before a position is filled to ensure the best person is selected for the job.					
16.	The company attract exceptional people with a can – do attitude who fit the culture					
17.	We have an extensive training process for members in our company using different kinds of training programmers.					
18.	The company develop people to be resilient and flexible					

1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly agree		1	2	3	4	5
19.	Our company evaluates our performance annually based on job- related criteria					
20.	Our company consistently reviews and updates its compensation systems to meet the needs of employees and the compensation structure is equitable					
Organization Culture						
21.	Information is widely shared so that everyone can get the information he or she needs when it's needed,					
22.	Decisions are usually made at the level where the best information is available.					
23.	Teams are the primary building blocks of this organization.					
24.	Working in this organization is like being part of a team; the company relies on horizontal control and coordination to get work done, rather than hierarchy.					
25.	The organization is constantly improving compared with its competitors in many dimensions;					
26.	The organization develop and maintain a performance driven culture					
27.	The organization established strong and meaningful core values					
28.	Align employee behavior and values with company values and direction					
29.	The organization create a culture of transparency openness and trust					
30.	The organization create a shared identity and sense of community					
31.	The Organization empower people and give them freedom to decide and act					
32.	The company working to be a learning organization					
Operational excellence						
33.	The company is continuously striving to reduce the operational cost					
34.	Our company overhead cost is less than our competitors in the same sector					
35.	The company is always improving the product delivery system to its customers					
36.	Our organization is totally committed to the idea of creating satisfied customer, we aim to do things right and error free at first time of delivering the service					
37.	Our organization is totally committed to quality of product					
1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly agree		1	2	3	4	5

38.	Our goal is to exceed the expectations of our customers in the things that matter most to them				
39.	Information from customers is used in designing/modifying our products and services				
40.	The company care about the customers complaints, its offered a system to get customers feedback and analyze quality problems				
41.	When problems with quality are identified, we take quick action to solve them				
42.	The company use the industry best practices to create and deliver services				
43.	The company has modern looking equipment, appealing materials and facilities				

Source: Modified from research done previously on the subject (Shehadeh (2016) and Andre (2013))

Appendix II

ባሕር ዳር ዩኒቨርሲቲ

የቢዝነስና ኢኮኖሚክስ ኮሌጅ

ማኔጅመንት ትምህርት ክፍል

በቢዝነስ አድሚኒስትሬሽን የሁለተኛ ዲግሪ ፕሮግራም

የዳሰሳ ጥናት

በባሕር ዳር ዩኒቨርሲቲ የሁለተኛ ዲግሪ መርሃ ግብር የቢዝነስ አስተዳደር ትምህርት እየተከታተልኩ ሲሆን በአሁኑ ሰዓት የመመረቄያ ጽሑፍ እየሰራሁ ነው። የጽሑፉ አርዕስት “The determinants of successful implementation of operational excellence” የሚል ሲሆን በአማርኛም “የውጤታማ ስራ ክንውን ልህቀትን የሚወስኑ ትግበራዎች” የሚል ነው። በመሆኑም በዚህ ርዕስ ዙሪያ የተዘጋጀውን ይህን መጠይቅ በመሙላት እንድትተባበሩኝ እየጠየኩ የምትሰጡት መረጃ ለጥናቱ ዓላማ ብቻ የሚውልና ለሌላ አካላት ተላልፎ የሚሰጥ አይደለም። መጠይቁን ስለምትሞሉ በጣም አመሰግናለሁ።

ክፍል 1: ግላዊ መረጃዎች

1. ጾታ ወንድ ሴት

2. ዕድሜ

18 - 24 25 - 30 31 - 35 36 - 40 40 - 50 ከ50 ዓመት በላይ

3. የትምህርት ደረጃ

1ኛ- 12ኛ ዲፕሎማ የመጀመሪያ ድግሪ ሁለተኛ ድግሪ

4. አጠቃላይ የስራ ልምድ

0 - 2 ዓመት ከ 2 - 4 ዓመት ከ4 - 6 ዓመት
 ከ6-8 ዓመት ከ8 - 10 ዓመት ከ10 ዓመት በላይ

5. በኢስት አፍሪካ ቦትሊንግ ኢ.ማ ድርጅት ብቻ ያዎት የስራ ልምድ

ከ1 ዓመት በታች ከ1 - 2 ዓመት ከ2 -3 ዓመት
 ከ 3 -4 ዓመት ከ4 - 5 ዓመት ከ5 ዓመት በላይ

ክፍል 2: የውጤታማ አሰራር ልህቀትን የሚወስኑ ክዋኔዎች

ለሚከተሉት መጠይቆች ከ 1- 5 ካሉት ውስጥ የሚሰማበትን በመምረጥ የ"✓" ምልክት ያስቀምጡ

1. በጣም አልሰማምም 2. አልሰማምም 3. ሀሳብ የለኝም 4. እስማማለሁ 5. በጣም እስማማለሁ

ተ.ቁ	መጠይቆች	1	2	3	4	5
አመራር						
1	የከፍተኛ አመራሩ ቡድን ድርጅቱ የት መሄድ እንዳለበት ግልፅ የሆነ ራዕይ እና ስሜት አለው					
2	የከፍተኛ አመራሩ ቡድን የድርጅቱን ራዕይ ለማሳካት እንዴት መከታተል እንዳለበት ያውቃል					
3	የእኛ ከፍተኛ አመራር ቡድኑን በትክክለኛ አቅጣጫ ይመራል					
4	ወደ ስኬት በሚወስደው ጎዳና ላይ መሰናከሎችን እንዲያሸንፉም ሰራተኛውን ይረዳል					
5	ከፍተኛ የአመራር ቡድኖችን የሰራተኛውን አቋም ይገነዘባል እንዲሁም ሰራተኛው ሊያጋጥመው የሚችለውን ማንኛውንም ችግር ይረዳል					
6	ሰራተኞች የመሪውን ምሳሌ ለመከተል እና የመሪውን ራዕይ ለማሳካት ጥረት ያደርጋሉ					
7	ከፍተኛ አመራሩ በሁሉም ደረጃዎች ያለ በመተማመን ላይ የተመሰረተ ግንኙነትን ያጠናክራል					
8	አስተዳደሩ በታማኝነት እንዲሁም ምሳሌ በመሆኑን ይመራል					
9	ከፍተኛ አመራሩ አመራር መሆን የሚችሉትን ከውስጥ ሰራተኞች ያበቃሉ/ያሳድጋሉ					
10	ስራ አስኪያጆች ከፍተኛ አፈጻጸም እንዲያስመዘግቡ ያነሳሷቸዋል					
11	ከፍተኛ አመራሩ አዳዲስ አሰራርና መሻሻልን ያበረታታሉ					
12	ማኔጅመንቱ ተጠያቂነትን በማስፈን ደካማ አፈጻጸም እንዳየኖር ያደርጋል					
13	የድርጅቱ አመራሮች ለድርጅቱ የረጅም ጊዜ ጉዞ ጠንክረው ይሰራሉ					
የሰው ሃብት አያያዝ						
14	ለሰራው ትክክለኛውን ሰው ለመቅጠር ኩባንያው በቂ ገንዘብ ይመድባል					
15	ድርጅቱ ሰፊ የሰራተኞች ምልመላና መረጣ የቅጥር ጊደት አለው (ለምሳሌ እንደ ፈተና፣ ቃለመጠይቅ ወዘተ)					
16	ለሰራተኛው ብቁ የሆነ/ች ሰው ለሰራው መመሪቱን ለማረጋገጥ አንድ ቦታ ከመሞላቱ በፊት በርካታ አመልካቾች ይመለመላሉ					
17	ከድርጅቱን የሰራተኛው ባህል ጋር የሚዋሀዱ ከፍተኛ ውጤታማ ሰዎችን ለሰራ ይጋበዛል					
18	በድርጅታችን ውስጥ ለሰራተኞች ሰፊ የሰልጠና ፕሮግራሞች አሉ					
19	ድርጅቱ ሰራተኛው አስቸጋሪ ሁኔታዎችን መቋቋም እና ራሱን ከሁኔታወች ጋር የሚያስማማ እንዲሆኑ ያበረታታል					
20	ኩባንያችን ከሥራ ጋር በተዛመዱ መመዘኛዎች መሠረት አፈፃፀማችንን በየዓመቱ ይገመግማል					

20	<p>ኩባንያችን የሠራተኞቻችን ፍላጎት እንዲሁም ተመጣጣኝነትን ያገናዘብ ክፍያ እንዲኖር ሂደቱን ያዘምናል</p> <p>1. በጣም አልስማማም 2. አልስማማም 3. ሀሳብ የለኝም 4. እስማማለሁ 5. በጣም እስማማለሁ</p>	1	2	3	4	5
የድርጅቱ ባህል						
21	ሁሉም ሰው በሚፈልግበት ጊዜ የሚፈልገውን መረጃ ማግኘት እንዲችል መረጃው በሰፊው ይጋራል ፤					
22	ውሳኔዎች የሚወሰኑት በቂ መረጃዎች ከተገኙና ከተሰበሰቡ በኋላ ነው					
23	የሰራተኞች የድርጅቱ ዋና ምሰሶ ናቸው					
24	በዙህ ድርጅት መስራት ማለት የጥሩ ቡድን አባል መሆን እንደማለት ነው፤ ድርጅቱ ውጤት ለማምጣት በጎረቤት በመተባበር ያምናል					
25	በብዙ መለኪያዎች፡ ድርጅታችን ከተወዳዳሪዎቹ አንጻር ያለማቋረጥ እያደገ ነው። ለዚህም የሰራተኞች አቅም እንደ ወሳኝ የብልጫ ማግኛ ይወስዳል					
26	ድርጅቱ በአፈፃፀም የሚመራ ባህልን ያዳብራል እንዲሁም ይጠብቃል					
27	ድርጅቱ ጠንካራና ትጉም ያለው መሰረታዊ እሴት መስርቷል					
28	የሰራተኛ ባህሪን እና እሴቶችን ከኩባንያው እሴቶች እና አቅጣጫ ጋር ይጣጣማሉ					
29	ድርጅቱ ግልጽነት እና እምነት የመጣል ባህልን ይፈጥራል					
30	ድርጅቱ የጋራ ማንነትን እና የህብረተሰባዊ ስሜትን ይፈጥራል					
31	ድርጅቱ ሰዎችን ኃይል በመስጠት የመወሰን እና የማከናወን ነፃነት ይሰጣቸዋል					
32	ድርጅቱ የሚማር ድርጅት ለመሆን እየሰራ ነው					
ልህቀታዊ አተገባበር						
33	ኩባንያው የሥራውን ወጪ ለመቀነስ በቀጣይነት በትጋት እየሠራ ይገኛል					
34	የድርጅቱ አስተዳደራዊ ወጭዎች በተመሳሳይ ዘርፍ ካሉ ተወዳዳሪዎቹ አንጻር ያነሰ ነው					
35	ኩባንያው ለደንበኞቹ ምርት ለማቅረብ ያለውን ስርዓት ሁልጊዜ እያሻሻለ ነው					
36	ድርጅቱ ደንበኞቹን ለማርካት ቁርጠኛ ነው፤ አገልግሎታችንን የምንሰጠው መጀመሪያ ትክክልና ከሰህተት ነጻ ለማድረግ አልመን ነው					
37	ድርጅታችን ለምርት ጥራት ሙሉ በሙሉ ቁርጠኛ ነው					
38	ዓላችን ደንበኞቻችንን ከሚጠብቁት በላይ የላቀ አገልግሎት መስጠት ነው					
39	ከደንበኞቻችን የምናገኛቸውን መረጃዎች ምርትና አገልግሎታችንን ለማሻሻል እንጠቀምባቸዋለን					
40	ድርጅቱ የደንበኞች ቅሬታ ያሳስበዋል ፤ የደንበኞችን ቅሬታ በመቀበል የጥራት ችግሮችን ለመተንተን የሚያስችል ስርዓት አለው					
41	የጥራት ችግሮች በሚታወቁበት ጊዜ እነሱን ለመፍታት ፈጣን እርምጃ እንወስዳለን					
42	ኩባንያው አገልግሎቱን በሚሰጥበት ጊዜ የኢንዱስትሪውን ምርጥ ተሞክሮዎችን ይጠቀማል					
43	ኩባንያው ዘመናዊ መሣሪያዎች ፣ ማራኪ ቁሳቁሶችና መገልገያዎች አሉት					

