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Operational excellence for sustainability of Nepalese industries

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Abstract

The research starts with the question that how industries endeavor towards operational excellence. This research believes that sustainability of any industry is highly affected by operational excellence. This research aims to explore how industries achieve operation excellence and what employees of Nepalese industries take operational excellence. Research is based on primary and secondary data. In the research it is believed that participants' own social experience on worth of the goods or service in terms of timely delivery, reasonable price, speed, and specifications has great meaning. Therefore, methods of study include theory of social constructivism based on the in-depth interviews with some industrialists, businessperson and bankers located at Kathmandu valley. Nevertheless, the research has not left to enquire with employees of the industries of industrial states about the benefits of operational excellence, state of its easiness/difficulties to apply the principles and states of their practice. In the research the researcher's subjective values, and intuition, also has been duly considered.

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Keywords: operational efficiency, sustainably, external and internal environment, operation excellence

1. Introduction

Surprising works related to operational excellence of Japanese manufacturers in late centuries attracted many organizations in the world towards that. 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

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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. 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. Research questions and purpose

This study tries to explore how the organizations have perceived operational excellence in Nepal. Specifically tries to reveal is it beneficial, can it be achieved by the organizations easily, and have the organizations practiced the processes for achieving operational excellence. What components are important for achieving this excellence? What processes are to follow for operational excellence?

3. Methodology

3.1 Sources of information

The study adopts both primary and secondary data. Secondary sources of information used in this study are extensive review of literatures related to operational effectiveness, operational efficiencies and operational excellence. Moreover, the primary data sources are the employees of some of the organizations located in industrial estates.

3.2 Instruments

Instruments used in the study is questionnaire. The questionnaire consisted of three parts: perceived benefits from operational excellence, easiness/difficulties to use operational excellence tools, and status of application of operational excellence tools. Randomly, the questionnaire sets were distributed to five employees of 30 organizations each located at industrial districts of Kathmandu valley. Responses were received from 144 employees. The model and types of questionnaire is adopted from the study report of Bloomberg BusinessWeek Research Services, 2012, which had used this type of instrument while doing extensive survey on operational excellence, previously used this instrument.

4. Review of literature

Researchers and management consultants are in the opinion that operational excellence can be achieved. For example, Berg, (2014) has investigated and presented some measures for operational excellence. They are creating a process master, prioritizing processes, creating process models, performing root cause analysis, assembling a process improvement team, addressing top 2 – 3 causes, and re-measuring. Similarly, Chris Arnold & Jerry Koch have presented 10 steps to improve operational efficiency. These are (1) Knowing the operation, (2) giving much emphasis on training, (3) realizing people are most important assets, (4) fulfilling orders of the customers timely, (5) improving customer service, (6) removing barriers to success, (7) raising the bar, (8) reviewing process, (9) benchmarking and (10) making system a powerful mechanism.

The authors and scholars of operation management like, Leong et al.,(1990) have been focusing their attentions to some structural and infrastructural aspects of strategic decision areas, where structural aspects covered the areas related to facilities, capacity, technologies for processes of work, and network of suppliers. Likewise, infrastructural aspects cover planning and controlling related issues, quality related issues, organizational related issues and human

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