



Call for Expressions of Interest: Productivity Improvement in the Private and Public Sectors

Terms of Reference

- This document is a call for Expressions of Interest for funding support from the Global Development Network.
- The purpose of this call is to support high caliber and policy-oriented research on the topic of firm level productivity emanating from developing countries.
- Through this call, the Global Development Network targets research teams from developing countries.
- The Global Development Network intends to provide 4 research grants up to a maximum of USD 40,000. The research outputs will be published in a book on the Kaizen experience.
- Projects are expected to start in April 2017 and to finish no later than 30 June 2018 and will be followed by a dissemination phase until December 2018.
- Selected applicants will attend an inception week in Tokyo in May 2017, which includes a seminar on Kaizen and a workshop to finalize the proposals.
- Beyond funding support, GDN will strengthen the research capacities of the selected researchers through mentoring, peer-review and other research capacity building activities.
- Selected applicants will be invited to an inception week in Tokyo in May 2017.

Deadline to apply: 18 April 2017, 5pm IST (Indian Standard Time)

1. Summary

GDN is soliciting research proposals from research teams interested in producing high quality research to document the increase in productivity at the firm level through the implementation of different management methods.

In partnership with the JICA-Research Institute (JICA-RI), the Global Development Network (GDN) intends to document the relationship between management methods and productivity at the firm level. The number of empirical studies which analyze the effectiveness and/or the challenges on improving productivity through implementing different management methods, like *Kaizen* (the Japanese style management approach) remains limited in developing countries. GDN and JICA-RI would like to address this need and to deal with the lack of contextualized knowledge on managerial capital and interactions with policies to enhance productivity growth. This partnership will aim at studying different cases to document what has been done to enrich our shared knowledge of the initiatives in the public or the private sector to boost productivity (through *Kaizen* activities, for example) and the role of policies to support them.

This contextualized comparative approach aims to leverage the knowledge thus generated so that policy-makers, private sector leaders and other relevant local stakeholders can learn from other country experiences about how to analyze country contexts and how to intervene accordingly. The program thus aims to critically analyze the accumulation of knowledge and capabilities at the individual and the firm level. The output of the projects will be a book co-edited by Akio Hosono (JICA-RI) and John Page (Brookings Institution).

Under this call:

- GDN will provide a maximum of four (4) research grants of up to USD 40,000 each, as well as mentoring, peer reviews, training, site visits, and opportunities for publication;
- The research teams need to be based in the countries of project implementation and be citizens of developing countries (see more under [Eligibility](#));
- Projects are expected to start in April 2017 and finish no later than 30 June 2018 and will be followed by a dissemination phase until December 2018;

The deadline for submissions is 18 April 2017, 5pm IST (Indian Standard Time)

2. Rationale

A lot of interest has been devoted recently on the evolution of productivity growth in the private sector. In this joint research project, GDN and JICA-RI would be interested in focusing on the increase of productivity at the firm level through new managerial methods, such as *Kaizen*.

Indeed, to increase their productivity and their competitiveness, firms from the private sector may adopt technologies or new management¹ (and these initiatives might interact with the ones of the government). However, it can be observed that low skill workforce and lack of managerial or/and organizational capacities prevent low income countries from increasing their productivity². This may stem from poor quality education or a mismatch between the training and the skills needed,

¹ The public sector can also adopt such methods to increase its own productivity.

² *Introducing Kaizen in Africa*, GRIPS Development Forum, 2009

but also from the absence of awareness about the existing knowledge and initiatives that exist in other firms to enhance productivity. Therefore, this paucity of management capability has been an impediment for the private sector to be a driver of growth by itself.

Besides the lack of managerial capacity, the difficulty to adopt new work systems to increase productivity lies in the fact that different types of management or organizational methods are driven by practices and procedures defined by existing concepts of organization that are embedded in broader social structures. This means that the diffusion of work systems from one context to another might be hampered by the differences of social structures between them³.

In addition, we observe a widening dispersion of productivity levels between firms in the developing world, the left tail of the distribution being thicker in developing countries than in the developed ones. Bloom and his co-authors show a positive correlation between firm management and productivity and document this heterogeneity among firms across countries, across sectors and over time⁴. They emphasize the role played by the ownership structure of the company, the product market competition and the labor regulation in which they evolve.

Some donors like the Japan International Cooperation Agency (JICA), identified the need to tackle the dearth of managerial capacity in developing countries. In order to address this, JICA has been dedicating a lot of resources in dissemination and implementation of *Kaizen*, the Japanese style management approach, in several countries including Brazil, Central America, Ethiopia, Tunisia and Eastern Europe⁵. As pointed out by Hosono, *Kaizen* indeed presents some features that can potentially enhance such positive outcomes of such interventions:

- (i) It is applicable everywhere because it invokes universal values as demonstrated by the experiences, even though *Kaizen* owes its origin to Japan;
- (ii) It is applicable not only to the private sector but also to the public sector; and
- (iii) It can function well when adapted to the local context.

This concept has been further discussed in the context of a learning society, in which firms are the host of knowledge and learning opportunities⁶. For example, Hosono (in *Norman and Stiglitz*, 2017, 324-330) details how *Kaizen* can contribute to the creation of learning enterprises that could stimulate inclusive and innovative growth⁷. Shimada and Sonobe⁸ also emphasize the impact of *Kaizen* on working conditions, wages and employment in eight countries in Central America.

³ See Saka, A. (2004). *The Cross-National Diffusion of Work Systems: Translation of Japanese Operations in the UK*.

Organization studies, 25 (2), 209.

⁴ See for instance, Bloom, Nick & Van Reenen, John (2006). *Measuring and explaining management practices across firms and countries* [online]. London: LSE Research Online. Or more recently, Bloom, Nick.; Sadun, Raffaella & Van Reenen, John (2016), *Management as a Technology?*, NBER Working Paper No. 22327

⁵ For Brazil and Central America, see Hosono, Akio, 2009, "*Kaizen: Quality and Productivity and Beyond*", in *Introducing Kaizen in Africa*, GRIPS Development Forum

⁶ See Stiglitz, Joseph E., and Bruce C. Greenwald. *Creating a Learning Society: A New Approach to Growth, Development, and Social Progress*. Columbia University Press, 2014.

⁷ See Noman, Akbar, and Joseph E. Stiglitz, eds. *Efficiency, Finance, and Varieties of Industrial Policy: Guiding Resources, Learning, and Technology for Sustained Growth*. NEW YORK: Columbia University Press, 2017.

Along with the *Kaizen* management style, other private sector strategies for productivity improvement exist. As explained above, increasing productivity through the dissemination of these different initiatives in different countries, or in different institutional contexts, can be impeded by social structures and prevailing concepts of organization or regulatory environments. The effectiveness (the ability to increase productivity through an actual change in the management methods) of such initiatives can thus be mixed across different settings and some initiatives might be more effective than others for a given context.

However, there is a lack of empirical studies on their effectiveness, the determinants of their success (or failure) and the role of policies to support them. This gap in knowledge makes it even more difficult for developing countries to draw lessons that can be used by the governments and the private sector to learn from either successful or unsuccessful private and public initiatives.

3. Details on the program

This GDN/JICA-RI joint research program will generate quality, empirical academic knowledge locally through a careful documentation of existing initiatives aiming at improving productivity at the firm level. **While particular attention will be given to Kaizen activities, GDN and JICA-RI are interested in case studies which primarily examine the effectiveness of Kaizen interventions. GDN and JICA-RI encourage applicants to examine these considering the effectiveness in the context of other interventions that aim to improve productivity at the firm level in developing countries.** The case studies should inform the following questions:

- (i) What do we learn from existing initiatives to improve managerial capital and their effectiveness in increasing firm level productivity in developing countries?
- (ii) What do we learn from these initiatives about the various determinants of their success or failure and their ability to lead to actual change in firm performance? Examples include, but are not limited to, ownership structure of the firm, cultural specificities.
- (iii) What are the interactions between the private and the public sectors' initiatives and their role in the success or failure of productivity improvement at the firm level? Examples include, but are not limited, to labor market regulation, skill level of the population, market competition.

4. Details on the expressions of interest

In their expression of interest, the applicants should describe:

- (i) The rationale for this research (in the context of the country's current situation and how this fits in current global theoretical debates drawing on the appropriate literature);
- (ii) The specific interventions they aim to look at;
- (iii) The data collection strategy, including the availability relevance, quality and reliability of both primary and secondary sources;

⁸ Shimada, Go and Tetsushi Sonobe, "Impacts of Kaizen management on workers: Evidence from the Central America and Caribbean Region", JICA-RI Working Papers (Forthcoming)

- (iv) The methodology they will use to assess the effectiveness of the interventions toward productivity increase at the firm level used, including a counterfactual. The applicants are encouraged to use both qualitative and quantitative methods in a complementary manner and justify the rigor and appropriateness of the research design;
- (v) The ability of the team to carry out this research.

See details on the submission process below.

5. Specific activities

During the project, GDN will work closely with the selected teams to provide them with the support needed (beyond funding) to refine the scope of the research, to effectively implement the research agenda, to monitor the research outcomes and to assist them in publishing the final research paper.

In addition, GDN will provide advisory mentoring services to the teams. Each team will benefit from the advice of a Scientific Advisor selected by GDN. He/she will be a senior researcher that has some recognized experience in the field. These advisors will provide guidance on the research design, implementation, analysis and effective research outcomes through face-to-face meetings, seminars for peer-reviews and online communication during the entire course of the project. It is expected that teams and their respective advisor exchange on a regular basis to cope with the problems teams encounter or to seek advice in the direction of the research.

Beyond the grant and the opportunity to work with a distinguished researcher, GDN will provide knowledge exchange and capacity building services to the selected teams:

- (i) *Inception week.* GDN and JICA-RI will organize an inception event in May 2017 in Tokyo, Japan, which includes a seminar on Kaizen and a workshop to finalize the proposals. All the selected applicants are requested to attend this event;
- (ii) *Peer review.* A peer-review workshop will be organized at the mid-term of the project. The preliminary research results will be reviewed during this workshop. A research communication training will also be organized during this peer-review workshop to strengthen research communication skills of the selected applicants;
- (iii) *Policy Dialogue.* GDN and JICA-RI will organize a Policy Dialogue to reach out to a policy-maker audience and disseminate the findings.

GDN will also support the teams on a continuing basis in research management, and research dissemination for policy influence. A final dissemination event will be organized for the launch of the edited volume.

GDN promotes professional networking among researchers and believes in cross fertilization of ideas and knowledge. These different events are the opportunity to learn from the peers and benefit from the advice of other colleagues. GDN also expects the teams to use this international platform to reach as much as possible the policy makers in their countries.

6. Eligibility Criteria

The call is open to any researchers belonging to a university or any other research-oriented organization based in a developing country that fulfills the following eligibility criteria. A maximum of 3 researchers are allowed to form a team⁹.

- Each team must include:
 - (i) At least one senior researcher with demonstrated experience in productivity studies, a good record of publications and experience in research management
 - (ii) At least one young researcher (below 35 years old). Preferably, this young researcher is a PhD graduate.
- Researchers must be citizens of developing or transition countries, but can be temporarily residing (for no more than five years) in a developed country. However, at least one member of the team must currently reside in the developing or transition country under study.
- Staff members of multilateral and bilateral development organizations are NOT eligible to apply.
- Previous and current employees of GDN are NOT eligible to apply up till 5 years from the completion of their tenure. Previous and current GDN Board Members, project mentors and members of evaluation teams are NOT eligible to apply.
- Similar proposals or papers resulting as products from full or partial GDN funded activities cannot be submitted for this competition.

Please note that JICA-RI and GDN are particularly interested in receiving expressions of interest from Argentina, Brazil, Ethiopia, Kenya, Mexico, Sri Lanka, Tanzania, Thailand, Vietnam and other ASEAN countries. This list is indicative and GDN and JICA-RI will also consider expressions of interests from other developing countries.

7. Submission process

Expressions of interests have to be submitted through the dedicated online [platform](#) before 18 April 2017, 5pm IST (Indian Standard Time). Submissions received after this deadline or incomplete submissions will not be considered by GDN.

Along with the information required on the platform, participants must attach the following additional documents:

- A. An expression of interest in MS Word file only (.doc or .docx). This document should not be more than 5 pages long. Format should be Times New Roman, 11-point font with single-line spacing and one inch margins with no background color. It must include the requirements specified in [section 4](#);
- B. A tentative work plan and timeline. Please use the GDN template available on the online platform;
- C. A tentative budget. Please use GDN template available on the online platform¹⁰;

⁹ Though the team can include three researchers, a maximum of two researchers per team will be invited to attend the different workshops.

¹⁰ A, B and C will be further discussed with the senior researcher during the inception workshop.

- D. CVs of each team member;
- E. A proof of citizenship for each team member;

Please note:

- Applications must be submitted in English;
- A researcher can NOT submit more than one application;
- Incomplete applications will NOT be considered;
- Application received after 18 April 2017, 5pm IST (Indian Standard Time) will NOT be considered;
- Information and details provided in the application should be correct and verifiable; else the submission will be liable for disqualification;
- GDN will accept submissions as electronic files only through the dedicated online platform. Submissions by any other method will NOT be accepted;
- GDN reserves the right to modify, cancel or not award grants at any stage of the call.

GDN-supported research projects must be carried out in accordance with common research and professional ethical standards, related to plagiarism, surveys and other forms of data collection that involve human subjects, confidentiality and transparent use of financial and human resources. In their proposals, applicants are required to clearly identify all possible ethical issues relating to their proposed program¹¹.

Furthermore, all forms of academic dishonesty are unacceptable to GDN, plagiarism being one of them. Plagiarism is unauthorized use of other people's work, ideas and/or writings (in part or in full) and presenting or giving notion of these work(s), ideas and/or writings being one's own work, idea(s) and/or writing(s). GDN takes plagiarism very seriously and will take immediate and appropriate action, including and not limited to withdrawal of funding for any such grantee found guilty of plagiarism.

8. Timeline

Opening of the call: 6 March 2017

Deadline for submission: 18 April 2017, 5pm IST

Results: April 2017

Inception week in Tokyo : May 2017

9. Review criteria

The submissions will be first screened and shortlisted by GDN. A high level panel of researchers will make the final selection among the shortlisted submissions. The applications will be reviewed and evaluated on the following criteria (the list is only indicative):

- Contribution to the knowledge on the relationships between management and productivity at the firm level;
- Clarity in addressing the research question(s);

¹¹ Please read GDN's ethical guidelines [here](#)

- Expertise of the team to undertake the proposed research;
- Feasibility of Objectives.

10. Additional information

If you encounter trouble or have any questions, please write to kaizen2017@gdn.int.