
Critical success factors of Lean Six Sigma practices on business performance in Malaysia

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Abstract: Less than 10% of companies worldwide benefited from Lean Six Sigma (LSS) projects despite huge investments, but do not yield promising tangible and intangible results. Prior researches on LSS implementation and business performance ignore to consider operational performance as mediator. This research examines the relationship of critical success factors of LSS practices on business performance, mediated by operational performance. The stratified sampling on 119 LSS practitioners in E&E sector, using smart PLS, indicates LSS practitioners' perceived that management commitment, maturity level of LSS deployment and awareness of importance are critical factors having significant impact toward financial and non-financial performance. Also, LSS training, resources allocation, maturity level of LSS deployment and awareness of importance are significant factors toward operational performance. Interestingly, operational performance mediates the relationship between maturity level of deployment and awareness of importance on business performance. The customised LSS practical guide enclosed can assist companies achieve better business performance.

Keywords: LSS practices; Lean Six Sigma; LSS; critical success factors; business performance; operational performance; total quality management; TQM.

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