

# Quality Management – A Secret to Excel

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## Abstract

Total Quality Management is a business philosophy which centered around core ideas or principles like customer focus, continuous improvement, involvement at all levels, in all business segments; human resource management, manufacturing, supplier management, marketing, new product development, sales and service, standardization, business processes and leadership involvement.

**Key Words:** Customer focus, Leadership involvement, Continuous improvement, Business process, Policy deployment, Daily management, Quality circle and PDCA.

## 1. Introduction

Japanese Quality Management is a systematic approach that aims to achieve customer satisfaction and describes ways to manage processes and involve all stakeholders like customers, suppliers, employees etc. It entails the creation of a process centric enterprise that targets results while giving importance to process.

While elaborating on the concept of Total Quality Management (TQM), the late quality management guru Professor Ishikawa would use an analogy comparing the Shinkansen-the Japanese bullet train to other trains in the west. He would explain the Shinkansen was then the fastest train in the world because each of the train's carriages had a motor, unlike others which had a locomotive in the front. In much the same way, he would conclude total quality management has a similar effect when practised correctly. Total Quality Management (TQM) is the process of instilling quality throughout the organisation and its business processes so that it excels in all quality dimensions that are important to customers. The Japanese were instrumental in extending Quality Management (QM) to improve broad based concept of TQM, synonymous with Japanese quality management. In India Mahindra Institute of Quality (MIQ), a premier institute located in Nashik (Maharashtra), imparts residential training programmes in Japanese way of Quality Management. The training programmes are animated with world class infrastructure, the Japanese faculty, guest faculty from industry, case study presentations, experiential learning games, self learning teams etc. At the end of each course it

is mandatory for the participants, facilitated by MIQ, to implement improvement projects in their organisation.

K.J.Davasia, senior advisor and director, Mahindra Institute of Quality and ex-president-farm equipment sector, suggested total productivity improvement through Japanese Quality Management as one of the antidotes to inflation. Davasia explains, "World over, inflation is a serious problem now. Organisations are striving to reduce cost by practising continuous improvement through people involvement, elimination of wastes and making processes more effective".

## 2. Scientific Management

In 1881, F.W.Taylor published his revolutionary work on scientific management. He propagated the application of scientific methods to each element of the work instead of the old rule-of-thumb. He also advocated training of workers, instead of letting them use their own tasks and methods. Alongside he recommended a healthy spirit of cooperation between workers and management to ensure work is done by scientifically devised procedures and appropriate division of work between workers and management. Thermo lab, a Maharashtra based ISO 9001 certified company accredits its quality control department as the reason for its ability to provide customers with best quality equipment. The department is equipped with specialised people to run quality checks at each and every stage of production, keep a track for incoming material test, check the quality of the equipment during the production stage and finally at the final testing stage. This has resulted in avoiding component and product failure in the field.

### 3.1 Customer Interest at the Centre

TQM starts with employees who are willing to place themselves in the customer's shoes. If employees do not understand how customer really feels about a product or service, they risk alienating the customer. A company which can understand current and future customer needs, meet their requirements and strive to exceed expectation is more likely to enjoy increased revenues and market shares, which would lead to repeat business. GTE collects

customer feedback through communication channels called listening posts. Data collected at listening posts determine answer to the questions such as these:

1. What percentage of customer complaints did we resolve?
2. Did we meet scheduled due dates?
3. Did we do what we said we would do?
4. What are our customer retention rates, amount of new business with existing customers, number of new customers, and number of customers lost?

Team at Thermo lab proudly state, "Our success is based on actively listening to our customers needs and knowing how to convert the customer's requirements into tangible customer advantage, using a high level technical expertise. At the same time, we maintain commitment to introduce the best and latest to the market. This is the key attribute of our focus on customer driven core values".

### **3.2 Continuous Improvement**

Continuous improvement means never being content with the status quo, but assuming there will always be the room for improvement, no matter how well an organization is doing. A number of businesses have realised the importance of this process. Efforts on this front will enable businesses to seek incremental improvement over time or a breakthrough improvement all at once. K.J.Davasia, director and senior advisor, Mahindra Institute of quality says "Our focus in Quality Management is on total people involvement and continuous process improvement which leads to perpetual growth of business organisation". Hindustan Unilever Limited, largest FMCG in the country, with its headquarters in Mumbai, considers quality as one of the principal strategic objectives to guarantee its growth and leadership in markets in which it operates. The company periodically reviews this quality policy for its effectiveness and consistency with business objectives. It delegates authority and responsibility for dissemination and implementation of this policy to each Business and Unit Head.

### **3.3 Involvement at all Levels, in all Business Segments**

While the focus is on involving everybody, to be successful, QM must start at the top management level. The senior management must demonstrate its commitment to quality while middle managers should ensure that the principles, strategies and benefits are communicated to the people. Only then quality as a culture will develop throughout the organisation.

Quality must also permeate all functions in the organisation:

### **3.4 Human Resource Management**

This focuses on empowering people and inducing a 'My work matters' feel. Empowerment instils a sense of pride in the workforce. Involving process owners in decision making improves business orientation, which in turn encourages continuous improvement. Concepts like Kaizen and Quality Circles (QC) are used to provide a platform to employees to improve, innovate and excel in their work. HRD should seek continuous improvement in employees through sustained communication and understanding of their needs.

Godrej Industries embarked on total quality management (TQM) journey in April 1995. Every employee of the company was exposed to principles of TQM during a series of awareness programmes held over nine month period. The company extended its quality programme to cover business partners, suppliers, carrying and forwarding agents, distributors, etc.

### **3.5 Manufacturing**

There are various processes and strategies that ensure superior management of the manufacturing process. For instance, Statistical Process Control (SPC) is an effective method of monitoring a process through the use of control charts. By collecting data from samples at various points within the process, variations in the process that may affect the end product or service can be detected and corrected. Just-in-time (JIT) is another strategy aims to keep only as much stocks as are required for immediate plan of production. Using JIT reduces inventory and saves resources.

### **3.6 Supplier Management**

Suppliers should be treated as partners. Involvement of suppliers at an early stage, like capturing their feedback on customer's requirements, helps in improving the quality of outsourced components and revenues are enhanced throughout the chain.

### **3.7 Marketing**

Competition has changed the way a company approaches the market. Today, the mantra is 'Market In' - i.e. a company enters into customers minds and understand their needs - and not 'Product Out' - where a product is the first designed and then sold into the market.

Customer focus not only means confirming to the explicitly-stated specifications, but also satisfied the perceived and expected needs of the customer. Activities like field intelligence and market research help in understanding which segment the product belong to.

### 3.8 New Product Development

The core of QM is to develop, in shorter lead times, new products that satisfy market needs and delight customers. Simultaneously, competition has resulted in a focus on the 'cost' of a product. Design to cost is a strategy aimed at achieving an affordable product by treating cost as independent parameter that needs to be achieved. Tools like FMEA (Failure Mode and Effect Analysis) and Quality Function Deployment (QFD) are used to support the new product development processes.

#### Sales and Service

"Twenty percent of people bring in 80 percent of our sales". Most companies can identify with this saying. Applying QM in sales can improve productivity by 30 to 40 per cent or more. In the post - sales phase, innovative service initiatives need to be taken to serve customers at the point of sales, like dealers, retailers, outlets etc. To achieve this company needs make its system robust and train its marketing team to act as business partners.

### 3.9 Standardization

Standardization is must for achieving consistent output. It involves setting standards for all processes and adhering to them to achieve improvement. In an organisation if each person does his work as he chooses to, there will be too many variations in the results, which will in turn reduce the efficiency. Standard should be documented, published and implemented.

Daimler Chrysler India has an international class production facility in Pune, Maharashtra. The company has been the Quality Award for the 'Best Mercedes-Benz Production Plant'. It has implemented the 'Mercedes-Benz Production System', which integrates employees and individual operations and raises productivity and competitiveness.

### 3.10 Cross-Functional Management

It is a top management approach to create a seamless organisation. It is common to find cross-functional teams, however, cross-functional management speaks about developing systems, communication channels to deploy business priorities, plans across departments so that projects happen smoothly especially across the boundaries of the departments.

### 3.11 Business Processes

Modern management has identified and refined certain methods that can effectively use to business processes. Some of the common used techniques are – Daily

Management, Policy Deployment, Quality Circles and Plan-Do-Check-Act (PDCA).

#### Daily Management

It is the system that provides the ability to manage departments, functions and processes. Where in processes are defined, standardised, controlled and improved by the process owner.

#### Policy Deployment

Policies are formulated on the basis of the vision, mission and strategies of the organisation. The top management makes policies which cascade down through all level of organisations until they are finally translated into specific action plans for the people who actually perform the work. This helps the whole organisation to steer in one direction. When all major stakeholders like employees, suppliers and dealers work in tandem, product quality improves significantly.

### 3.12 Quality Circles

It is also called Kaizen, these are randomly created groups or volunteers who meet together to discuss workplace improvement and make presentations to the management with their ideas, especially relating to the quality of output. Headquartered in Pune, Zensar, a global Information Technology organisation which provides software solutions to Fortune 500 clients, is amongst the leading software exporters from India, with an annual turnover of more than US \$ 135 million and operation and customer spread across five continents. The company uses two key globally acknowledged frameworks; ISO 9000 and Software Engineering Institute Capability Maturity Model (SEICMM), to deliver quality services. The secret of its success: "In addition, we have the six Sigma and Total Quality Management (TQM) initiatives based on the Malcolm Baldrige National Quality awards (MBNQA) and European Foundation for Quality Management (EFQM) to drive process quality at Zensar. Zensar BPO has taken the first step towards achieving the first step Customer Operation Performance Centre (COPC) Gold Certification using six sigma and Kaizen."

### 3.13 PDCA

PDCA stands for Plan-Do-Check-Act. As the name suggests, this technique is more of a check to see if an implemented plan to improve a product, process or service has been initiated effectively and efficiently. At the Plan stage, the technique exhorts managers to establish objectives and processes necessary to deliver results in accordance with the specifications. Do stands for implementing the process and Check to monitor and evaluate the processes and results against objectives and

specifications and to report the outcome for necessary improvement.

### 3.14 Role of Leadership

QM is nothing but crafting a sound strategic plan, implementing it, making adjustments as needed and to overcome the situation to win! But it is easier said than done. Any business needs a leader to guide its people. This leader has many other roles – visionary, strategist, implementer, culture builder, resource allocator, coach, spokesperson, negotiator, motivator and guide – to play before the final objective .can be reached .

W. Edwards Deming presented “Fourteen Points for Management” a set of guidelines for managers to follow if they are serious about improving quality”.

1. Demonstrate consistency of purpose towards product improvement.
2. Adopt the new philosophy [of continuous improvement].
3. Cease dependence on mass inspection: use statistical methods instead.
4. End the practice of awarding business on the basis of price tag.
5. Find and work continually on problems.
6. Institute modern methods of training.
7. Institute modern methods of supervision.
8. Drive out fear – promote a company – oriented attitude.
9. Break down barriers between departments.
10. Eliminate numerical goals asking for new levels of productivity without providing methods.
11. Eliminate standards prescribing numerical quotas.
12. Remove barriers that stand between the hourly worker and his right to pride of workmanship.
13. Institute a program of education and retraining.
14. Create a corporate and management structure that will promote the above 13 points.

### 4. Conclusion

Total Quality Management involves the management of entire organisation to achieve excellence. It requires commitment from senior management and implementation from middle management to develop quality culture throughout the organisation. By empowering employees, involving different functional departments and supply chain members, fixing quality standards for quality assurance and doing continuous improvement, objective of Total Quality Management can be achieved.

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