



## Manage Activities to Meet Requirements

### ■ *Scope*

This unit explores the manager's role in controlling the workplace in such a way that it is a safe and healthy environment for staff to carry out daily operations; in planning the work of the team to meet customer needs and expectations, thus eventually achieving organisational goals. It tackles the issues of responsiveness to customers, achieving superior quality and efficiency, and innovation – the four building blocks of competitive advantage; at the same time it explores the skills managers need to give themselves more control over the organisation's activities.

#### The unit has three elements:

- A2.1 Implement Plans to Meet Customer Requirements
- A2.2 Maintain a Healthy, Safe and Productive Work Environment
- A2.3 Ensure Products and Services Meet Quality Requirements

#### *Point to Ponder*

Every organisation produces outputs – goods or services – that are consumed by customers. Every organisation, whether profit making or not-for-profit, has customers. Without customers organisations will cease to exist. Because customers are vital to the survival of all organisations, it is important for managers to correctly identify customers and promote strategies to respond to their needs; it is sensible for an organisation to define its business in terms of the customer needs it is satisfying, not the type of products it is producing. Given the importance of customers and their needs, the question is, “What do they want?” To specify exactly what they want is not possible as their wants change from time to time and from industry to industry. However, it is possible to identify certain universal attributes that customers in most industries want. Generally, other things being equal, most customers will prefer:

- **A lower price to a higher price**
- **A high quality product to a low quality product**
- **Quick service to slow service**
- **Products with many features to products with few features**
- **Products that are customised to their unique needs**

The problem is that other things are not equal, for example providing a product with all the above features raises costs and therefore the price that must be charged to cover the costs. So customers' demand for these attributes typically conflicts with their demand for lower prices. Consequently, customers must make a trade-off between price and attributes, and so must managers.

# Unit A2

Inevitably, the nature of the organisation's production system limits how responsive managers can be to customers. Under such constraints what do managers do? They try to develop new and improved production systems able to deliver either more desired attributes at the same price or the same attributes at a lower price. Managers' desire to attract customers by shifting the price/attribute line has made them adopt many new operations management techniques lately such as Total Quality Management (TQM), flexible manufacturing systems and just-in-time inventory (JIT) for instance.

Although managers must attempt to improve responsiveness to customers, they must not sacrifice more than what the production system can profitably sustain; striking this balance is crucial for survival.

## ■ *What is Management?*

It is the planning, organising, motivating (leading) and controlling of resources to achieve organisational goals efficiently. This recent systems approach to management views the organisation as a system of interrelated sets of activities which enable inputs to be converted into outputs. The key management activities have been grouped in terms of these four areas. The management of operational activities – management control in actual fact – has a few basic steps:

- **Establish standards of performance**
- **Measure performance**
- **Compare actual results against standards**
- **Take corrective action when required**

The overall aim of operations management is to create added value for the organisation and help to achieve sustainable competitive advantage by satisfying the demands and needs of customers for company products.

This is achieved by:

- **Setting and getting high levels of throughput, quality and customer service in terms of meeting specification, delivery on schedule and after-sales service**
- **Maximising productivity**
- **Maximising the use of resources – people, equipment, finances, premises and information systems**
- **Reducing manufacturing, inventory, maintenance and distribution costs**
- **Taking the essential steps to increase the skills, motivation, and commitment levels of the workforce**



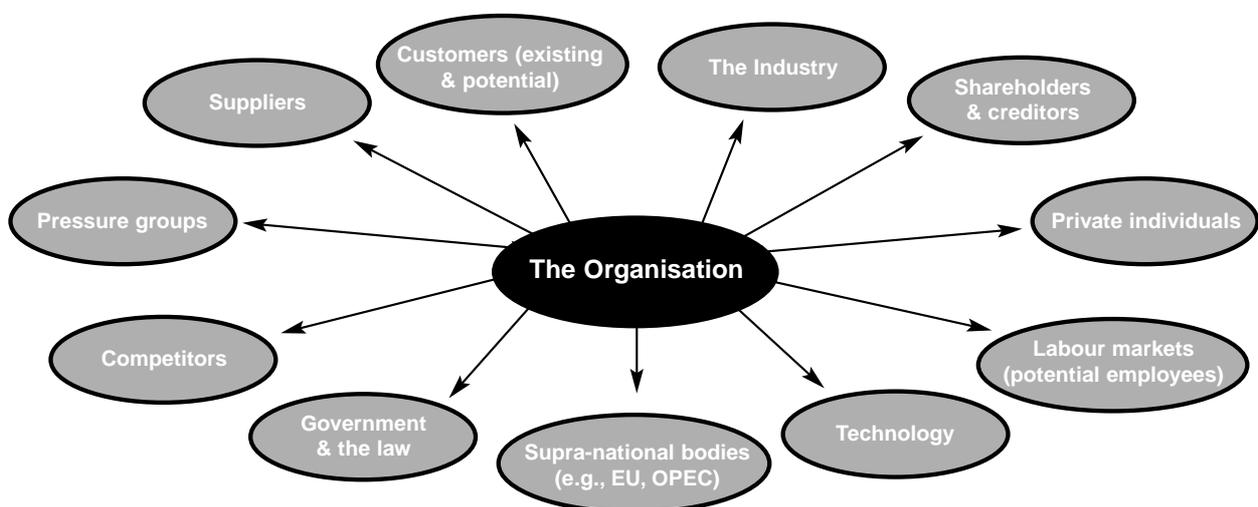
**Production planning and control systems (PPCS)** use computers to determine the optimum levels of manufacturing resources required to meet the demand forecasts, prepare production programmes, schedule production to meet those programmes and monitor operational activities to ensure customer demand is satisfied whilst resources are used effectively. Whether you are producing cars or Broadway shows, a system for planning and controlling production is required. Operations or production planning is the process of deciding what products to produce, and where, when and how to produce them. **Operations** or **production** control is the process of ensuring that the specified production plans and schedules are being met.

Successful managers take into consideration the internal and external environments as well as the internal and external customers whilst considering the planning of operational activities and objectives. An organisation's workforce (internal stakeholders) play the most crucial role in achieving business goals, therefore consultation and involvement of the team members is vital at the planning stage as they are more likely to be committed to plans they have ownership of.

Objectives for operations should:

- **Further the scope and strategic aims of the organisation and sit in tune with organisational values and norms**
- **Be realistic**
- **Be measurable**
- **Be clear and challenging for individuals**
- **Be open to adjustments in the light of changing circumstances**
- **Not be in conflict with other team and individual objectives but serve a common purpose**

G.A. Cole (1999) refers to the organisation's external influences as shown below:



# Unit A2

It becomes apparent that the environmental factors have a great bearing on the success or failure of any organisation. The sources of influence that are generally more powerful than others are likely to conform to the 80-20 rule of Pareto's Law (that is, 80% of the significant influence is likely to come from only 20% of the sources involved). **Customers** will certainly be part of this 20% without which the business is likely to fold. A manager is expected to keep a regular eye on all these factors whilst considering business objectives. Equally important is the organisation's internal environment – its culture, financial position and procedures; training, research and development; production; marketing and resourcing perspectives.

A combined analysis of the organisation's external and internal strengths and weaknesses known as **SWOT** (Strengths, Weaknesses, Opportunities and Threats) is an extremely useful tool for managers to use in deciding on business priorities and goals. Planning of operational activities follows once this has been completed. This is not a solitary activity but one that needs to be carried out with team members and other teams which will be affected by your decisions.

The external environment within which organisations operate and the strategies they employ largely determine the success or failure of those organisations. They must continually monitor the environment and adjust their strategies to suit that environment. Continual change in the external environment presents organisations with new opportunities and threats; the level of success with which they deal with these influences depends on their skill at analysing the environment and the resources available to them. The vision of the organisation and its preparedness to change or take risks determines success or failure in the market place. Assessing your environment can be done through a **PEST(EL) Analysis**:

- **Political issues**
- **Economic issues**
- **Social issues**
- **Technological issues**
- **Environmental issues**
- **Legal issues**



A number of strategies for gaining competitive advantage in the market can be utilised such as Porter's (1970) three generic strategies:

- **Producing the product at a lower cost**
- **Differentiating the product**
- **Focus/target strategy**

Porter also refers to the **Five Forces** that drive any organisation into competition:

- **Competition from existing rivals**
- **Threat of new entrants**
- **Threat of substitutes**
- **Bargaining power of buyers**
- **Bargaining power of suppliers**

Whether you are an operations or service manager, the issues of planning, objective setting and monitoring and quality management remain the same. The difference is that a service is generally created the instant it is used; it can't be produced and held in stock waiting for demand. Most services are also provided with little or no supervision. No production supervisor or quality control clerk is hovering around the arrogant waiter who ruins a customer's meal! The core concept in service management or indeed in any management is the 'moment of truth' which service management expert Karl Albrecht defines as 'that precise instant when the customer comes into contact with any aspect of your business and, on the basis of that contact, forms an opinion about the quality of your service and potentially the quality of your product'. If these moments of truth go unmanaged, the quality of service and products quickly declines. It is therefore crucial that you, the manager, and your team map out a plan of service carefully thinking through each contact from beginning to the end. This forms the basis for planning and quality control.

**Investigate**

**1. Write a short report on your organisation's external and internal influences, explain them and how they impact on your business.**

**Investigate**

**2. Identify a customer, either external or internal, and explain how you recognise and plan to meet their requirements. Pay particular attention to involving your team in this process. You may identify gaps in the current ways you are operating this is fine, but in line with what you have learned, recommend future improvements.**

## ■ *Health and Safety at Work*

Effective employment resourcing demands that managerial attention be given to health and safety at work. Despite the importance of health and safety matters, they can be subordinated to immediate operational demands. For managers in search of excellent employee performance, health and safety in the workplace becomes an issue of huge significance. Ill health and absence affect organisational efficiency; lack of concern for health and safety causes a negative physiological contract and could provide fertile ground for discipline and grievance issues; and increasing European influence is coming through to the workplace in the shape of directives and decisions.

All managers and employees have a responsibility for health and safety at work and a cascading of legislative knowledge will contribute to the development of an active and positive health and safety culture.

Employers have a common law duty to **take reasonable care** of each employee and are expected to safeguard employees against hazards that are reasonably foreseeable. The standard of care required is that of a 'prudent employer'. Employees have a common law duty to **cooperate** with the employer and to **exercise** every effort to work safely, to abide by health and safety instructions and to contribute to achieving a safe working environment.

Statutory health and safety provision supports and extends these common law duties and responsibilities. **The Health and Safety at Work Regulations 1992** require an employer to carry out a regular risk assessment of the workplace and then put into place the necessary controls to comply with the regulations.

**The Health and Safety (Display Screen Equipment) Regulations 1992** requires the employer to ensure that the employee's work station and chair do not cause muscle and tendon injuries, as well as considering other risks such as headaches and eye strain. Faulty screens and poor lighting are generally the causes of these problems, and as such the legislation requires employees to have breaks or changes in activity throughout the day so that they do not work at the VDU for long periods.

The **six** major pieces of legislation which came about as a result of EU influence are listed below; every manager needs to be aware of these and has to ensure that organisational policies and procedures are in place to support them and that all employees are educated to comply with them.

**Management of Health and Safety at Work Regulations 1992** require employers to conduct risk assessments and make necessary changes in property, equipment and practices up to required standard.

**Workplace (Health, Safety and Welfare) Regulations 1992** require employers to maintain property adequately.

**Provision and Use of the Work Equipment Regulations 1992** deems it essential for employers to ensure that all machinery is guarded and operators are provided with safety equipment for its use.

**Manual Handling Operations Regulations 1992** is meant to ensure the safe handling of stocks, materials and such like.



**Personal Protective Equipment Work Regulations 1992** ensure that all workers are provided with protective clothing wherever necessary.

**Health and Safety (Display Screen Equipment) Regulations 1992** alert all employees to take measures against repetitive strain injury (RSI), tiredness and eye strain related to the use of technological equipment.

Responsibility for enforcing the Health and Safety at Work Act 1974, and the various regulations that followed it, lies with the Health and Safety Executive (HSE) and the environmental departments of the local authority within which the business sits. They can:

- **Enter premises to investigate conditions**
- **Seize and destroy harmful substances**
- **Serve notice to improve workplace conditions**
- **Serve notice to cease business altogether**
- **Prosecute**

There are other critical factors such as noise levels, dust and dirt, high or low temperatures which will impact adversely on productivity and the subsequent failure to achieve results; it is therefore imperative that managers attempt to create a healthy and productive work environment as a matter of good practice rather than a mere attempt to comply with regulations. It is to be seen as a holistic approach to understand and prevent injury and illness.

Managers also need to appreciate that as part of an organisation's maternity policy and pay, they have a duty of care to protect pregnant women whilst at work. It might be possible that organisational constraints (financial and physical) will come into direct conflicts with considerations for health and safety; for example, it could be too expensive to make adjustments for a pregnant woman, too costly to implement training, or too time consuming to have an H&S representative in work areas. It must be borne in mind that cutting corners in such situations can cost the organisation dearly, both financially and politically.

# Unit A2

The **Working Time Regulations 1998** is also a piece of legislation that all managers ought to be aware of. The key points are:

- **A limit to the average weekly working time of 48 hours (employees can choose to work more)**
- **A limit on night workers' average daily working time to eight hours**
- **A requirement to offer health assessment to night workers**
- **Minimum daily and weekly rest periods**
- **Rest breaks at work**
- **Paid annual leave**

**Investigate**

3. *'Health and safety policies are often written to comply with the legal requirements rather than to create a work environment conducive to productive working relationships and habits.'* How would you defend your organisation's position against this statement? If you can't, detail your recommendations for improvement

## ■ *Quality*

Quality systems and processes help to create and maintain the high quality of goods and services expected by customers. Quality used to be defined simply as fitness for function; two distinct but interrelated aspects were often identified:

- **Quality of design, the degree of achievement of purpose by the design itself**
- **Quality of conformance, the degree with which the product conforms with the design**



These days, however, quality is seen in terms of customer satisfaction, gained by product designs which meet their needs; by achieving quality specifications which have been built into the design and by having high levels of reliability.

- **Quality control** – defect detection
- **Quality assurance** – defect prevention
- **Total quality control** – quality through continuous improvement by creating an environment where staff can contribute to improving quality as part of their job. There are a number of approaches to quality control, but some of the most typical are ‘zero defect’ programmes, Taguchi methodology and quality circles
- **Total Quality Management (TQM)** – a systematic way of ensuring that all activities within the organisation happen the way they have been planned to meet the defined needs of the customer

**Zero defect programmes** aim to improve quality beyond the level that might be achieved by statistical procedures, the ultimate objective being the elimination of defects as far as possible. It aims to:

- **Reach agreement with all concerned on the quality goals to be attained and the problems which bar their attainment**
- **Organising the participation of all involved in establishing and running the quality programme**
- **Setting clear targets against which to measure improvements**
- **Establishing procedures for providing feedback to workers on their quality achievements**
- **Developing and implementing motivational packages which will reduce individual operator-controlled defects**
- **Creating prevention packages aimed at reducing management-controlled defects (suggestions made by employees for analysis and action by management)**
- **The organisation of design of jobs and work to facilitate the above**

The **Taguchi methodology** features the concept that quality should be pushed back to the design stage and concentrate on the practical engineering.

# Unit A2

**Quality circles** consist of groups of employees within a single area or department meeting regularly to study ways of improving quality and monitor progress. The concept of quality circles can survive only in environments where management is prepared to allow workers the freedom to choose areas of work where they want to focus on, identify concerns or problems, analyse them and recommend ways of resolution. Empowering the workers and acknowledging the fact that those who are closest to the work know most about the problems and are likely to resolve them best, becomes the key issue: this in fact sits rather uncomfortably with most British organisations where there are rigid hierarchical management structures.

The concept of **TQM** was developed by W.E. Deming, Joseph Juran and Philip Crosby. The influence of the Japanese approach to quality is significant too; they use the word **kaizen** instead of quality meaning continuous improvement. TQM is a systematic way of ensuring that all activities within the organisation happen the way they have been planned; the emphasis is on meeting defined customer needs and on involving everybody in continuous improvement and in achieving ways of sustained high quality.

Deming's 14 point dimension refers to:

- **Consistency of purpose**
- **A new philosophy**
- **Away with mass inspection**
- **Reliability on supplier (not necessarily the cheapest supplier, build close relationships with them)**
- **Forever improving (training)**
- **Leadership**
- **Drive out fear (joint working relationship rather than management by blame)**
- **Pull down barriers between departments**
- **Eliminate slogans**
- **Get rid of quotas (targets and bonuses could be counter-productive)**
- **Pride of workmanship (getting rid of appraisals, ratings or management by objectives)**
- **Self improvement**
- **Transformation is everybody's job**
- **Deadly diseases (a short list produced by Deming about Western management in which he includes emphasis on short term profits and short term thinking as well as management of visible figures with no recognition of the unknown)**



Juran has a systematic approach to organisation-wide quality management. It begins with quality policies and goals and goes on with plans to meet them. It provides resources which enable progress to be evaluated and action taken. Finally it stimulates people to believe in, meet the goal and improve on it.

The Crosby approach is all about continuous improvement. His aim is to secure zero defects which is at times considered impractical; but he means defects as perceived by the customer. Deming and Juran will be critical of this as they talk about going beyond what the customer wants; in fact for them zero defects is not good enough.

The basic concepts of **TQM** are:

- 1. Customer satisfaction.**
- 2. The significance of the internal customer. (The final result can only be guaranteed if attention is paid in all aspects of the transactions and processes which takes place within the organisation.)**
- 3. Total quality. (All employees to be involved at all times to meet all customer needs.)**

In order to implement a TQM policy within the organisation, it has to:

- **Formulate a policy that focuses on prevention rather than cure, everyone's involvement and commitment (including suppliers and internal customers), standard of quality is 'zero defects', continuous improvement, recognition of high quality performance and joint efforts of management and employees**
- **Determine quality standards**
- **Measure quality**
- **Determine the cost of quality (cost of prevention, appraisal, internal failure, external failure and cost of lost opportunity.)**
- **Plan for quality**
- **Organise for quality (looking at accountabilities of each member)**
- **Train for quality**
- **Gain commitment to quality**
- **Motivate for quality**

# Unit A2

It needs to be noted that BS 5750, ISO 9000 and Investors in People are standards which tell what is required of a quality system. They set out how an organisation can establish, document and maintain an effective quality system which will show that the organisation is committed to quality and is able to meet their quality needs. They provide quality standards but are not ends themselves.

**Investigate**

**4. Write a critical evaluation of quality control, assurance and management procedures in your organisation. Highlight any policies that are relevant.**

**Investigate**

**5. What does TQM mean to you? Explain how you implement the principles of TQM in your work area. If you currently do not do this, explain how you could address this in future.**



## ■ *Guidance for Gathering Evidence for this Unit*

All elements call for a personal narrative covering the performance criteria, indicating clearly where you have provided supplementary work evidence.

<b>Possible Sources of Supporting Evidence</b>		
<b>Unit A2 - Manage Activities to Meet Requirements</b>		
<i>Possible Source of Evidence</i>	<i>Used</i>	<i>Location in Workplace/Portfolio</i>
Documents to or from customers explaining their requirements		
Notes, minutes or work plans showing how you intend to meet these requirements, your discussions with your team, records of any suggestions from them or your instructions to them and how you ensure that these plans are in tune with organisational policies		
Any documents spelling out solutions for corrective actions		
Records of risk assessment of your area		
Records of any training or awareness sessions you have organised		
Any documents showing your concern over health and safety in your area, (report to manager, H&S Officer), documents you have generated approving or requesting any changes to make room for health and safety		
Any documents you have initiated indicating disharmony between the workplace and work policies regarding health and safety and how you plan to deal with it		
Any advice you might have given to others regarding H&S		
Commendations from customers regarding the quality of service or products you have provided		

# Unit A2

## Possible Sources of Supporting Evidence

### Unit A2 - Manage Activities to Meet Requirements

<i>Possible Source of Evidence</i>	<i>Used</i>	<i>Location in Workplace/Portfolio</i>
Records of meetings, briefings or presentations where you and your team have discussed, learned or taught about quality control, assurance or management		
Any records of suggestions for improvement and ways you have addressed them		
Record of actions you have taken when things have gone wrong or when customers have responded negatively		
Candidate's Signature:		
Assessor's Signature:		
Comments:		

