Unit F5

Provide Advice and Support for the Development and Implementation of Quality Systems

■ *Scope*

This unit focuses on the concept of 'quality' in the management of organisations. It looks at the ways and means with which quality systems can be introduced and managed within an organisation; the various quality techniques and the importance of focusing on the customer.

The unit has four elements:

F1.1   Provide Advice and Support for the Assessment of Processes and Working Environments

F1.2   Provide Advice and Support for the Development of Plans to Improve Quality Systems

F1.3   Provide Advice and Support for the Development of Measurement Systems

F1.4   Provide Advice and Support for the Collection, Analysis and Documentation of Information

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■ *Briefing Notes*

In business terms, quality is often seen as a measurable concept concentrating on 'fitness for purpose'. A particular specification is given by a customer and quality is measured by how closely the product conforms to the specification. Thus quality is defined as 'continually meeting agreed customer needs'. The dictionary defines quality as 'that which makes a thing what it is, its attributes, its characteristics'. Quality is an attribute of a product or service which makes sure that the customer is satisfied and fulfilled in his or her expectations compared to any other product or service. For example, a beautiful looking motor car will not be seen as a quality product by a customer if it is not reliable. The general quality means meeting the customer's specifications/needs at the right time, at the right place and price. It is also essential for business success that these requirements are met the first time every time in order to keep costs low and profits high. Quality service to the customer means following the steps below:

- **Market research**
- **Specification and planning**
- **Delivery**
- **Monitoring, evaluation and review**

A customer is defined as somebody who receives goods or services; many organisations have extended this definition to include internal customers, as one department often receives a product or service from another. Departments are interdependent to produce the full product passing through each in various stages of production before reaching the external consumer in its final shape. Therefore, 'quality' from each department is essential in order to develop the product at the right time and place. This concept of the internal customer makes it reasonable to view each internal process as a 'product' in itself so that review and evaluation can take place at each stage to identify 'quality gaps' thus reducing costs and increasing customer satisfaction.

Modern organisations are committed to total quality management (TQM), often also known as strategic quality management (SQM). Whatever the term, the principle simply highlights the importance of continually improving quality to meet the needs of the customer so that it will have maximum strategic impact on the future of the organisation. The term 'total' in this context also means that every part of the organisation has to be involved. In an organisation committed to quality management, quality becomes part of the culture, where the management of continuous change, designed to realign the operations and working practices for the pursuit of continuous quality improvement becomes the norm.

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There are a number of 'gurus' who have developed theories of quality management. Particularly notable is Dr Deming, an American who was instrumental in the reconstruction of post-war Japan. He has developed the now famous 'Fourteen Points' for quality management. They are not a recipe or checklist for achieving quality but rather the outline of a philosophy designed to open the minds of top management to improving the performance of their organisations, and, in the best Japanese tradition of 'kaizen', to producing a programme for continuous improvement.

Both he and J.M. Juran developed the notion of people-based management where organisations ought to be looking at internal obstacles to improvement and removing them, at the same time involving customers in consultations to improve quality. The third influential figure in the current generation of US quality gurus is Philip Crosby who is famous for his slogan 'Quality is free', the title of his best known book (1979). He attaches great importance to continuous improvement.

His aim is to secure zero defects which is sometimes thought impractical. However by zero defects he means defects as perceived by the customer. Deming and Juran would criticise this by saying that this theory tends to rule out the possibility of going beyond what the customers know they want.

Peters and Waterman in their book *In Search of Excellence* (1982) assert that many of the 'excellent' companies were equally obsessed by quality and punctuality. They highlight McDonald's theme "Quality, Service, Cleanliness and Value" (QSCV) as an example of an organisation that wishes its customers to enjoy every time they visit the organisation's premises. All establishments are regularly checked for QSCV, and pay and rewards for managerial staff are linked to the adherence to it. Hannagan (1998) refers to the keys of TQM as:

- **Measuring quality**
- **Incorporating quality objectives into strategic planning**
- **Obtaining commitment of top management**
- **Forming teams in a structure of participative management**
- **Using resources effectively and efficiently**
- **Including customers in quality improvement**
- **Building skills through training**
- **Developing an attitude that welcomes change**

TQM embraces every function within an organisation; the cultural change necessary in most organisations to introduce and sustain TQM has to be spear headed by senior management. The style of management has to be participative enough to enable every level of staff to take part in problem solving and decision-making. Empowering staff closest to the problem to make decisions to resolve them is an easy concept to preach but difficult to practice.

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The underlying philosophy of **Quality Circles** is just this; it is, "a group who want to meet voluntarily and regularly to identify and solve their own work related problems and implement their solutions with management approval" (Industrial Society). Here, management has to follow a 'hands-off' policy up to the point of implementation of a decision. The success of a quality circle depends on its members being reassured that it belongs to them and has not been designed by the management.

Quality circles were initially an American idea, but later on in the 1950s and 1960s, were widely adapted by Japanese organisations. The Japanese realised that in order to reconstruct their industry and gain competitive advantage, they had to discard old models of management and control from the top and put more training and power at shop-floor level. During the fifties and sixties the Japanese used quality circles extensively; building on the workers' loyalty to the organisation. Quality circles have been used across the world to draw on the skills and expertise of the workers to improve quality.

In the UK, organisations such as Marks & Spencer and Rolls Royce have adapted quality circles; however the general culture of many British organisations do not support them. In a fiercely protected hierarchical culture or sections separated by specialist expertise, the notion of shop floor level decision-making and ownership is somewhat difficult to nurture.

During the 1980s and 1990s there has been a significant move away from the traditional giant pyramid structures towards a more flat structure, based on the TQM concept. Organisations have restructured themselves to be more flexible focussing on market needs. Meaningful delegation plays a vital role in the realisation of the TQM concept, where senior management takes on the strategic role of setting corporate objectives for all departments within the organisation and leaves operational responsibility and authority to employees at shop floor level. For such a policy to work, it is crucial that:

- **Each employee appreciates that this is a policy designed to increase individual contribution and subsequent job satisfaction**

- **Each employee understands the standard of performance expected of him/her**

- **The boundaries of delegation are clearly defined so that each employee appreciates the level of responsibility placed on them**

- **A two-way communication takes place so that managers are fully aware of employee hopes and concerns**

- **A systematic approach to training is in place so that each employee is equipped with the skills to carry out the work**

- **Each employee understands the corporate goals and how they relate to the work they are doing; they are aware of the progress, policy, decisions, performance and future plans of the organisation**

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Quality control often happens at the end of the production process as a final check to ensure that the finished product works as it was meant to do. This can turn out to be an expensive method if the product has to be rejected at this final stage. Statistical process control is a method designed to detect errors at an earlier stage by introducing control mechanisms at each stage of production. Modern control methods are based on the principle of a 'zero-defect' approach or 'getting it right first time, every time'. Under the TQM concept, the team is made responsible for identifying and resolving problems at an early stage, thus reducing wastage.
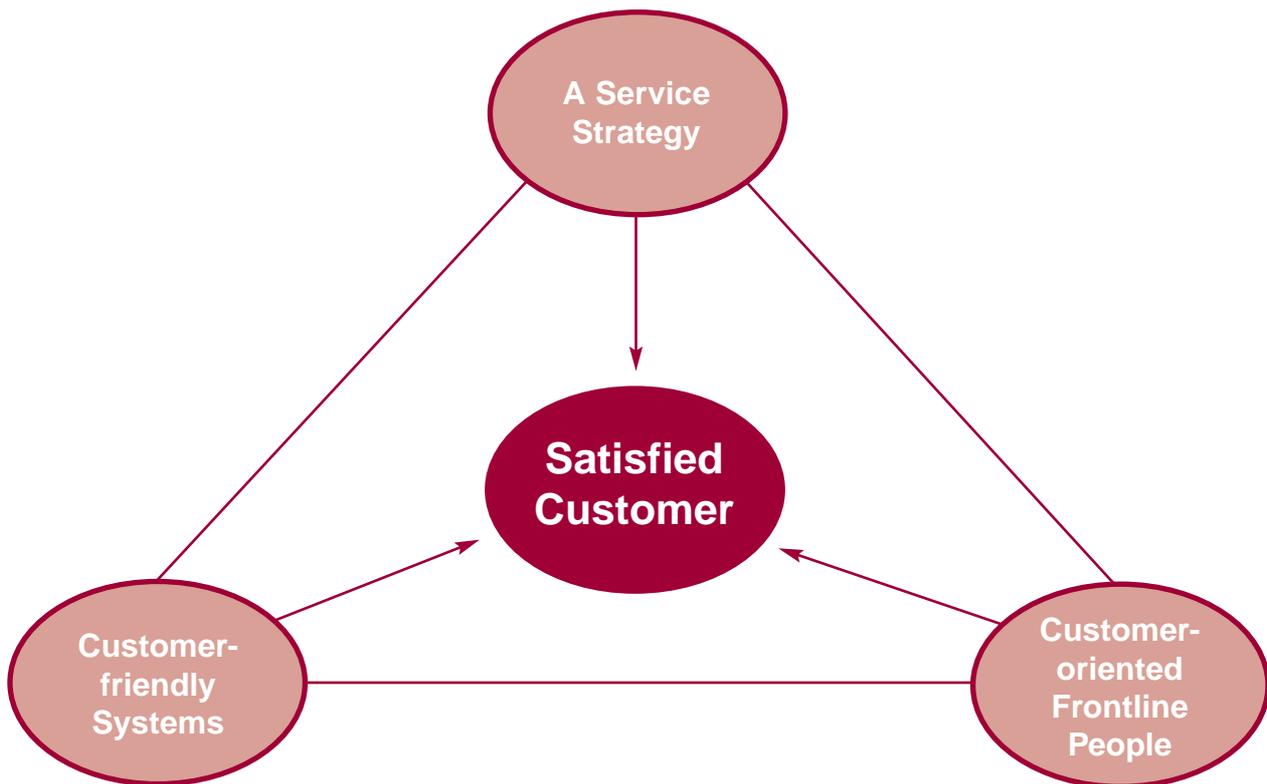
Quality Assurance (QA) is the framework that provides for quality control and quality improvement. Several techniques such as Quality in Every Single Task (QUEST) are around to support that QA. The underlying philosophy is that everybody within an organisation is both a 'customer' and a 'supplier' and provides or receives goods or services from fellow workers within the organisation. A QUEST analysis asks:

- **Who are our customers?**
- **What do they demand from us?**
- **How do we meet their demands?**
- **How can we improve the service that we provide?**
- **Who are our suppliers?**
- **What do we require of them?**
- **How do they meet our demands?**
- **How can they improve their services?**

Everyone in an organisation is part of the simple process of receiving an input and transforming it into an output, which then becomes someone else's input. The next person's job is made much more difficult if the transformation of input into output by the previous person has been faulty from the perspective of the next in line. If it does meet or exceed agreed requirements, the customers are going to be delighted as well as the whole chain, with its many handover points, makes quality a more attainable goal. Quality is created incrementally and not in a huge leap; because there is a series of handover points at which any dissatisfaction can be expressed by the recipient, inspection as a separate activity is somewhat superfluous.

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Karl Albrecht (1990) introduces a Service Triangle for successful service management based on quality.

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              ┌─────────────┐
              │  A Service  │
              │  Strategy   │
              └─────────────┘
             /       │       \
            /        ▼        \
           /   ┌───────────┐   \
          /    │ Satisfied │    \
         /     │ Customer  │     \
        /      └───────────┘      \
┌───────────┐   ▲         ▲   ┌───────────┐
│ Customer- │  /           \  │ Customer- │
│ friendly  │─────────────────│ oriented  │
│ Systems   │                 │ Frontline │
└───────────┘                 │ People    │
                              └───────────┘
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According to Karl Albrecht, the overall process involved in creating a service-oriented, customer-driven organisation will have the following five steps:

1. **The service audit**

2. **Strategy development**

3. **Education**

4. **Implementation**

5. **Making the change permanent**

■ *TQM and efficiency*

Increased product quality, obtained through the adaptation of a TQM programme, can have a major positive impact on labour productivity. When quality rises, less employee time is wasted in making defective products that have to be discarded or in fixing them. The kaizen philosophy emphasises that managers and employees should be taught to critically analyse all aspects of the production system, to identify waste and ways of eliminating them.

Point to Ponder

The actions managers can take for the successful implementation of TQM:

- **Build organisational commitment to quality**
- **Focus on customer**
- **Find ways to measure quality**
- **Set goals and create incentives**
- **Solicit input from employees**
- **Identify defects and trace them to their source**
- **Introduce just-in-time inventory systems**
- **Work closely with suppliers**
- **Break down barriers between functions**

There are a number of quality audits that have been developed as a result of the importance on customer needs and specifications.

BS5750, 1S0 9000, EFQM, IiP (Investors in People)

Whilst all these are registration marks on organisations to provide 'a way of describing the capacity of a system to produce goods or services to a specification', they ought not to be regarded as a kitemark of efficiency or quality, or TQM.

Critical Reflection

1. What are the implications of TQM for the management structure of an organisation? Critically evaluate your organisation under your conclusions on TQM. Highlight the ways in which you think your organisation is being responsive or unresponsive to customer needs. Recommend improvements.

Note: If adequately presented, this exercise will provide full coverage of the knowledge requirements within this unit. Coupled with work-based evidence, many of the performance criteria too will be covered.

■ *Conclusions to This Unit*

TQM is a business management philosophy which acknowledges that customer needs and business goals are inseparable. It filters through all aspects of the organisation's culture, inspires commitment and encourages communication in all directions. The management of quality is an essential feature of a manager's work in his or her attempt to contribute to the organisation's competitive advantage. Underlying the quest for quality is the need to increase productivity by raising investment levels in technology and maximising the potential of the workforce.

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References
Mullins, L.J., *Management and Organisational Behaviour* (Sixth Edition) 2002, Prentice Hall

Handy, Charles, *Understanding Organisations,* 1993, Penguin

Cole, G.A., *Management Theory and Practice,* 1999, Letts

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Possible Sources of Supporting Evidence		
Unit F1 - Provide Advice and Support the Development and Implementation of Quality Systems		
Possible Source of Evidence	*Used*	*Location in Workplace/Portfolio*
Explain your organisation's approach to quality, give reference to any policies or procedures. What does 'quality' mean to you in your work, how do you go about making sure that your customers are satisfied at all times? Provide records of any actions you have taken		
Records of meetings, training events you carried out to enhance other people's knowledge of quality. Any quality standards you have set out for your departments such as 'all meetings will be of no more than one hour duration' or 'all enquiries will be dealt with in twenty four hours', etc		
Records of how you monitor the standards you have set		
Evidence of you letting others know of your quality standards and feedback from them		
How you ensure that all information given complies with organisational policies		
Memos from others indicating their satisfaction with your service		
Analysis of occasions when you did not meet the standards and why		
Candidate's Signature:		
Assessor's Signature:		
Comments:		

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Evidence Location Reference

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Evidence Reference Identifier	Location in Workplace/Portfolio	Date Assessor Viewed/Comments
Candidate's Signature:		
Assessor's Signature:		