Research Paper

COMMERCE



Implementation of Tqm

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ABSTRACT

Total quality management (TQM) is considered a very important factor for the long-term success of an organization. TQM implementation has been an important aspect for improving organizational efficiency. Each organization is unique in terms of the culture, management practices, and the processes used to create and deliver its products and services. The TQM strategy will then vary from organization to organization; however, a set of primary elements should be present in some format.

KEYWORDS

Total Quality Management, Implementation and

INTRODUCTION

Total Quality Management is a management approach that originated in the 1950s and has steadily become more popular since the early 1980s. Total Quality is a description of the culture, attitude and organization of a company that strives to provide customers with products and services that satisfy their needs. The culture requires quality in all aspects of the company's operations, with processes being done right the first time and defects and waste eradicated from operations.

Total Quality Management, TQM, is a method by which management and employees can become involved in the continuous improvement of the production of goods and services. It is a combination of quality and management tools aimed at increasing business and reducing losses due to wasteful practices.

Some of the companies who have implemented TQM include Ford Motor Company, Phillips Semiconductor, SGL Carbon, Motorola and Toyota Motor Company.

Definition of TQM

TQM is a management philosophy that seeks to integrate all organizational functions (marketing, finance, design, engineering, and production, customer service, etc.) to focus on meeting customer needs and organizational objectives.

TQM views an organization as a collection of processes. It maintains that organizations must strive to continuously improve these processes by incorporating the knowledge and experiences of workers.

Objective of TQM

The simple objective of TQM is "Do the right things, right the first time, every time." TQM is infinitely variable and adaptable. Although originally applied to manufacturing operations, and for a number of years only used in that area, TQM is now becoming recognized as a generic management tool, just as applicable in service and public sector organizations. There are a number of evolutionary strands, with different sectors creating their own versions from the common ancestor.

TQM is the foundation for activities, which include:

- Commitment by senior management and all employees
- Meeting customer requirements
- Reducing development cycle times
- Just in time/demand flow manufacturing

- Improvement teams
- Reducing product and service costs
- Systems to facilitate improvement
- Line management ownership
- Employee involvement and empowerment
- Recognition and celebration
- Challenging quantified goals and benchmarking
- Focus on processes / improvement plans
- Specific incorporation in strategic planning

This shows that TQM must be practiced in all activities, by all personnel, in manufacturing, marketing, engineering, R&D, sales, purchasing and Human Resources.

Implementation of TQM

Each organization is unique in terms of the culture, management practices, and the processes used to create and deliver its products and services. The TQM strategy will then vary from organization to organization; however, a set of primary elements should be present in some format.

- Top management learns about and decides to commit to TQM. TQM is identified as one of the organization's strategies.
- The organization assesses current culture, customer satisfaction, and quality management systems.
- Top management identifies core values and principles to be used, and communicates them.
- The organization identifies and prioritizes customer demands and aligns products and services to meet those demands
- Management maps the critical processes through which the organization meets its customers' needs.
- Management oversees the formation of teams for process improvement efforts.
- The momentum of the TQM effort is managed by the steering committee.
- Managers contribute individually to the effort through hoshin planning, training, coaching, or other methods.
- Daily process management and standardization take place.
- Progress is evaluated and the plan is revised as needed.
- Constant employee awareness and feedback on status are provided and a reward/recognition process is established.

Strategy 1: The TQM element approach

The TQM element approach takes key business processes and organizational units and uses the tools of TQM to foster improvements. This method was widely used in the early 1980s as companies tried to implement parts of TQM as they learned them.

Examples of this approach include quality circles, statistical process control, Taguchi methods, and quality function deployment.

Strategy 2: The guru approach

The guru approach uses the teachings and writings of one or more of the leading quality thinkers as a guide against which to determine where the organization has deficiencies. Then, the organization makes appropriate changes to remedy those deficiencies

Strategy 3: The organization model approach

In this approach, individuals or teams visit organizations that have taken a leadership role in TQM and determine their processes and reasons for success. They then integrate these ideas with their own ideas to develop an organizational model adapted for their specific organization.

This method was used widely in the late 1980s and is exemplified by the initial recipients of the Malcolm Baldrige National Quality Award.

The Malcolm Baldrige National Quality Award (MBNQA) is presented annually by the President of the United States to organizations that demonstrate quality and performance excellence.

Three awards may be given annually in each of six categories:

- Manufacturing
- Service company
- Small business
- Education
- HealthcareNonprofit

Criteria for Performance Excellence:

Leadership: How upper management leads the organization, and how the organization leads within the community.

Strategic planning: How the organization establishes and plans to implement strategic directions.

Customer and market focus: How the organization builds and maintains strong, lasting relationships with customers.

Measurement, analysis, and knowledge management: How the organization uses data to support key processes and manage performance.

Human resource focus: How the organization empowers and involves its workforce.

Process management: How the organization designs, manages and improves key processes.

Business/organizational performance results: How the organization performs in terms of customer satisfaction, finances, human resources, supplier and partner performance, operations, governance and social responsibility, and how the organization compares to its competitors.

Strategy 4: The Japanese total quality approach

Organizations using the Japanese total quality approach examine the detailed implementation techniques and strategies employed by Deming Prize—winning companies and use this experience to develop a long-range master plan for in-house use.

This approach was used by Florida Power and Light—among others—to implement TQM and to compete for and win the Deming Prize.

Deming's 14 Points on Total Quality Management

- Create constancy of purpose for improving products and services.
- Adopt the new philosophy.
- Cease dependence on inspection to achieve quality.
- End the practice of awarding business on price alone; instead, minimize total cost by working with a single supplier.
- Improve constantly and forever every process for planning, production and service.
- Institute training on the job.
- Adopt and institute leadership.
- Drive out fear.
- Break down barriers between staff areas.
- Eliminate slogans, exhortations and targets for the workforce.
- Eliminate numerical quotas for the workforce and numerical goals for management.
- Remove barriers that rob people of pride of workmanship, and eliminate the annual rating or merit system.
- Institute a vigorous program of education and self-improvement for everyone.
- Put everybody in the company to work accomplishing the transformation.

Strategy 5: The award criteria approach

When using this model, an organization uses the criteria of a quality award, for example, the Deming Prize, the European Quality Award, or the Malcolm Baldrige National Quality Award, to identify areas for improvement. Under this approach, TQM implementation focuses on meeting specific award criteria.

Although some argue that this is not an appropriate use of award criteria, some organizations do use this approach and it can result in improvement.

Conclusion

When an organization adopts total quality management, they are really creating a new culture of customer satisfaction and quality products and services utilizing the skills of highly qualified employees and strong supplier relations to meet and exceed organizational goals.

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