# Example of implement continuous improvement business plan

Business, Management



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## Part A

List the five steps involved in the monitoring of hazards and checking on the implementation of continuous improvement. Briefly explain how you would use the steps you have identified. (100 words)

The first step in monitoring hazards and checking on the implementation of continuous improvement is establishing the context or a set of conditions, which are considered a hazard (e. g. temperature levels). Secondly, hazards should be identified. Thirdly, it is necessary to assess the risks every hazard is posing, thus prioritizing their management. Once assessed, the risk needs to be controlled by improving the system, eliminating or substituting some of the processes. Finally, it is crucial to establish continuous improvement of the system by constantly monitoring the processes in order to identify new hazards or to enhance hazard management.

Continuous improvement tools ensure that there is a proper control of the processes involved in producing a quality product or providing a quality service. These tools also play an important role in the process of system improvement. Briefly describe the role played by these tools in the PDCA cycle using examples of how individual tools can fit into the process. (100 words)

PDCA or Deming/Shewhart Cycle is a 4 step approach to control and continuous improvement (Plan-Do-Control-Act) (Management Today, 1995). In the "PLAN" phase it is necessary to set objectives and to plan process enhancement. FMEA (failure mode and effects analysis) can suggest the areas for improvement. In the "DO" step the change is implemented and some initial performance data is collected. Process maps can be used in this phase. " CHECK" aims to compare the obtained results to the objectives. Statistical process control can be used at this point. Lastly, " ACT" implies corrective actions for process enhancement. Root cause analysis can help on this stage.

a) List and briefly describe four features of quality circles. b) Identify and briefly explain three characteristics of successful quality circles. (100 words)

a) Quality Circle represents a formal group of people, who work on solving a common problems and aim to continuously improve processes in a company (Cole, 2005). Firstly, quality circle is a voluntary group of people. Secondly, problem-solving in the group is a collective effort. Thirdly, the goal is to improve output quality. Fourthly, groups coordinate activities of the members towards enhancing quality and solving targeted problems.

b) Successful quality circles should be focused. Secondly, people in the circle should be motivated and possess the necessary expertise. Lastly, quality cycles need continuous input and monitoring from the leasers.

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The internal audit is a key element of the ISO Standard. List and briefly describe three objectives of the internal audit. (100 words)

Firstly, internal audit should verify conformance of the standards and procedures. In this step audits investigate whether companies conform to the ISO requirements and own documented procedures. Secondly, internal audit should check the effectiveness of the processes. In this phase auditors work closely with the employees in order assess the "health" of the processes. Lastly, internal audit identifies opportunities for further improvement. The three steps show the evolution of internal auditing from the mere control of compliance to the facilitation of continuous improvement. For an effective audit, auditees are encouraged to share all the available knowledge with the auditors.

### Part B

Bartol and Martin state that a " self managing team is a work group that is given

responsibility for a task area without day to day supervision and with authority to

influence and control both group membership and behaviour." Empowerment and synergy are aspects that need to be considered by management in the development and building of teams in an organisation committed to TQM. Briefly explain the relationship between these two aspects in the development of teams in a TQM environment. (300 words) Total Quality Management (TQM) is a managerial philosophy, which aims to continuously enhance processes, products and services (Larson, 2003). It is based on the involvement of all members of the organization, who should work together in order to meet and exceed customer expectation. Unlike the traditional hierarchical approach to employee management, TQM suggests that people within the organization should be empowered rather than controlled. Empowerment in itself is believed to be a strong motivator for employee performance. While short-term appraisal systems can only motivate employees to achieve specific objectives, empowerment, according to the TQM logic, can give people a broader and a more long-term perspective on their jobs. Therefore, empowered employees do not need constant supervision, while their performance will not be limited by narrowly defined appraisal objectives.

Synergies of managerial approaches are also a crucial aspect for TQM systems. Firstly, managers should select employees, who possess the interpersonal skills, achievement orientation and independence, which are essential for TQM implementation. Secondly, people, who have been selected, have to undergo specific trainings that can help them to develop both technical expertise and personal skills, which are necessary for effective and teamwork. Finally, TQM does not suggest that appraisal and compensation systems should be permanently replaced by empowerment. Instead, there should be a good fit between the long-term outlook of the TQM empowerment mechanism and the short-term objectives, which are set by performance goals. In this way it is necessary to make the distinction between the broad meaning of quality improvement and the narrowly defined job requirements as subtle as possible, to integrate them into one system.

Empowerment and synergy are crucial managerial issues that need to be considered for developing teams according to TQM principles. When the two are effectively combined, TQM mechanism can show significant improvements in both team and individual employee performance.

In a successful organisation committed to TQM change must be looked upon as an ongoing process, not an event. a) Briefly comment on the accuracy of this statement.

b) Indicate why you think it is imperative that top management in such an organisation needs to reward and recognise those staff who are willing to adapt to change on an ongoing basis. (300 words)

The core principle behind TQM is a continuous improvement of processes within an organization, which relies on the commitment of all people, who contribute to the delivering of the product or service to final customers. Therefore, any company that is committed to TQM should focus not only on single improvements, but on an ongoing effort to enhance processes.

TQM execution requires a new approach to human resource management and employee motivation. The traditional management practice suggests that people should be constantly controlled by their superiors. Rigid hierarchy structures provide both a constant control over subordinates and create an incentive for people to seek promotion. Accordingly, the traditional incentive systems are designed in a way to encourage one-time achievement of performance objectives. However, such approach is not sufficient for TQM. TQM implies continuous process improvement, therefore it requires ongoing employee commitment to change. Company objectives should not represent a terminal value, but a constant aspiration to higher results and more effective processes. Since rewards and recognition are the most powerful tools to influence company culture and attitudes, they should be extensively used by managers in order to develop commitment to TQM principles within the organization.

The success of TQM directly depends on the company-wide understanding of continuous improvement and the main paradigms of TQM. Therefore, rewards and incentives should be designed in a way that would communicate the need to enhance performance on the ongoing basis to all people involved in the creation of products or services. Hence, it is imperative to recognize employees, who are willing to adopt to change by creating special reward and incentive systems. In this way it is possible to communicate the importance of TQM and to suggest the desired work attitude, which over time should become a part of the company's culture.

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