

Evaluation of total quality management in action management essay



**ASSIGN
BUSTER**

Total Quality Management is a widespread and structured method to administrate management that search to enhance the quality of products and services through ongoing improvement in response to continuous feedback. TQM requests may be outlined separately for a specific organisation or may be loyal to reputable standards, for example the International Organisation for Standardization's ISO 9000 series. TQM can be useful to any sort of organisation; it was created in the industrialised sector and it has been modified to be used in virtually every type of organisation, as well as schools, hotel management, highway maintenance, and even churches. As a present focus of e-business, TQM is formed on quality management from the customer's opinion and judgment.

TQM procedures are divided into four groups: plan, do, check, and act. The planning stage, people describe the problem to be tackled, gather important data, and establish the problem; in the doing stage, people create and implement a explanation, and choose ahead a measurement to measure its efficiency; in the checking stage, individuals verify the results throughout before-and-after information comparison; in the acting stage, individuals record results, then notify others about process adjustments, and make suggestions for the predicament to be sorted in the next PDCA phase.

The Plan-Do-Study-Act phase (PDSA) explains the activities a company needs to carry out in order to integrate continuous development in its operation.

The Origins of Total Quality Management

The idea of quality has been around for many years, although its meaning has transformed and progressed over time.

<https://assignbuster.com/evaluation-of-total-quality-management-in-action-management-essay/>

The birth of TQM came from Walter Shewhart in the 1920s and additional expand from Armand Feigenbaum, W. Edwards Deming, Joseph Juran, Philip B. Crosby and Kaoru Ishikawa.

Edward Deming was a student under the teaching of Walter Shewart. He cultivated and polished TQM and managed to go to Japan to try his methods of management in the 1950's. As Japan's superiority and execution levels exceeded formally work areas managed by the U. S., the U. S. business became aware and embraced the TQM philosophy; he was awarded the Deming prize.

The key elements of TQM

- Ethics
- Integrity
- Trust
- Training
- Teamwork
- Leadership
- Recognition
- Communication

TQM has been coined to describe a philosophy that makes quality the driving force behind leadership, design, planning, and improvement initiatives. For

<https://assignbuster.com/evaluation-of-total-quality-management-in-action-management-essay/>

this, TQM requires the help of those eight key elements. These elements can be divided into four groups according to their function.

TQM is created on the bases of principles/ethics, integrity and trust. It encourages honest, equality and sincerity and allows participation by everyone. This is the important key to reveal the vital potential of TQM.

These three components move together, on the other hand, each component offers something diverse to the TQM concept:

1. Ethics is described as the directive associated with right and wrong in a situation.

2. Integrity means trustworthiness, ethics, principles, equality, as well as devotion to the facts and also genuineness. TQM will fail to function in an environment of duplicity.

3. Trust – With no faith, the structure of TQM cannot come together. It promotes empowerment that persuades pride ownership and it supports commitment. Trust is necessary to ensure customer contentment and approval. So, trust creates an accommodating situation vital for TQM.

4. Training is extremely important for employees to be exceedingly productive. Supervisors are exclusively accountable for implementing TQM within their sections, and educating their employees the values of TQM. During the construction and structure of TQM, workers are trained so that they can grow to be efficient employees for the company.

5. Teamwork is also a main element of TQM. The use of groups/teams; will make business receive faster and improved solutions to crisis or problems.

<https://assignbuster.com/evaluation-of-total-quality-management-in-action-management-essay/>

People feel more at ease in teams and it brings up problems that may happen, and can get help easily from other colleagues to find an answer.

There are three types of teams that TQM organisations have in place:

A. Quality improvement groups (QITs)

B. Problem solving groups (PSTs)

C. Natural work groups (NWTs)

6. Leadership it is perhaps the most significant element in TQM. It is everywhere in the organisation. Leadership in TQM needs the manager to offer an inspiring vision, create strategic orders that are recognizing by all. For TQM to be booming in the business, the supervisor must be committed in leading his employees. A supervisor ought to know TQM, believe in it and then express their principle and commitment throughout their daily performances of TQM.

7. Communication it connects everything as one. Starts from the base to the top of the TQM house, everything is conjoined by a strong chain of communication. It operates as a main link among all elements of TQM. The achievement of TQM requires communication with and between all the organisation members, providers and customers. Supervisors have to keep open channels for employees to send and receive information regarding the TQM procedure. For communication to be believable the message has to be very clear and recipient must understand in the way the sender projected.

There are different conducts of communication for example:

A. Downward

B. Upward communication

C. Sideways communication

8. Recognition is the final constituent in the whole system. It should be offered for both proposals and accomplishment for groups as well as individuals.

What are the different elements of TQM?

Within the frame of Total Quality Management, there are a considerable amount of elements that work together to achieve customer satisfaction. The elements encourage those that use it to adopt a common sense approach to management. If each element does not work hand in hand with each other, it is likely that the company's efforts to attain quality will reduce to failure.

The first element, Ethics, addresses the individual's understanding on the good or bad at the workplace and the professional code of conduct in place that needs to be adhered to in order to maintain and improve work performance. The second element, Integrity, looks at the honesty and openness of individuals and the organisation as a whole. Every business endeavour relating to the company is expected to be honest and fair; and in line with the organisation's policies. The third element, Trust, is widely regarded as one of the most important principles needed for TQM to work. Trust works hand in hand with Integrity and Ethics. Employees need to be

able to trust each other; as it not only improves working relationships but allows workers to be entrusted with making decisions and take risks in the aid of continuous improvement.

The fourth element, Training, is imperative when implementing TQM. Employees need to be trained appropriately in the workplace in order to attain optimum productivity levels as well as provide excellent customer service. The fifth element, Teamwork, looks at the involvement of staff in the organisation. It is important for employees to work in teams rather than working individually because companies will be able to utilise every individual's talent and find the best possible solutions needed to solve potential problems that may arise. The sixth element, Leadership, is arguably the most important element of TQM. Leadership requires managers to have a clear direction that they see the company going over a period of time in terms of strategies & goals and are able to instil it into their employees.

The seventh element, Communication, brings all of the other elements together. It is the vital cog in the implementation of TQM. The success of TQM requires effective communication between all parties involved with the organisation. The eighth and final element, Recognition, is arguably the most fulfilling part of TQM. Individuals within the company should be recognised for their achievements and efforts as quickly as possible. In doing so, employees' self-esteem will increase sufficiently and motivate them to increase productivity. Recognition could come in the form of appreciation letters, awards etc.

TQM is widely visualised as a house. A house has the roof with the foundation and bricks held together by mortar. The first three elements (ethics, integrity and trust) represent the strong foundation needed to build on TQM. The next three elements (training, teamwork and leadership) are seen as the bricks that are used to build on the foundations for TQM whilst the roof (recognition) provides cover for the whole of TQM during implementation. The final element (communication) is the strong mortar that puts the whole structure of TQM together.

Why is TQM important

Total quality management is undoubtedly important in organisations today. It is paramount for companies to achieve customer satisfaction. Therefore, there has to be a strong focus on exceeding the expectations of its internal customers before they decide to address what is needed to satisfy external customers. The information gathered from these customers will therefore provide a guideline that will help the organisation to make adjustments accordingly. TQM, particularly in manufacturing companies, guarantees quality in products. Having TQM in place when building a product can help a company to make a product that does exactly as it states. TQM can be influential in helping companies to reduce its costs; increasing their competitive advantage over their respective rivals. For example, supermarkets have forged close partnerships with their suppliers where they buy popular goods in bulk at discount prices. As a result, they can offer products at prices that are low enough to price their competitors out of the market.

Also, in the case of manufacturing companies, the reduction of waste levels can be achieved through TQM. By improving their processes, companies will be able to make products with minimal waste costs and still attain good profit margins. Likewise, having a TQM system in place when dealing with suppliers will help organisations to manage their stock effectively by using a Just-In-Time (JIT) philosophy; made famous by Wal-Mart. Using the JIT system will not only reduce inventory costs but build strong communication between the organisation and their supplier. TQM facilitates teamwork within the organisation. Every department within the company is linked together and therefore need to work together to make quality products. Having TQM can help to build a solid reputation in their respective market/industry. Being known as a respectable organisation within their sector will cause customers to gravitate towards them and use their products and services.

How have Toyota implemented TQM

During the late 1960s, Toyota, originally a truck manufacturer, decided to try their hand in making cars. However, they looked at the different stages of the manufacturing process for their cars and were always trying to improve them. This culminated in worldwide success in the 1980s and was regarded as the highest quality automobile producers in the world. The reason for this was that they looked into the causes of why products may not live up to its billing; and they realised that the machines being used to make these products had significant wear and tear. Likewise, this caused the machine to have defective parts and resulted in a lack of productivity on Toyota's part while they were waiting for the machine to be sorted out. Also, workers

within Toyota were unsure about their role at times; as they were often confused about which machine they were assigned to.

Therefore, to tackle these issues, Toyota analysed every facet of the way it operates. They trained their workers to keep a note of the machine that they used, how it operated, its repair history and the mechanisms behind the effective working of the machine. Such requirements forced workers to study their machines thoroughly and gain mechanical knowledge rather than leave everything to the engineers. Toyota's next step in tackling their issues was to look at more efficient ways to not only maintain their machines but keep the working environment clean; as their factories were reminiscent to American factories. As a result, they created a cleaning programme that started from normal cleaning of the work areas; to taking apart the machines to clean them and then finally making covers on the machines to prevent shrapnel and dust getting into the machines permanently. By having such an effective and detailed system in place, Toyota extinguished the threat of machine breakdown and limited the need for engineers to fix the machines. With the workers having expert knowledge on the machines that they use, they are able to repair and improve their parts. The system has enabled Toyota to become the largest and most profitable car manufacturer in the world as well as stand out as the highest quality cars available from the 1980s. This system used by Toyota is reminiscent of the TQM technique known as 5S; where workers are driven to eliminate waste and keep their machines in order simultaneously using 5 steps: seiri (sorting), seiton (set in order), seiso (shine), seiketsu (standardise) and shitsuke (sustain).

All of Toyota's workers are trained to focus on the philosophy of continuous improvement, popularly known as Kaizen; where the company are always looking to improve its processes and therefore optimise its performance. They are bedded into a culture that makes you believe that quality can never be attained because there is always room to move to the next level. Their efforts to provide the highest quality through their particular system has been dubbed "The Toyota Way". This system emphasises that by having a long-term philosophy, you must also have the right procedures in place. In doing so, you will yield the right results and therefore add value to the organisation through the development of its people.

How TQM has faltered at Toyota

Not so long ago, Toyota was known as a company who prided themselves on quality above all else. A company which set the bench mark in utilising Total Quality Management, with many top level executives visiting Toyota city to understand the dynamics.

However, in recent times Toyota has fell of that pedestal and has come under scrutiny. The most recent case of Toyota's dent in levels of quality came in November.

"Toyota has said it will recall 2.7 million cars worldwide because of problems with the steering wheel and water pump system". (Madslien, J)

The recall affected 9 models of Toyota's total range, including the popular Toyota Prius. This news came for weeks after a recall of 7 million Toyota motor vehicles, including Corolla's and Camry's with faulty window switches.

These problems do not over shadow the recall of 2009, which lead to a recall of 12 million vehicles and a fine being issued by the US Government. This inevitably has had a huge negative impact on the car makers reputation and Toyota have since tried to rebuild customer trust.

So the question is, what has lead to Toyota's decline in quality and faltering levels of trust with it's customers?

The President of Toyota; Akio Toyoda claims that the problem stems from the company's extensive focus on gaining market share and increasing profits. However Toyota's aim has always been to increase market share and decrease costs (therefore increasing profits).

Toyota actually achieved these goals in 2008; there production more than doubled from 1985 to 2008, from 4 million to 8. 9 million.

It seems the Kaizen methodology (Continuous improvement) has faltered with great consequence. At the time of these recalls the management of Toyota commented saying that they “ don't believe that Toyota's core production system or engineering processes are in need of a fundamental overhaul” (Mojonnier, T)

The importance of TQM and the Kaizen approach are evident in Toyota's success and their achievements; surpassing GM as the world's largest car manufacturer.

The TQM process is a rigorous part of how Toyota functions. Hence why this was the key message reiterated to employees after the recalls of 2009. Each

department head addressed their team, in attempt to re align focus towards quality.

This can become difficult however, in their efforts to grow and increase profits, Toyota had to employ more staff and deal with more suppliers. Unfortunately, these new additions were not sufficiently trained or instructed on the methodologies and practices of TQM, thus leading to a chain of errors.

This term Kaizen is merely a slogan, if the meaning behind it is not understood or re enforced. Deming stated; slogans are meaningless proclamations, unless backed up with methods of achievement. Thus in 2011, Toyota's market share fell from 16. 5% to 12. 5%.

As well as disregarding their true origin of success, Toyota has been caught out by their culture. A culture whereby Toyota do not like to come out in the media, or have their ' dirty laundry' paraded around in the public eye. For example, Toyota admitted that they knew of faulty accelerator pedals a year prior to the first major accident caused by the defect.

Jeffery Kingston said; In Japan there is saying " if it stinks, put a lid on it".

Recommendations

Though Toyota has achieved considerable success over the years, there are always looking for avenues to improve. In order for Toyota to continue to be the market leader in the automotive industry for years to come, I believe that Toyota should embrace Ted Levitt's Total Product Concept as part of its philosophy (see appendix). Ted Levitt emphasised that a product or service can be looked at from four different levels. The generic product is the <https://assignbuster.com/evaluation-of-total-quality-management-in-action-management-essay/>

absolute essential needed to satisfy basic needs. For example, Toyota's cars nowadays would be expected to have airbags and power steering in their cars as a bare minimum. Another level up is the expected product; where customers have minimal requirements for the product at hand. For example, Toyota's cars would be expected to have air conditioning and alarm facilities in their cars. The next level up would be the augmented product; where the customer may have a host of additional features that they were not necessarily expecting. For example, most of Toyota's latest cars come with hybrid facilities; where you are able to run on electricity or petrol or both. The final level would be the potential product; where it is imagined what a future product could be. For example, Toyota are introducing in-car technology called Toyota Touch & Go, which is a touch screen interface that has satellite navigation, Bluetooth connectivity for hands free calling, Google search engine and traffic updates.

Incorporating the Total Product Concept will allow Toyota to continually push the boundaries that will inspire quality and differentiate themselves from their competitors.