

# Total quality management at jaguar uk



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The desire to improve efficiency and productivity may be considered as the primary motivation for a company in transferring the manufacturing operations offshore. However, experiences of companies that decided to transfer manufacturing offshore reveal that transferring operations offshore could have negative implications to the business, hence could not guarantee efficiency and productivity improvements. Therefore for Jaguar, keeping the manufacturing operations in the UK may be considered more appropriate. It should be noted that the primary market of Jaguar cars is in the UK, whereby keeping manufacturing operations in the UK may be considered more efficient. Furthermore, other factors that were considered in proposing to retain the manufacturing operations the UK include the following: Firstly, the difference in the time zone in the manufacturing site and the distribution zone could affect effective coordination between manufacturing and sales. Secondly, differences in language could create barriers to effective coordination between manufacturing and other departments such as marketing, design, and sales among others. Thirdly, transferring manufacturing operations offshore could increase risks, as the initiative require significant investments primarily for building the manufacturing plant and in purchasing equipments. Finally, transferring manufacturing operations offshore could lead to recruitment and training issues, as the company would be required to recruit and train large number of personnel to man the operations in the new plant. Conversely, rather than transferring the operations offshore, the company may instead consider on adopting quality management tools and approaches to improve its efficiency and productivity. The succeeding outlines proposal for implementing quality management at Jaguar-UK. Furthermore, the proposal includes possible

quality management tools and methods that the company may use to improve the business in the UK.

### **Proposal for Implementing Total Quality Management at Jaguar-UK**

This proposal is presented to your office in an attempt to reverse the company management's decision to transfer the manufacturing operations of Jaguar cars in the UK offshore. Assumption is that transferring manufacturing operations offshore could affect the quality and services of the firm. Rather than transferring the manufacturing operations offshore, the company may instead focus on improving performance through Total Quality Management practices and approaches.

As claimed by the Chartered Management Institute (2006), which is a distinguished professional accrediting organization in UK, the successful implementation of Total Quality Management (TQM) can lead to improvements in the quality of products and services, reductions in the waste of resources, and overall increase in efficiency and productivity. Furthermore, as a result of improvements in product and services, firms may be able to develop competitive advantage and eventually increase market share (Chartered Management Institute, 2006). More importantly, implementing TQM also helps improve employee motivation, as TQM programs and practices enforce employee participation and empowerment (Chartered Management Institute, 2006). In view of the benefits claimed by the Chartered Management Institute, Jaguar could greatly benefit from introducing TQM in the organization.

For organizations that seek to adopt TQM, the outline of activities provided by the Chartered Management Institute could provide valuable insights.

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Jaguar Cars could adopt the guidelines provided by the Chartered Management Institute. Accordingly, organizations that seek to implement TQM needs to: Firstly, establish a planning team or a steering committee, which would serve as the lead agent that would drive the organization through the changes. In establishing the steering committee, the organization has to ensure that all sectors of the organization are represented. Secondly, assess the need to change, whereby the organization needs to consider its competitive position and at the same time establish key customers and their respective needs. Thirdly, define the vision, whereby the organization needs to draft a vision statement pertaining to customer satisfaction and quality improvement. Next, describe the standard of service, whereby the organization needs to translate the vision into measurable deliverables. Then, assess how the organization performs as compared to standards, which involves measuring current performance. Afterwards, conduct a review of the current level of wastage, which involves determining the wastage level in the organization. Next, calculate the current level of costs, which involves assessing the cost mechanism in the organization. After that, decide whether to seek accreditation from third party, which include deciding whether to adopt a quality management system. Subsequently, develop a quality strategy, which involves drafting quality goals and objectives based on the assessment of wastage level conducted previously. Next in line, establish an action plan for change, whereby the organization needs to focus on the organizational culture to be able to implement the changes seamlessly. Then, create education and training plans to introduce the organization to the concepts of TQM, including the basic principles, objectives, and benefits derived from adopting the

philosophy. Next, set priorities for the introduction of TQM focus on selecting priority processes for improvement. Finally, determine goals and criteria for success and this involves establishing measures for success.

Using the framework provided by the Chartered Management Institute, Jaguar's quest to adopting TQM begins with creating a TQM group or unit in the organization, with a TQM Champion to head the group. The TQM group would be responsible in overseeing all TQM-related activities and programs. Afterwards, the next activity is to conduct an internal assessment to determine areas for change or improvement. The next activity is to create a vision that would serve as the guide for all its quality improvement programs. Subsequently, Jaguar needs to establish standards that would serve as internal benchmarks. Afterwards, Jaguar needs to assess current condition with standards to determine gaps. After assessing current condition versus standards, Jaguar may now proceed to assessing levels of wastage and costs. Once Jaguar completed these activities, the company may now decide whether to seek third party accreditation as a way of strengthening its drive towards the adoption of TQM. Other activities involved in adopting TQM into the organization include establishing a quality strategy; developing an action plan for change; creating training plan for workers; and determining quality goals and objectives.

After introducing TQM in the organization, the company may now implement TQM programs and practices, which could help improve specific systems and processes in the organization. The TQM programs and practices serve as tools in addressing specific problems and issues in the organization.

Assumption is that Jaguar would not have difficulty in adopting TQM, as this

concept has been widely adopted by manufacturing firms. The TQM concept was adopted by Japanese car manufacturers such as Toyota Motor Corporation, which is a recognized brand in the global car industry.

Among the TQM-related concepts and practices introduced by Japanese car manufacturers is the '5S', which is a philosophy that focuses on the importance of good housekeeping, orderliness, standardization, and discipline in the workplace. Originally, 5S stands for five Japanese words: seiri, seiton, seiso, seiketsu, and shitsuke. The English translations of the five words are as follows: sweep, systematize, sanitize, standardize, and self-discipline.

Seiri refers to keeping the workplace clean by sorting and taking away unnecessary things and objects that could block movement and increase chances of errors or mistakes. With Seiri, workplaces are kept clean and tidy, thereby allowing workers to move freely, which could contribute to productivity improvement. An example of a practice related to Seiri in the workplace is keeping removing unwanted items or making the workplace clutter-free. It should be noted that a clutter-free workplace could create a more conducive work environment for the workers and in the process promote a positive work environment that fosters productivity.

Seiton on the other hand, refers to keeping the workplace well organized and hence more systematic. With Seiton, everything is kept in proper places, hence reducing time spent for retrieving or getting required materials and items. For example, materials and tools are placed in a specific location; hence facilitate quick and efficient retrieval. Another example of a practice

under Seiton is keeping frequently used materials and tools at hand, hence limit unnecessary movement that could affect productivity. Generally, Seiton minimizes waste of time relevant to unnecessary movements or actions that could negatively impact efficiency and productivity.

Seiso in particular refers to keeping the workplace always clean by encouraging everybody to clean their respective areas. With Seiso all members of the organization take responsibility in keeping their areas clean by wiping dusts, throwing away wastes, and keeping the floors clean. Under Seiso, every member of the organization is encouraged to make it a practice to begin and end their workday with cleaning their workstations.

Meanwhile, Seiketsu refers to standardizing clean-up, which includes defining standards through which workers must comply to. A vital initiative under Seiketsu is implementing visual standards to help maintain orderliness and at the same time standardize the workplace. Examples of visual standards include color-coding and visual guides to help enforce compliance.

Finally, Shitsuke refers to enforcing self-discipline or commitment to maintain and enforce the first four 'Ss'. With Shitsuke, all members of the organization make it habit to keep the workplace clutter-free, organized, and clean, and at the same time comply with standards. The last 'S' is important, as it determines the continuity of the first four 'Ss'.

The 5S framework is generally simple yet effective in improving productivity and efficiency in the workplace. In this regard, Jaguar may consider on adopting this simple practice as a means of minimizing wastes and at the same time improving performance. To successfully introduce 5S to the

workers, Jaguar may consider on conducting 5S orientations to formally launch the program. All workers will be scheduled for a 5S orientation on a staggered basis in order to ensure the continuity of the production operations.

Aside from 5S, another well-known TQM practice is the Six Sigma, which is also termed as “ TQM on steroids” (Heuring, 2004). Six Sigma was first introduced by Motorola, a world-renowned high tech company (Heuring, 2004). The Six Sigma methodology follows this pattern: define, measure, analyze, improve, and control (Heuring, 2004). Motorola and other large companies disclosed achieving huge savings from adopting Six Sigma into the organization. Motorola in particular revealed saving \$16 billion over the last twelve years of implementing Six Sigma practices. Dow on the other hand, reported \$1. 6 billion in savings from adopting Six Sigma. Ford also disclosed saving \$1 billion from adopting Six Sigma into the organization. From the experiences of the companies that reaped hugged savings from adopting Six Sigma, Jaguar may also be expected to achieve huge savings from adopting this particular quality management philosophy.

Companies that intend to adopt Six Sigma starts by holding an executive summit, which is a two-day seminar that seeks to formally introduce the concept more particularly to the senior management and leaders of the organization. Motorola originally termed the executive summit as “ leadership jumpstart event” (Heuring 2004). The executive summit is usually conducted or facilitated by consulting firms or professionals (i. e., black belts) that specialize in Six Sigma.



More importantly, top management also has to express commitment to the initiative, as effective leadership is essential to the successful introduction of the concept to the organization. In addition, focusing more on encouraging workers to support the adoption of Six Sigma is also essential. In this regard, Jaguar may need on communicating the benefits of adopting Six Sigma as a way of motivating workers to participate and support the program.

In closing, the decision to transfer manufacturing operations offshore may have some advantages, but there are also disadvantages to consider. In view of the disadvantages, proposal is to retain the manufacturing operations in the UK and instead adopt total quality management in the workplace to improve productivity and efficiency. Adopting TQM into the organization is expected to result to huge improvements and benefits. The decision to adopt TQM into the organization follows a certain process endorsed by a professional accrediting organization. Among the widely adopted TQM concepts and practices are the 5S, which originated from Japanese car manufacturers; and Six Sigma, which was developed by Motorola. Jaguar could expect to reap more benefits from adopting TQM.