

Good example of quality management in business essay

[Business](#), [Company](#)



Question one

- Definitions of Quality

Quality refers to the totality of characteristics and features of a service or a product bearing its ability to meet the implied or stated needs. Quality according to American Quality society is the excellence of goods and services with regards to conformity to the requirements and the ability to satisfy customers (Cartin, 1999). Quality may also be referred to as the “fitness for an intended use” as defined by Juran . This means that for quality to be relevant, the proper identification of who the customer really is matter because it is the customer’s perspective of “ fitness” that measures quality. The customer can be external or those that the business organization serves by providing goods and services. The customers can be internal as well and this means that the “ fitness for the intended use” should take into account the process by which products and services are produced and delivered, and the overall value that the shareholders receive from it.

In manufacturing industry, quality implies absence of deficiencies, defects and significant variation resulting from commitment and consistency to particular standards to accomplish uniformity of products and services in order to fulfill users’ and customers’ needs. There is also a need to maintain a level of excellence that the organization’s shareholders desire. This is known as Quality Management and this includes the creation and implementation of quality planning and assurances. Quality management also includes the activities that ensure control and/or improvement of quality. In the current business convention, all these activities are called Total Quality Management .

- Development of the concept of quality

The concept of total quality management did not originate from a single person. TQM is a collection of propositions of management experts (often referred to as management gurus) such as Deming, Juran, Crosby and other notable scholars and practitioners. Each of their propositions revolves around productivity initiatives geared towards increasing profit through improvements on products and services. The TQM concept according to the gurus involves application of strategies such as quality circles, inspections, high-level management, continuous improvements and assurance (Amasaka, 2012).

The concept of TQM led to one revolution after another. For example, in the 1980s, Japanese companies began setting up shop in the United States and the rest of North America to compete in the very large (and prosperous) American consumer market. The Japanese companies were at a natural disadvantage, having been transplanted from their native Japan to an environment that operated very differently from their own. As a result, the public's perception of Japanese goods and services was that of inferiority in comparison to its American counterparts. To address this issue, Japanese companies aggressively used quality management strategies to penetrate the American markets. Japanese companies were so successful at utilizing management strategies, particularly TQM such that it has become fully associated with the Japanese style of management despite the fact that TQM was invented in the United States.

- Quality management approaches that Toyota can adopt

Toyota can utilize Edward Deming's approach to quality management.

Deming's approach to quality involves the use of statistical control tools to manage quality in the organization. Toyota can utilize statistical charts to control the production of automobiles in all stages. Use of statistical control techniques enhances the quality of products because the production is highly monitored and inspected.

Also, Toyota Company can adopt Joseph Juran's idea in its production processes. Juran emphasized on organizing, controlling and planning as well as customer satisfaction. He also emphasized on ten steps to improving quality (Naidu & Rajendra, 2006). Thus, Toyota can integrate the ten steps in its production process that include building awareness of emerging opportunities to improve, setting goals, organizing to accomplish the goals, offering training, undertaking projects to solve problems, reporting the progress, giving recognition, communicating the results, keeping the score and undertaking improvements annually.

Another approach to quality management available for Toyota is that advocated by Philip Crosby. This approach focuses on preventing errors from occurring instead of correcting when they occur (Jones, 1999). Toyota can the improve quality of its products by adopting good quality practices to avoid errors in the production process.

Feigenbaum approach emphasizes the use of financial performance of an entity as indicator of quality. Toyota can use macroeconomic factors in improving quality in production process. According to Feigenbaum, Toyota should utilize systems and engineering approach to improving quality of its products and services.

All these approaches can be used in combination with each other to develop

the ultimate quality management scheme that Toyota can benefit from.

However, these strategies require costs and for Toyota to be truly successful, it should balance its wants with its needs, and determine which of the strategies would yield the best results at the ultimate level of value.

- Differences and similarities in the approaches Toyota can Use.

Juran's approach focused more on satisfying customer needs more than Deming and the other quality gurus (Naidu & Rajendra, 2006). Crosby's approach to quality did not rely on statistical techniques for quality control like Deming's approach. Feigenbaum's approach unlike other approaches, emphasized on utilizing systems and engineering approach to improving quality of its products and services.

Crosby, Demings's and Feigenbaum approaches were similar in the sense that they dwelled on identifiable 14 points geared towards improving quality. The common denominator for all these quality gurus is that they were all instrumental in defining the concept of total quality management that is crucial for improving quality of products and services.

Question Two

- Customer satisfaction

Customer satisfaction refers to the measure of how products and services produced by companies meet or exceed the expectations of customers. It is important in business as it provides firms with a parameter that they can utilize in improving and managing functions. Benefits of customer satisfaction includes reducing customers' churn, increasing customer value, indicating repurchase intentions for customers, promoting product

differentiation, reducing badmouthing and retaining customers. Improving the quality of products and services enhances customer satisfaction because the products' performance exceeds expectations. Changes made on the product's color, design, packaging and technology-based improvements such as GPS increases customer satisfaction.

The more important principle behind customer satisfaction is its importance. In today's modern business jargon, customer satisfaction is used sparingly as a marketing term that measures how a company surpasses the expectations of its customers. Customer satisfaction is therefore a good way to measure how a business is running and what to do to improve the business.

Customer satisfaction measures several things. First, customer satisfaction measures the intention of customers to re-purchase goods and services from the company. This means that customer satisfaction leads to consumer loyalty. Secondly, customer satisfaction can be used as a differentiating point between companies and is in fact something that competing companies would like to achieve or acquire. A company with a high degree of customer satisfaction also reduces its customer turnover. A company that takes care of satisfying its customers reduces negative publicity and increases the value that it provides in the customers' lifetime. The management rule-of-thumb that says that retaining customers is more difficult than getting new ones is true. However, a company that looks into how it can increase and maintain customer satisfaction will always be more successful than the company who cannot do the same .

Customer satisfaction can be improved by changes in how products are visually presented or how services are delivered. A good example of

customer satisfaction approach is the use of voice customer service wherein customers are satisfied with the presence of a person hearing out their issues instead of writing responses on a piece of paper.

- The meaning of continuous improvement and measuring of quality gaps using SERVQUAL methodology and statistical data

Continuous quality improvement is a system of improving the provision of goods and services to improve the overall future results. Statistical data and SERVQUAL are applied to uncover problems and develop the understanding of subsystems. After identifying the process that requires improvement, the team is assembled to research and prepare a documentation of each step of the process. Implementation plan involves preventing failures in the future by setting goals and measuring the outcomes (Liker, 2004). The implementation plan is revised based on the results to ensure that improvement is continuous.

- Value addition to Toyota as a result of implementing quality management practices effectively.

Implementing an effective quality management plan comes with numerous benefits. If Toyota implements the quality plan in its operations, it will reduce errors and wastes significantly and therefore lead to more customer satisfaction and consequently customer loyalty. The reason why Toyota would want to implement cost reduction strategies is because wastages are practices that affect overall company profitability. If Toyota wants to reduce costs by using TQM, it would improve the processes that are involved in making its products or in delivering its services. If Toyota can be effective at reducing the wastages and therefore reducing its costs, then it will be able to

deliver its products or services to its customers and still profit from it. If Toyota can do this better than its competitors then Toyota would have gained an upper hand.

If Toyota can eliminate its errors then it could minimize its costs. TQM extends to an approach called the Six-Sigma approach, which seeks to eliminate production errors to a very small fraction (it is specifically six parts per million which is also known as the six-sigma deviation). We can conclude that maintaining high quality reduces costs involved with correcting errors because quality is achieved the first time.

Quality management plan also helps in achieving control over the production process to eliminate errors. Control reduces wastage of time and the need for supervisors since the control process in all stages of production is automated. This is extended to suppliers as well. Toyota has to look at the entire production chain including the level of quality that its supplier's extend to ensure that the total level of quality is achieved. Toyota will benefit by working closely with its suppliers to gain competitive advantage. Instead of merely negotiating for very low transfer costs, Toyota can help with its suppliers to minimize their wastages and errors so that they themselves can benefit from quality management and provide Toyota with competitive levels of product or service supply.

Lastly, Toyota will benefit most from making its workers the central focus of total quality management. Toyota's workers make the company's products and services and to provide high quality products, the workers must understand quality and the company's expectations from them. Making the workers a part of the company's vision and ensuring that quality is achieved

is a very important competitive advantage that Toyota could possess and benefit from .

- Benefits of effective marketing and the information made available to the customers of Toyota

Toyota mastered the art of marketing and information dissemination to its advantage. By effectively marketing the company's principles, Toyota was able to build a customer perspective that the company profited from.

In the start of 2000, Toyota made its " The Toyota Way" principle public which made customers see the company as a continuously improving company that had the utmost respect for people. This marketing strategy summed up the philosophy of the company and showed how the philosophy traversed into the core values of the company that resulted in high quality manufacturing systems that ultimately led to customer satisfaction.

Effective marketing helps Toyota to identify its target marketing and make the appropriate products for them. The marketing strategy the company undertakes helps in creating awareness giving prospective customers a chance to discover Toyota's range of products. Effective marketing is the best method of boosting sales since satisfied customers spread the good name of the Company luring their friends and family members to buy.

Marketing builds the reputation of Toyota in the eyes of the public. Once the reputation grows, the company stands a better chance of increasing sales (Liker, 2004). In addition, marketing encourages healthy competition in the market and maintains the prices of Toyota competitive relative to those of competitors in the market. Marketing fosters growth of the company in all aspects.

Question Three

- Feedback from customers important in measuring how effective quality management process of the company is.

There are numerous ways of measuring quality including total quality management, six-sigma approach, statistical quality control measures and quality circles. Most companies use customer feedback in gauging the success of their continuous quality improvement process. Six-sigma approach applies data and statistical analyses in measuring and improving company's performance, systems and practices. It is useful in identifying and preventing defects in service-related firms and manufacturing companies. The objective of this approach in measuring quality is to accomplish reliability and high performance as well as adding value to the customers. Six sigma approach dwells on its ability to turnaround practical problems into statistical problems, generating statistical solutions and then converting that into practical solutions by utilizing the process of DMAIC (defining, measuring, analyzing, designing, verifying).

Overall, feedback is important because it provides then necessary insight that can be used in improving the business, the business' products and services, and event he overall customer experience that the business wants to impart on its clients.

Customer feedback creates an avenue wherein the customers can tell the company the products that they actually want to buy. This is important because this leads to innovative products and services that result in sales, revenues and profits. Innovative companies intertwine the customer feedback process and the product development process to develop a very

strong competitive capability that would result in customer loyalty.

Innovative companies often exceed the expectations of their customers and this could only be possible if feedback is acquired.

Once the products are out, customer feedback provides the most important metric in determining if the customers are satisfied or not. When feedback is acquired, the company will then be able to develop actionable steps to ensure that the desired level of quality is achieved.

The interactive exchange between customers and the company creates a communicative environment that customers will appreciate. This communicative environment will also be a competitive advantage to the company and will result in better yields. One such betterment will be the company's growing capability to make sound business decisions. If a company regularly gets feedback from its customers, it would be able to decide on important strategies, including the identification of customer advocates that would champion the use of the product and inspire customer loyalty .

b) The benefits of using non-users and users surveys in determining the needs of customers of Toyota.

The survey of both non-users and users is crucial in determining Toyota's customer needs since it captures perceptions from both groups (Liker & Franz, 2011). The goal of the surveys is assembling actionable information about the company. Since the company targets the users and non-users, both groups provide important information that can help Toyota to act in a particular way. Survey for non-users helps the company to know what information they hold while a survey from the users helps the company to

improve processes, products and services.

c) Methods of consultation that Toyota employs to encourage under-represented groups' participation

Toyota employs a range of methods for the purposes of consultation to foster under-represented groups' participation. They include but not limited to; written consultations, focus groups, surveys, advisory and expert groups, panels, conferences and workshops, online forums, blogs, online notice boards and instant web chats.

d) Importance of complain procedures and the ways Toyota can utilize them in improving production process

Effective management of complaints by setting up procedures for handling them is vital for organizations. Toyota stands a chance of satisfying its customers better if it handles complaints appropriately. Complaints will provide Toyota with the opportunity to solve problems as well as preventing them from taking place again in the future. The company should use its quality team to study the complaints raised by customers to improve processes and procedures of operation.

Question Four

- The role of self-assessments in determining the current state of health for Toyota

Self-assessment helps organizations move towards excellence in performance. Self-assessment will allow Toyota to compare its performance with other firms operating in the same industry (Liker, 2004). Self-assessment will also allow Toyota to benchmark with companies both in the

automotive industry and other industries to search for better practices.

Benchmarking and comparisons will allow Toyota to copy and paste better practices executed elsewhere in its operations to improve overall performance.

An actual self-assessment strategy that Toyota has implemented involves personnel and labor systems. Toyota wanted to built a comprehensive human resource base and to do that, the company it had to place responsibility and trust to people. Toyota made this possible by changing the management environment, specifically by enabling its people to create self-assessments of their responsibilities and deliverables.

- Importance of Communication and maintaining records for Toyota

Proper keeping of records encourages accountability for Toyota as well as providing evidence when needed. Record keeping helps Toyota in tracking expenditures and managing income appropriately. Also, it allows for comparison of historical data on financial performance of the company with previous years performances. Effective communication is vital as it allows for establishment of agreements through consultations among various departments as well as at individual levels. In addition, communication helps Toyota to notify action required to influence employees' to behave in a particular manner.

Communication can be improved by investing in new IT systems. These systems deliver effective and efficient ways of collecting, analyzing and evaluating data that would be helpful for crafting new strategies and approaches for managers and business owners. Communication is essential because it carries the message of the shareholders to the staff and to its

customers and using IT to widen the capabilities of each part of the organization to communicate will add benefits and competitive advantage to the company. Successfully implementing an IT strategy means that the company should be able to train its people well enough such that they can optimize the use of the IT platform in communicating.

- How Toyota can effectively implement quality schemes by following guidelines of staff consultation stages.

Toyota can execute quality schemes by utilizing consultation guidelines in a number of ways. The company should decide the extent of consultation and inform employees' the process of decision making. Reasons for rejection should be provided whenever employees' ideas and views are opposed (Liker & Franz, 2011). Toyota should open all subjects for discussion by employees' since consultation requires open and free exchange of views and ideas affecting the Company. It is important to avoid discussing trivialities for consultation to become effective. Consequently, minor issues should not dominate consultation agenda for Toyota.

- New systems and modifications proposals for Toyota to improve service quality

Toyota can utilize a number of methods to improve service quality for its customers. They include ensuring that the workforce has thorough knowledge of the company's services and products and that they understand the correct use of body language. Toyota should also take advantage of its employees with exceptional communication skills to handle customers. Further, the company should consider offering long warranties and replacement options to increase customer satisfaction (Liker, 2004). In this

era of internet, Toyota should use the internet in promoting personalized experiences that makes customers visiting the company website to feel appreciated and special. Toyota should leverage on information technology systems to accomplish efficiency and effectiveness in collecting, analyzing and evaluating information. Through regression analysis, the company will be capable of detecting errors in the production process. Further, the information system will allow for standardization of company's products throughout the entire product line.

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