

Quality Building of Corporate India

Surya Narayan Ray

Assistant Professor, Department of Commerce, Dinhat College, Cooch Behar, West Bengal

'TQM is fast becoming a condition for survival in business and will impact economic development of organizations dramatically'-----Spiker (1991); Canada (1993)

While being the second largest democracy in the world, India is also categorized as a Newly Industrialized Country, being a member of the elite G8+ 5 Group of countries. The 'International Yearbook of Industrial Statistics-2011' Report by the UNIDO has declared India to be among the top 10 industrial nations in the world (Business Standard, March 30, 2011). Although India has emerged as an important economic powerhouse in the post 1991 period, the surge in globalisation has led to increased competition. In this increasingly competitive environment, quality has become a critical success factor. In its quest to achieve quality, many Indian companies are embracing TQM to achieve excellence in every aspect. The need of the hour is for Indian industry to chart its own TQM pathway so that TQM can take firm roots in the Indian soil and can nourish the Indian industry for years to come. This will help India to emerge as a global economic super power. Japan, the most industrialized country globally in terms of Manufacturing Value Added (MVA) per capita criterion, first implemented the philosophy of TQM successfully and is now reaping the rich harvests from it. To pose a serious challenge to the economic supremacy of the United States, China and Japan, India needs to follow the pathway of TQM.

Objective

The concept of TQM is very simple but at the same time very hard to grasp or to imbibe in the floors of Indian companies, otherwise Indian companies would have by this time come up abreast with their Japanese counterparts in displaying their quality leadership. So, this paper firstly delves into the origin and concept of TQM and secondly, into the achievements of Indian companies in achieving quality characteristics and lastly, offers some suggestions that can be followed by Indian companies in their pathway towards TQM.

The Origin of TQM

'Wisdom sounds foolish to fools' - Euprides

The all-permeable philosophy of TQM was slowly built around the wisdom of great men like Shewart (1931), Feigenbaum (1951), Deming (1986), Juran (1988,1993), Crosby (1979), Ishikawa (1985), Taguchi (1979) and so on, who over the years practised the finer aspects of TQM and honed it to a fine art. Animals learn from their own experience but human beings learn from the experience of others. When the Americans did not accept the teachings of Deming, he took it to the war-ravaged Japanese companies and slowly transformed it with the philosophy of TQM into world leaders in quality. The Union of Japanese scientists and Engineers (JUSE) had played a very important role in promoting the teachings of Deming among Japanese companies. When the American companies tried to replicate the Japanese success story on the American factory floors, they were unable to do so. The reason being that the American management school was as yet unable to understand the basic philosophy of TQM.

'I think the people here expect miracles. American management thinks they can copy from Japan – but they don't know what to copy!'-- Zeleny (1994)

TQM – A Conceptual Framework

'Productivity goes up and cost comes down as quality goes up. This fact is known, but only to a select few.' -- Deming (1986)

The very notion of quality is very basic to human nature. ‘Quality is a funny thing, everyone talks about it, everyone lives with it, and everyone thinks that he knows what it is’. The amazing thing about quality is that one can readily distinguish between good and bad quality. Quality always attracts everyone to it and is very difficult to resist. But, at the same time the perception of quality varies from individual to individual, from organization to organization, from company to company, from industry to industry and from country to country. Different companies practice quality as they perceive it. Thus in this age of globalization, where Indian multinational companies are increasingly being active on foreign shores, there is an urgent need for them to understand and practice these different concepts which will raise their quality level and lower costs, which is an important requirement for facing the global competition. The common misconception about quality is that it is uneconomical to make quality changes since it brings down productivity and increases costs. But, in reality it is possible to improve quality continuously without reducing productivity or increasing cost.

William Edwards Deming is regarded by many to be the pioneer of modern quality movement, though Walter Shewart had introduced the term ‘Quality Assurance’ way back in the 1920s. Under the aegis of Total Quality Management, the concept of quality became dynamic in nature. Whereas under the old view, conventional quality means that products are manufactured and services are provided exactly to specification, under the new view, total quality means that products and services should totally satisfy customer’s needs and expectations in every respect on a continuous basis.

Table -1

Old Concept of Quality	New Concept of Quality
High quality- High Cost	High quality - Lowest total cost
Operations related	Operations and office related
Managers think, workers don’t	Workers know more of the job
Hide defects	Highlight non-conformance
Quality is Quality Assurance’s responsibility	Everyone is responsible
Company focused on service quality	Company focused on process quality
Inventory is valuable (Just in Case)	Inventory is Waste (Just in Time)

As in comparison to the old concept of quality, the modern concept of quality carries much significance for the management of a company. The management significance is:

1. Quality does not happen on its own.
2. Quality requires proper planning and management
3. Quality is everyone’s responsibility throughout the company

Therefore, Implementation of quality needs a systematic approach for continuous improvement in making small improvements which will ultimately result in large improvement. Based upon this new concept of quality, the concept of Total Quality Management is based. Accordingly, Total Quality Management is an integrated organizational approach in delighting customers (both external and internal) by meeting their expectations on continuous basis through everyone involved with the organization working on continuous improvement in all products and processes along with proper problem solving methodology. The journey of Total Quality Management is a never-ending journey embodying –

1. Cultural change
2. Not overnight

3. Requires time and resources
4. Requires involvement, persistence and discipline
5. A continuous approach

The approach of Total Quality Management calls for:

1. Customer orientation
2. Belief that we have people as a whole and not hands
3. Belief in 'Change starts with me and not they'
4. Lots of introspection and mind set shift
5. Measurement and monitoring of improvement
6. Switching to learning mode
7. Openness and communication
8. Value based management

The important elements of Total Quality Management are:

1. People
2. Appropriate technology
3. Problem solving tools/procedures
4. Continuous improvement
5. System

Though Total Quality Management is being increasingly taught as an academic subject, the body of research in the area is still developing and the definitions of Total Quality Management are still diverse, with a set of common themes defining the broad philosophy of Total Quality Management. In short, there exists a gap between the principles and practices of Total Quality Management.

TQM in Indian Companies

'The implementation of the TQM principles and practices has made a tremendous difference to the acceptance of the Indian products in the international market where the 'Made in India' brand had difficulty in selling itself as compared to the 'Made in Japan' or the 'made in USA' or the 'Made in Germany' emblems'

- Mukherjee (2006)

Indian companies have travelled a long way in their search of quality. In doing so, they have started traversing on the arduous path of TQM. The watershed period can be identified as the beginning of the last decade of the last century with the implementation of the New Industrial Policy. The decade of the 1990-2000 saw a remarkable affinity of Indian companies to strive for ISO 9000 quality compliance and certification as quality consciousness slowly permeated into the consciousness of the Indian companies. Acharya & Ray (1997) had conducted a path breaking survey of over 1,200 ISO 9000 certified organizations of all sizes in India. The findings from the largest and most wide-ranging survey at that time, gave an insight into the prevalence of ISO 9000 series of quality standards in Indian companies. But, unfortunately, ISO series of quality standards did not encompass all the operations of a company, whether manufacturing or service. Moreover, some clauses of the ISO 9000 series of quality standards were difficult to understand and implement, as was revealed in a doctoral survey of ISO-certified companies (Ghosh, 2003).

In the fast-paced world of business, the very effectiveness and efficiency of an Indian company depends on a fast-based management approach to quality management and improvement. So, a need was felt to imbibe better and broader quality standards into Indian companies. The decade of 2000-2010 saw the advent of TQM philosophy flow through the factory floors of the Indian companies. Today, India has the largest number of companies, outside Japan, that have been recognised for excellence in quality. The Confederation of Indian Industries (CII) had invited Professor Yoshikazu Tsuda from JUSE in Japan to India to promote the TQM philosophy among Indian companies. His first task was to implement TQM

practices in Sundaram Clayton. Sundaram Clayton of the TVS group was the first Indian company to get the Deming prize in 1998. After having put in ten years of significant efforts to imbibe the TQM culture (Kapur, 2010). The TVS group of Indian companies has been one of the pioneers in India to imbibe the culture of TQM.

After the TVS group, the other Indian companies started towards implementing TQM practices on their respective factory floors. Professor Yoshikazu Tsuda set up two clusters of twenty of Maruti's top suppliers to guide them on the arduous task of implementing TQM practices. Mahindra and Mahindra, Tata Motors, Sona Kayo, Tata Steel and other giants of the Indian industry started on the TQM journey. Many Deming Award winners are from the automotive and automobile component sectors, with Tata Steel being the most recent claimant in 2008. Tata Motors is also pursuing the Deming journey of TQM. As of now, 21 Indian companies have been awarded Deming Excellence Awards and 153 Indian companies have been awarded the Total Productive management (TPM) Excellence Awards and 165 Indian companies have been awarded the CII-EXIM bank Award for business excellence, which is equivalent to the European Foundation for Quality Management Awards.

Deficiencies in TQM Practices in Indian Companies

However, Indian companies have still a long, long way to go in successfully implementing TQM practices on their factory floors so that they can pose a serious challenge to the economic supremacy of the United States, China and Japan. For example, TQM is closely related to quality cost. It is well known that bringing cost of quality down is the way to follow the TQM pathway as TQM aims at zero defects. So, it is quite natural that Indian companies should regularly monitor record and control cost of quality. Kaur (2009) in his research on current cost of quality management practices in India based on an empirical study from data collected from 107 Indian companies from Delhi and the North Western India, comprising of highly industrialised cities like Chandigarh, Ludhiana, Jalandhar and Ropar, had stressed that Indian companies need to focus on use of cost of quality information to satisfy customer's requirements.

Indian companies do not regularly conduct market research and consumer surveys. It is well known that customers are the important stakeholders in the TQM cycle and the main aim of the company is to satisfy the customer needs. In a doctoral research on the TQM practices on 95 Indian companies during the 2008-2010 time-period, Ray (2012) had found out that only 27% of the surveyed Indian companies had regularly conducted market research and consumer surveys. Ray (2012) had analysed the findings in a detailed fashion to obtain the true picture of the quality scenario in corporate India. Ray (2012) had further suggested corporate social responsibility, gender equality, synergy of research and development activities, teamwork, human resource development (HRD) as some of the areas of improvement that need to be addressed by the Indian companies in their quest for TQM.

Indian companies have truly come of age but they still need to go a long, long way towards improving their TQM practices so that they can be at par with their American, Japanese and Chinese counterparts. Towards this purpose they need to go in for more foreign collaborations that will give them access to better foreign technology and as a result, imbibe robust quality standards from their foreign counterparts. Indian companies need to control cost of quality better and undertake market surveys more regularly. Allocation of more funds towards Research and Development expenditure by Indian companies is required so that they can increase their intellectual capital, patents and trade marks. Indian management should be more professional, modern and independent, so that they can import better quality practices into the factory fold. Teamwork is one of the main pillars of TQM philosophy, So, Indian companies should focus more on HRD of all their employees.

'In marching towards the 21st century, India corporate have begun the journey of TQM. The journey is very painful. Yet, there is no alternate road for excellence. TQM is both a goal and a path. Therefore, the quality journey is one that can never end- - Mukundan (2002)

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