New approaches of quality concept in current context

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Abstract: Quality has become the most important concept of modern management. Currently, the quality means more than the traditional notion of quality products and services found in previous years. Current definitions cover improvement (decrease) in cost of products, performance in their distribution, time of arrival of product on market and response to market changes.

We approach the new tendencies in quality: procedural quality, transformational quality, total quality, global quality.

Key-words: quality, management, performances, global quality, total quality management

1. Introduction

Nowadays quality has become a concept and an international vision, a necessary consensus acceptable to all participants to the big international competition. Quality scales essentially the client - supplier relationship and makes both of them to continuously learn to manage better and better the quality.

The new approach of the world global economy hits the road seeking the views of consumers and intends to provide goods and services far beyond their expectations. Customers become more demanding, their preferences and desires have a strong dynamics, their level of information regarding new technology is very high, which causes the rethinking of the whole making process that needs to focus on quality and its continuous improvement. In a world so connected and interrelated, as the one in which we live is characterized by a special complexity of the economic environment and amplified by the economic crisis, it is required to reconsider the idea of quality by applying the TQM principles transcend towards Global Quality Management, in order to speak about a sustainable development of organizations as well. Thus quality is seen as a measure of the extent to which succeeds to do so.

Quality and quality management lead to a global vision, a unitary strategy that must be understood, assumed and addressed consistently by an organization to succeed, to become competitive, to be successful, regardless of its nature or field of activity.

Today we are witnessing an enormous intensification of the global competition which is proving to be and that becomes an obvious reality for old and new enterprises, for companies that meet the complex challenges of the contemporary economy. A lot of specialists consider that we live in an economy dominated by global influences and speed, often in real-time, of communications and information, regardless of the distance. They believe that its basic traits are globalization and digitization, characterized by giving intangibility to transactions, both commercial and direct investment.

Under these circumstances the economy, markets, operations, businesses become global and quality management reconsideration should be laid and firstly in total quality management.
In this context it is necessary to look beyond TQM to develop a concept of quality that reflects the nature of global corporations and global markets. In recent years this concept was called “Global Quality Management”.

2. Contextual demands on quality

We can talk, without mistaking, that the need of quality is present everywhere in time and space and is determined by the complexity of products or services, the globalization of markets and the socio-cultural evolution.

There are three major international elements of the last decade that contributed to fundamental changes for the future of quality, the improvement of the business quality management, education, health, environment and administration.

These elements are [5]:

- The new global market governed by the quality for customer in which the companies of the twenty-first century are made to work and compete;
- The new technology which determines more and more the requirements for success on this market;
- The new business models which further define the significance of excellence for the twenty-first century Company.

It is important to know that the new business models are more and more based on the “intangible” resources of the company.

The competition environment of the business world becomes a means of maintaining diversity and overcoming the internal concentration, inertia and inflexibility that would block or slow the creative competition and innovations entering. If the competitive situations could be distilled in a few key words, these would definitely include the following: “quality”, “competition”, “international standards”, “demanding customers” [6].

Quality is a perfect adaptation to the customers needs in the terms of some profitable costs.

Therefore, considering the importance and the beneficial influences of quality on the success of a company, the fact that this one is conditioned decisively by the attitude of the management team towards the quality, problems should be taken into consideration.

As a consequence, we can say that it is better to think globally and act locally. All the more so as each worker of the company contributes to quality, a fact which is highlighted in the model of the four “Qs” contribution: the quality of design, the quality of production, the quality of distribution and the rational quality, and the number one priority for the present period, from the strategic marketing point of view, is considered to be the way in which one can face the increasing importance of product quality and the higher satisfaction expected from the offered service. [8].

The greatest directions of international development have created six new dimensions, respectively important domains of change for the future of quality:

- The achievement of high value for customer, associated with quality, materialized in products and services;
- The successful use of technology, (information technology, the shortening of the period of new products launching, ensuring performance etc.);
- The efficacy of human resources;
- The ability of working productively with the providers and other important business partners;
- The integration of the economic aspects of quality in the financial-accounting systems;
- The effect of quality on leadership and even on the company management.

The conclusions on the concept of quality are due to the fact that it can be used both as an absolute and a relative concept.

The absolute meaning is similar to the nature of goodness, beauty and truth. It is considered an ideal that can not be any compromise, things being done at the highest possible standard which can not be overcome without taking account of any expense.

The meaning is synonymous with “high quality or top quality”. Most people admire it, a lot of them want it, but few can have it. Also, the absolute meaning of “high quality” is related to TQM which aims to achieve “excellence”. Then, when we refer to quality in its technical meaning (TQM) there is an aura of luxury and a special statute.

The relative meaning of quality is used with a technical meaning when talking about reaching a certain level of quality.

The relative concept sees quality not as an attribute of a product or service, but as something assigned to it. The relative quality consists in measuring and reporting to a specification provided in a standard or norm.
We can talk about a procedural and transformational concept of quality.

The procedural concept of quality has its origins in the relative meaning of quality and expresses the views of the manufacturer or provider.

This concept is sometimes called “quality in fact” which is based on the quality assurance system in accordance with the ISO Standard 9000.

The procedural concept can be sometimes summarized by the definition “suitable for purpose or use” and consists in checking the products or services in order to find the conformity of the predetermined specifications.

One can appreciate that in this instrumental approach of quality the key requirements are: demonstration, approach and reporting.

The transformational concept has little connection to the new systems and procedures, but more with the process of organizational transformation, which moves out the attention from “product” to “client” [7]. A particular emphasis is put on the intangible aspects of quality which include the care for the service brought to the customer, on the social responsibility of the employee which reflects the customer’s loyalty.

The transformational quality is achieved by establishing the customer’s requirements and then building organizational specific structures and cultures that empower employees to solve these requests.

The essence of the transformational concept is to continuously improve quality compared to the procedural one, which suggests demonstration and reference.

It is a mindset that accepts change by braiding the customer’s aspirations with the empowerment of the employed staff to do things right in the first time and forever.

The concept of quality was completed with that of total quality.

Total quality is a way of approaching of an organization, close to an elite working, highlighting all the forms of performance and the relationship between industrial partners. It is a social revolution, both at work and also a rigorously efficient approach, to professionalism and success[4].

A lot of specialists consider that we live in an economy dominated by speed and global influences, often in real-time, of communications and information, no matter the distance. They believe that its basic traits are globalization and digitization characterized by giving intangibility to transactions, both commercial and direct investments [4].

In these circumstances in which economy, markets, operations, businesses become global, the quality management and first of all the total quality management should be reconsidered.

TQM as a management philosophy has drifted from the operational to the strategic level, giving new meaning to changes in the global business environment [9].

The relationship established between TQM and the corporations’ strategies is evidence. The strategic management of quality is the key of competitiveness and supposes taking into account some aspects related to the requests of environment and social responsibilities.

The future of TQM’s development will result in an integrated system that is based on the following pillars:

Fig. 2 – The basic pillars of an integrated TQM
Source: adaptation [2]

We conclude that TQM will switch to a strategic TQM and a sustainable TQM, thus contributing to the success of the organizational management and to a better adaptation to the global environment of business.

Today, TQM is seen as a set of activities designed to ensure the simultaneous achievement of objectives regarding the optimum use of resources and is based on three main principles: customer orientation, process orientation, continuous improvement, as seen in the figure below:
TQM evolution always occurs together with the changes in the business environment. Sustainability cannot be separated from the TQM development, as it itself can be defined as an organization’s ability to adapt to changes in the business environment, to use the best practices of business, to achieve the highest competitive performances.

The scientists [Chang, Dae-Ryan, et. Al., 2008] in the field of TQM, consider that the approaches in this domain can be applied to the future business environment, but the TQM limits should be evaluated and better understood. In a stable environment, the TQM approach for the continuous improvement is appropriate and effective. In the present context of a global and uncertain environment, constantly changing, agility is a basic competence for any organization that should develop capacities to adapt quickly to changes in the business environment. Therefore, the theory of TQM must reconsider the concept of continuous improvement and even be completed with the reconfiguration of processes through innovative solutions.

3. GQM Concept

In this context, it is necessary to look beyond TQM to develop a concept of quality that reflects the nature of global corporations and global markets. In last years, this concept was named “Global Quality Management”. [2]

We can define GQM thus: strategic planning and integration of products and processes to meet at the highest level the customer’s orders and to lower at minimum the failures in the markets of different countries. [2]

GQM is an extension of what TQM means. Although it has a common philosophy with TQM, namely the customer orientation, the geographic and cultural borders extend of the quality-related activities require a dynamic and inclusive approach.

TQM has marked a conceptual and managerial major step in terms of production and marketing, as well as other features related to quality. GQM requires organizational adjustments.

Encouraged by the regional economic integration in Europe and North America, as well as by the economic growth of Asian countries, great international companies are building global production networks with regionalized systems in several locations such as Mexico for North America, Great Britain for Europe and China and Malaysia for the South-East Asia. [2]

Various vertical and horizontal links between subsidiaries were not formed by centrally controlled mechanisms, but rather according to the individual need of each subsidiary separately. The situational factors include the availability and access to raw materials, components and technologies, and thus the access of a subsidiary to local markets and markets’ channels. The result is the constellation of activities related to quality which become specific to the region. In some subsidiaries, the networks can be fully integrated and in others they may be only partially.

A special feature of the concept of GQM is that of creating activities networks within and outside the company, along with other elements of the global supply chain.

The diversity of markets in various countries introduces constraints, such as different customer requirements, but also offers opportunities such as substantial savings in the domain it acts. In this context GQM allows a great flexibility.

Due to the large number of network configuration possibilities, the corporate control of GQM can not be done from the headquarters. Instead, a combination of regional headquarters, coupled with a global coordination, seems to be a hybrid mechanism that allows the adaptation to regional differences while ensuring eco-fertilization between the companies’ subsidiaries. At the multiple headquarters level, GQM is the most appropriate concept regarding the quality management.
4. TQM - GQM Comparison

From the perspective of objectives, comparing TQM with GQM, the strategic concepts behind the TQM are maintained, but GQM extends this by using the various functions in various countries. When a company in a country tries to implement TQM on several markets and in several manufacturing places, finds particularly thorny issues that arise on the global and manufacturing markets. GQM extends the concepts and requirements far beyond, including thus aspects regarding the cultural, linguistic, geographical and economic-monetary specific. The level of complexity of objectives from the perspective of GQM is very pronounced [1].

TQM and GQM are similar in terms of market orientation, but the increasingly sophisticated requirements of customers are more difficult to achieve, especially when the resources are limited.

The customers’ perceptions concerning the value may be considerably different from an area to another, and more than that even within the same country. On the other hand, a more rigorous market research with a multi-national creative design can make possible the generation and satisfaction of a request of global products, especially where new technology is implemented.

The cultural sensitivity is a particular problem in what concerns the customer perceived value. The well-known axiom “Think globally”, “act locally” states the problem in a concise way. The objective is to obtain goods and services which are accepted locally, but which are designed, manufactured, developed and distributed in a global environment, including smart strategies that match as well as a puzzle game.

TQM and GQM are similar in terms of production, but GQM involves the extension of TQM to the point where failures begin to occur [1].

The involvement of all functions at all levels and in all countries where a global extend of TQM is predicted, supposes a set of new configurations, seemingly endless. Not all the functions can be identified in all countries. For example, the coordination between production and marketing is possible in some countries, but in others less. If a business unit notifies that the internal suppliers are not competitive in terms of price or if the technologies are incompatible, then new links must be established with foreign suppliers. Also, the need for familiarity with the local markets can justify the need of collaboration with foreign distributors.

In this multinational supply chain, a new perspective is being shaped beyond the functional integrity in the context of a single country. As a result, the organization of production will be based on the collaboration with other companies abroad. Therefore, the decisions regarding the production management can not be centralized in a single centre, the one of origin, as this is possible in the case of TQM. As a response to the needs on different markets, the maintenance of multiple networks locations is likely to be required.

The key of success that allows the companies to minimize the potential failures in a global context is flexibility. The production processes that allow, simultaneously, low volumes, high variety and low costs may compensate the disadvantages of the various requirements on the market.

Regarding the information systems, technological progress provides support for the effectiveness of global operations, including GQM. However, in most cases, neither hardware nor software system is a challenge. But, it is possible for the information infrastructure to remain locked in architectures and organizational models based on modern technologies.

It would be ideally if there were some advantages of TQM at the level of global organizations which should provide benefits, such as internal benchmarking and the transfer of best practices for the successful implementation of TQM.

The use of some potential benefits requires opportune and relevant information that circulate freely and easily, in the global organization. The creation of networks between the production units becomes instrumental.

Thus, GQM should not be viewed simply as a system connected to all the units of TQM. It is necessary for an international company to establish an effective audit system of quality that can measure and transfer the know-how specific to the quality management in TQM units. Given the rapid pace of technological development and change, GQM requires an effort of integration that links the subunits of the world.

From the perspective of GQM, the technological network takes on other perspectives. Considering that the economic factors and the competitive situations in various countries are quite different, the network can consist of any
combination of technology, supplies, production, distribution and marketing activities specific to the markets. Sometimes, not all of these functions and activities can be achieved in the context of an intra-network within a company. For example, the emerging technologies could be purchased outside the company or abroad.

The concept of network must include external or foreign companies, organizations of science or technology, perhaps even the local universities.

An important tendency in the global management is forming strategic alliances where companies are striving to share complementary assets. While the concept, as a definition is simple, its implications on GQM are certainly not so easy.

A harmonious and integrated quality management associated with a process of quality improvement is hard to reach in alliances, because they are a fusion of firms with different histories and styles of TQM. [1] In practice, there are many obstacles within the strategic alliances that inhibit the organizational learning and the transfer of know-how. If managers can recognize and reduce these barriers, which are expected, the result would be to increase the efficiency of GQM.

Obviously, the compatibility between companies concerning the quality system is an attribute in the selection of members for the formation of strategic alliances.

Conclusions

From the analysis of the five dimensions presented throughout the paper, we can consider that GQM is an extension of the concept of TQM in a global context.

Most of the recent changes in the business environment are associated globally with the external pressures. External pressures are seen as pressures for change, associated with a number of global phenomena that impose a new perspective of quality, namely, the global quality.

Global quality, as an integrated concept, refers to the following aspects: performance, quality level, competitiveness, excellence, security, environmental protection and the protection of internal and external customers.

Because of major changes in business environment, organizations require sustainable development, based on the implementation of integrated quality strategies such as TQM and GQM.

We can say that society needs sustainable organizations for a lasting development, therefore, the end result that we all aim for, when referring to sustainability in business, is the long-term business durability, which is based on the quality of the entire system by promoting the TQM principles in a global perspective given by GQM.

References: