Managing Quality

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What is quality?

Quality generally refers to a certain degree or level of excellence. The American National Standards Institute and the American Society for Quality Control defined quality as “the totality of features and characteristics of a product or service that bears on its ability to satisfy given needs”.

There are two main perspectives of defining quality, one from the customer and the other one from the producer or manufacturer.

- Quality of Design - quality from the point of view of customer and involves designing quality characteristics into a product.

- Quality of conformance -quality from the manufacturer's perspective and seeks to ensure that the product is produced according to design. To achieve QOC means improvement in the design of the equipment, materials, training, supervision and control. This quality definition serves as the basis for evaluating quality performance at the shop floor level.

Why is quality important?

The world of manufacturing has changed dramatically over the past 20 years. The challenge for firms to become and to remain competitive has never been more pronounced. Bases for competition no longer just focus on cost, but on other key success factors such as quality, flexibility, delivery, service and innovation.

Why do firms want to achieve quality? Firms with good quality can command a higher price and will be remembered by customers. But how does quality relate with profitability? What are the costs involved in achieving quality?

Because of good quality in terms of product, service and process, companies employing quality management could enjoy market gains (higher market share and price advantage) as well as cost savings (lower costs of operations and services) that ultimately lead to better profits for the organization.

What are the costs of quality?

But achieving quality has certain costs.

- Costs to control quality - These include the costs to prevent the occurrence of defects and the costs of evaluating the firm's progress towards achieving zero defects. These also consist of the investment made by company on good quality materials, process, technology, and quality inspection.

- Costs of failure to control quality - These refer to the costs incurred if the firm fails to achieve its quality targets and customers get dissatisfied for a poor quality product or service. These include the costs of internal and external failure.

How can quality be managed?

Total Quality Management (TQM) is considered an important approach in managing quality. TQM derived its teachings mainly from the following disciplines -- Statistics, Organizational Theory, Strategic Management, and Industrial Organization. The efforts of the company employing TQM are targeted towards meeting cross-functional goals utilizing management techniques, productivity improvement efforts, and various problem solving tools and techniques in disciplined manner. The ultimate objective of TQM is to achieve customer satisfaction all the time.

Presented below are 12 important considerations if your company is planning to adopt TQM:

- Are you committed to quality?
- Do you plan for quality?
- Is your company customer – oriented?
- Does your company manage supplier quality?
- Are your people involved in quality?
- Do you train your employees on quality?
- Are your workplaces organized and orderly?
- Is quality integrated in your product design?
- Is quality integrated in your processes?
- Does your company measure and monitor quality?
- Does your company benchmark with the best?
- Does your company sustain its quality / productivity efforts?

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