

A Review of Quality Awards : Indian vs International

U C JHA
School of Mechanical Engineering
Lovely Professional University
Phagwara, Punjab - 144402
INDIA
udai.22511@lpu.co.in

Abstract

Total Quality Management, TQM, is a method by which management and employees can become involved in the continuous improvement of the production of goods and services. It is a combination of quality and management tools aimed at increasing business and reducing losses due to wasteful practices.

This paper represents a review of TQM implementation, the Indian Quality Awards & their comparison with International Quality Awards.

Key-Words: - TQM, Quality awards, Industry, International, Indian

1.0 INTRODUCTION : QUALITY AWARDS OF THE WORLD

We are aware that there are many Quality awards and each one of them is uniquely positioned as the milestones in the journey to excellence. They are also coveted as symbols of recognition for organizations which have achieved certain level in their pursuit of excellence. We intend to cover all the awards one by one in a series of articles written in a simple and direct manner.

First, let us look at the most popular award model in the world ie Malcolm Baldrige National Quality Award Model of USA.

The Malcolm Baldrige National Quality Award was created by US Public Law 100-107, signed into law on August 20, 1987. The Award Program, responsive to the purposes of Public Law 100-107, led to the creation of a new public-private partnership. Principal support for the program comes from the Foundation for the Malcolm Baldrige National Quality Award, established in 1988. The Award is named for Malcolm Baldrige, who served as Secretary of Commerce from 1981 until his tragic death in a rodeo accident in 1987. His managerial excellence contributed to long-term improvement in efficiency and effectiveness of government.

The Baldrige performance excellence criteria are a framework that any organization can use to improve overall performance. Seven categories make up the award criteria:

Leadership—Examines how senior executives guide the organization and how the organization addresses its responsibilities to the public and practices good citizenship.

Strategic planning—Examines how the organization sets strategic directions and how it determines key action plans.

Customer and market focus—Examines how the organization determines requirements and expectations of customers and markets; builds relationships with customers; and acquires, satisfies, and retains customers.

Measurement, analysis, and knowledge management—Examines the management, effective use, analysis, and improvement of data and information to support key organization processes and the organization's performance management system.

Workforce focus—Examines how the organization enables its workforce to develop its full potential and how the workforce is aligned with the organization's objectives.

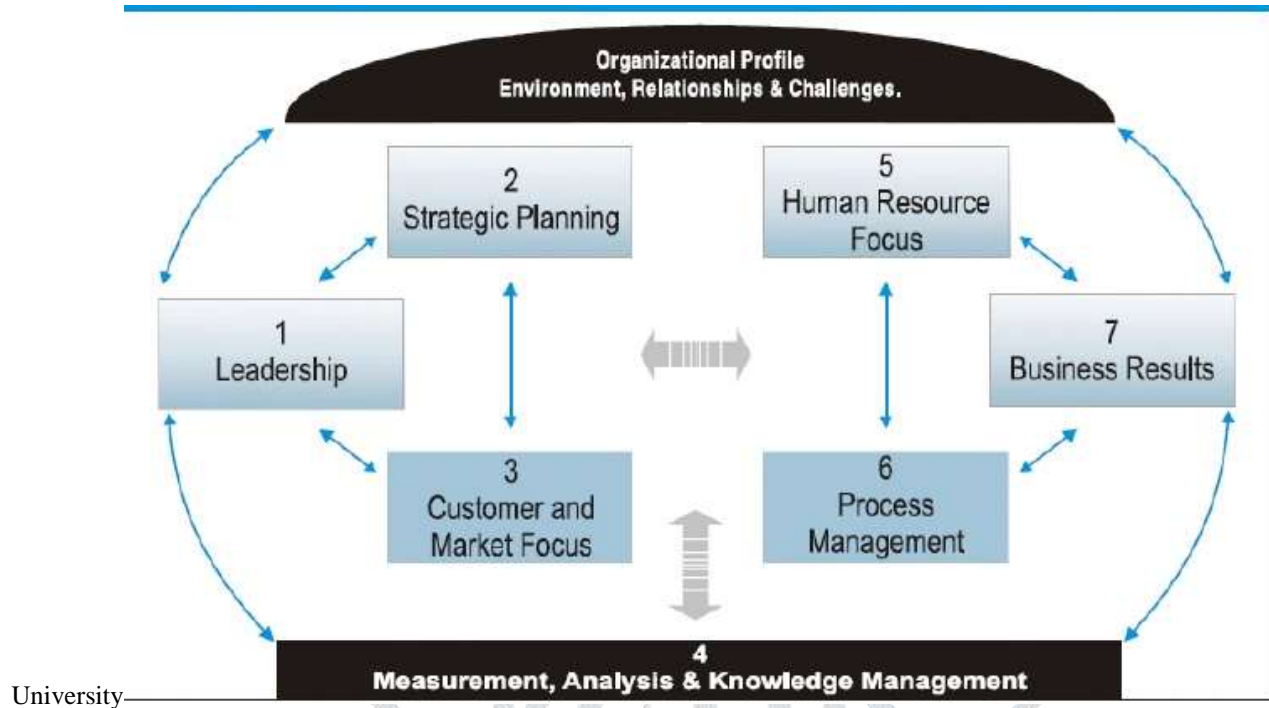
Process management—Examines aspects of how key production/delivery and support processes are designed, managed, and improved.

Results—Examines the organization's performance and improvement in its key business areas:

customer satisfaction, financial and marketplace performance, human resources, supplier and partner performance, operational performance, and governance and social responsibility. The category also examines how the organization performs relative to competitors.

The names of the winners last few years are as follows:

- 2007—PRO-TEC Coating Co., Mercy Health Systems, Sharp HealthCare, City of Coral Springs, and U.S. Army Research, Development and Engineering (ARDEC)
- 2006—Premier, Inc. MESA Products Inc., and North Mississippi Medical Center
- 2005—Sunny Fresh Foods Inc., DynMcDermott Petroleum Operations, Park Place Lexus, Jenks Public Schools, Richland College, and Bronson Methodist Hospital
- 2004—The Bama Companies, Texas Nameplate Company Inc., Kenneth W. Monfort College



University



Baldrige award has three important aspects.

1. Stakeholder orientation: The purpose of the organization is to achieve sustainability by addressing the expectations of all stakeholders.
2. Results indicate the value delivered: The results should be viewed as outcomes as they indicate the value delivered to each of the stakeholders.
3. Diagnosing and Balancing the value to stakeholders: Organisation should learn from the results and improve the processes to ensure that each stakeholder is getting the expected value from the organisation.

We can see now that the purpose, content, and focus of the Baldrige Award and ISO 9000 are very different. ISO 9000 series are conformance models whereas Baldrige model is diagnostic in nature.

ISO 9000 prescribes the systems and requirements whereas Baldrige model is non-prescriptive. ISO 9000 relies on audits to check the status of implementation whereas the Baldrige model has a comprehensive assessment and a scoring system which reflects the maturity of the system. ISO 9000 audits point out non-conformances to minimum requirements whereas in Baldrige assessments, organisations get a report of strengths and opportunities for improvement. In Baldrige apart from the report the scoring is done by the assessors. The score for each criteria is on a scale of 1 to 100 and by prescribing different weightages to the criteria, the total score is arrived at as 1000. Though the scale is 1 to 1000, it is almost impossible to score beyond 700 due to the demanding criteria requirements.

In India, Tata Group has adopted Baldrige award model as Tata Business Excellence Model for their internal use. All Tata companies are required to use the model as a basis for evaluating the maturity of processes.

2.0 TQM in India and Indian quality awards

The literature review, till now, shows that in the western literature, TQM has been an important field of study for the last two to three decades. In the Indian context however, the TQM initiative was first set up by the Confederation of Indian Industry (CII) in the early 1980s. In 1987 and 1988, the Confederation of Indian Industry (CII) invited the Juran Institute to India to conduct workshops and in 1989 a team from India attended the Deming seminar in London. Because of the strategic tie-up between many Japanese automobile manufacturers and Indian automobile manufacturers, there have been TQM implementations in some Indian automobile companies such as Maruti and TVS Suzuki. It has been reported that some Indian companies - mostly ancillary suppliers to large automobile manufacturers in India had tied up with Japanese consultants to implement total quality (Business Today reported by Jagadeesh 1999). Jagadeesh further adds that, in general, the manufacturing sector in India is well aware of the importance of quality but the service sector, mostly government owned, lags behind the manufacturing sector in all aspects that imply quality. Also, there are large variations in the depth and the spread of quality culture among Indian organizations. Some are comparable to the best in the world, but the bulk of Indian companies are yet to make use of the various techniques for continuous improvement.

In what is perhaps one of the few studies of TQM in the Indian public sector, Gyani (1995) talks about implementation of TQM in Indian Oil wherein all the workers were involved through small group activities at the shop floor. The special point about this TQM attempt was that the TQM project began at the shop - floor level involving workers and then moved onto the middle management levels. Blythe and Shahani (1997) have described a continuous improvement initiative at Glaxo which has been successfully implemented. In this report, in order to give TQM the right organisational connotation, they named their initiative as 'Glaxo Excellence Process'. They cited commitment from the top as one of the key enablers (Blythe & Shahani 1997, p.16). Blythe, Rao and Shahani (1997, p.104) further add that 'the simpler the process used, the better it works'.... 'The basic rules are to determine the starting point, define the destination, map the route, put in place a structured and organized training programme for all staff, set goals and measurables and launch the recognition system'.

Gondhalekar and Karamchandani (1994) have described a *kaizen* improvement system started at Godrej. They identified the variables which affected this improvement system and further classified them into two categories:

(i) Attributes of individuals

- (a) organisational level (higher the better)
- (b) age (middle age 30-50, better than extreme age)
- (c) recognition,
- (d) communication ability
- (e) type of work (shopfloor better than desk)

(ii) attributes pertaining to design of the system

- (a) visible top management commitment
- (b) mandatory participation.

In a countrywide survey of competitiveness of Indian manufacturing industry, it has been reported that quality is the topmost competitive priority of Indian firms (Chandra & Sastry 2001). In a study of propagation of quality management practices among Indian manufacturing companies since 1985, Mandal et al. (2000) have stressed the improvement of organisational culture in the direction of team working, harmony and participation. The same study also reports that there were a small number of companies which have started using SQC techniques but the bulk of the focus continued to be on inspection as a means of achieving quality. In fact, it has been remarked (Harrington reported by Jagadeesh 1999) that companies with poor performance went bankrupt in other parts of the world but were still surviving in India. This means there is still scope for bad products in India.

As the concept of quality began to be internalised by the Indian industry, spurred to a great extent by competition, quality awards were instituted on the lines of Malcolm Baldrige award and European Quality award. The Malcolm Baldrige National Quality Award (MBNQA) was introduced in 1987, and the European Quality Award was introduced in 1991. In comparison, the first Indian quality award - Rajiv Gandhi National Quality Award (RGNQA) - was instituted in 1991. Thereafter a number of quality awards were also announced. This was a measure of the maturing of quality related concepts in India

3.0 TQM and awards in public sector

All the awards that have been looked at, started with private sector organizations in mind. A question arises whether these awards need to look different in the context of public sector.

In recognition of the different framework which public sector may require, the Federal Quality Institute (FQI) was established in U.S.A. (Research Results Digest 1994, p.4).

FQI also administers the 'President's award for Quality' for the public sector in the US.

However, there is no equivalent of FQI in India. The President's Award was instituted in 1988 for the top federal public sector performer in the USA. The President award, though based on the Baldrige Award, was governed by a briefer and less stringent set of criteria. (Harwick & Russell 1993, p.34). Also, the Baldrige section 'on public responsibility' was not included in the President award (Harwick & Russell 1993, p. 36). The contenders for the President Award must qualify by first winning a prototype award - the President Prototype Award (Harwick & Russell 1993, p.34). The President Prototype Award was instituted to encourage less developed departments into the quality process.

Outside the U.S.A., awards like the 'National Quality Award for the Public Transportation and Traffic Industry' was instituted by the Brazilian National Public Transport association. This quality award is also an adaptation of the MBNQA model.

(International Awards n.d.). Thus, the answer to the question whether there

are separate set of yardsticks in quality awards for public sector appears to be 'no'. Even in the Indian context, though the Indian Peacock award is divided into three categories, one of them being for government organizations, the criteria for all the three categories are the same..

However, beyond the limited ambit of quality awards, another approach which governments across the world used for better public management in the 1980s and 1990s was the reform movement. Realising the importance of quality in government, there has been instances of innovation in different government departments across the world (Kamarck 2003, p.26). For example, the United States adopted Customer Service standards for its federal agencies. In Europe, 'Citizen Charters' were the response of the British government for the introduction of a quality movement in the public sector. These charters articulated explicit performance for everything from waiting times at the National Health Service to expectations for the punctuality of the railway system. Portugal established Quality Charters for public services and Ireland established Northern Ireland Quality Awards for excellence in Northern Ireland public sector organization. This award model was based on the European Foundation Quality Management's (EFQM) Business Excellence Model (McQuillan 2003). In 1998, the Australian government embarked upon a major reorganisation of 78 different social service programs affecting 7 million customers. It was called 'centrelink' and it has been reported to be one of the most studied instances of quality and customer driven government in the world (Kamarck 2003, p.24). It flattened hierarchies, put the most experienced people in the front, instituted performance pay. All this helped in creating a customer culture. A more detailed review of the infusion of quality consciousness in government working will be undertaken in the study of bureaucracy. The literature review till now focussed on the development of TQM in Japan and in the western countries. An attempt was then made to understand TQM through the lens of TQM awards. The growth and status of TQM in India and the Indian quality awards are now reviewed.

4.0 Summary : Indian quality awards vs. MBNQA & EQA

When these quality awards were instituted, they were generally based on western quality models of MBNQA and EQA (Chandra & Adur 1999). Even now, the comparison of Indian quality awards with MBNQA and EQA show that there are striking similarities among the 'enablers' and the 'results' of the Indian quality awards vis-à-vis the corresponding enablers and results of the western quality awards. The relative weightage given by Indian quality awards on different criteria are also similar to those given by EQA and MBNQA

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