CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Thirteen eventful years have gone in 21st century. The entry into this 21st century itself was a very big shock and surprise for us. The Y2K bug syndrome loomed largely on our day to day life threatening to damage our regular activities starting from banking and extending into our entire life wherever digital era touched.

A worst economic have seen downturn, a global meltdown that has done irreparable damages in the economic situation of the nations, organizations and individuals.

The changes happened so far on the economic front of the nations and the improvement associated with the livelihood of the human beings is at the peak of the magnitude. Quality has become a way of life. The nations all over the world are removing the barriers in their domestic markets and thereby opening way for more and more global players to come and start the business creating a borderless global village. India has also opened its economy. This has put the domestic business organization compete with the international organization for their survival and competition gets heated up for the success.

This situation created a very big opportunity for the customers to demand for a better quality product at a competitive price. This has forced the
organizations to improve continuously. This has further created the cut throat competition for introducing more and more valuable and innovative products.

On the other side technology is propelling the speed of change in a new direction. The drivers of the technology- Information Technology and Internet- have a very strong impact on the day to day life of the people. They have altered and transformed the way people are thinking. This is a major paradigm change and this new paradigm change calls for a paradigm shift in the thought process of people.

With the IT and Internet as backbone of Indian economy that was opened up to world market is moving forward in leaps and bounds. Customer driven market is dominating the scene and providing the customers what they want as per their choice. Industries are going global, the environment created by the government by deregulating the laws is very conducive for businesses to flourish, availability of technology all have impacted on the job market and ultimately the standard of living is on the rise (Antonio Ruiz, 2005). This improved life has resulted in the look for more and better offerings from the market. And life cycle of the product is reduced and competition is intensified.

The current environment is termed as hyper competition (DAveni, 1994). Survival has become a distant dream and those who are managing with a new thrust in their knowledge base are able to stick their neck out of the troubled water and look forward. This knowledge era forcing the organizations to steer clear their strategic directions in the growth path.

Nowadays knowledge workers define and determine the longevity of the organizations. The market has changed dramatically and will continue to change in a very dynamic way. Customer perception and their needs have changed in a big way. It is becoming highly untenable to treat them as statistical indicators. Individual attention and satisfying their needs are here to stay. Therefore, these are some of the characteristics of the hyper competition.
And to understand this type of competitive environment, manage organizations in the period of turmoil and lead them towards a sustainable performance, organizations should revisit, review and restate their management philosophies and establish a robust management practices to survive (Antonio Ruiz, 2005)

The pressure on the organizations is going to be multifold and manifold. More importantly networking, financial implications and focus on customers is going to influence very aggressively on the performance of the organizations. Hence it is a basic requirement for the organizations to keep changing their micro structure very often and very frequently (Florica BADEA, 2009).

The much talked much hyped impact of IT has entered into manufacturing. Technology and manufacturing have ingrained into one and it is very difficult to look separately. The knowledge era has given its advantage to manufacturing and new workplace practices and paving way for the new concepts and new management practices to creep into the organizations and old methods with outdated thoughts making their way out (Walter W Powel, 2004).

Manufacturing organizations philosophy is greatly divided into two. The first has a strong belief in the Taylor’s Scientific Management method. This philosophy is well suited for mass production concept. Also mark them as a seller’s market where one can produce the product, market and sell. But with nation’s border shrinking in terms of business and economy one nation’s problem impacting on the others’, such old practices are becoming redundant. This is the right time to replace them with new concepts.

The second one is the Total Quality Management movement. Having come into existence with the rebuilding and restructuring of postwar Japan,
these new concepts swept the business world by storm. The central focus of this movement is Customer and it tries to reach and serve customer through quality and better service.

Total Quality Management has changed the way the business being done. It is there for the last 60 years. Even then a full understanding of TQM has not yet reached the minds of the organization. And long back scholars have written off TQM as a failure because it did not provide the results it is supposed to deliver. But TQM practices have become pervasive in the management parlance (Thomas Powell, 1995).

TQM still has the cutting edge to keep the organizations strong and sustain for a long time (M.Zairi, 2002). In the interest of the long term survival of the organization we need to understand the concepts in a right attitude and ensure that the obstacles in the implementation process are removed.

1.2 PROBLEM OVERVIEW

The market place has become highly unstable which means the demand for innovation has intensified. With such an onslaught, manufacturers find it difficult to keep going and their mere survival becomes a big question. So it is becoming imperative to look into the future and to ensure the longevity of the organization.

The two management concepts that shaped the 20th century still holds the key. One being the Scientific Management developed by F W Taylor and the other is Total Quality Management concept. The first focused on the increasing efficiency and the second one with the major thrust on quality improvements. And of course quality is the competitive edge used by Japan to rebuild her own economy. Japan’s efforts created a new economic era
(Deming, 1986). Then the quality management became a wildfire and the words like quality and quality improvement have permeated into the organizational boardrooms.

Quality is one important weapon that made many organizations win their battle and stay strong. And today quality has become very fundamental requirement (A V Feigenbaum, 1999). Continuous improvement in quality is the regular day to day activity. Hence the 50 years of learning on Quality Management is transforming into Quality of Management.

TQM has been subjected to rigorous research and the subject has been discussed a lot both in the board rooms and in the academic campus. Bouquets and brickbats were showered on TQM. While there are so many success stories told and written about TQM, an overwhelming amount of negative propaganda marred the reputation of TQM. There were many discussions held on firms not practicing TQM and organizations practicing TQM. Researchers went on to declare that there is no difference between these two categories. And they went on to claim that even the firms that do not practice TQM have some quality initiatives and actions in place (Thomas Powell 1995).

Researchers have questioned the relevance of TQM in this dynamically changing business environment (Shams-Ur-Rahman, 2004). They put up their argument based on the failures in the implementation process.

Organizations that reported TQM as a failure did not understand the TQM concepts completely and tried to implement them because other such organizations are also implementing. The need and the objective of TQM implementation is not fully gone into the mind and heart of the entire organization. It is very important to understand the basic underlying principles of TQM and the climate of the organization so that introduction of
TQM becomes a sustained and successful journey. Instead too much dependence on tools especially statistical tools has jeopardized the change management journey (Richard D Dubbius, 1995).

Researchers are now turning their attention once again on TQM and it has become the subject matter of discussion. So having understood that thrust was given only on hard side that means the usage of tools and techniques, now the discussion is going around the soft side that means the people side of management. A new label has been provided on TQM like soft TQM and Hard TQM (T.Thiagarajan and M.Zairi, 2001). Even after bringing in the people element the same old failure story continues.

At this juncture TQM has been identified as a model for sustainability also (M.Zairi, 2002).

1.3 AIM OF THE RESEARCH

In the present context of liberalization and globalization of economy, Indian companies face a lot of challenges. Before the `era of liberalization`, it was not quite common to emphasize the quality of products, systems and procedures, and customer focus, etc. But, after the liberalization process, these aspects have become imperative for the very survival of many organizations. The business units in India are ever increasingly forced to achieve world-class manufacturing capabilities in order to compete and, in many cases, to survive in the market. One of the means to achieve the world-class manufacturing capability is through the practices of Total Quality Management (TQM).

With ever increasing competition in the market all around the globe, improving the quality is turning out as an important aspect for organization’s growth and therefore Total Quality management is most prominent issue
related to the organizational management. For this active involvement of each and every individual/group in the production process is necessary and it is required to decide everybody’s accountability towards overall quality improvement of the final product or service.

The aim of this thesis is to explore, describe and explain how TQM can be made effective in its implementation process and ensuring the longevity of the organization and DNA for sustainability with special reference to manufacturing industries in Coimbatore.

1.4 OBJECTIVES OF THE RESEARCH

Specific objectives have been identified to achieve this aim and they are listed below:

1. To study the profile and growth of select manufacturing industries in Coimbatore.
2. To identify the influencing factors for effective implementation of TQM in select manufacturing industries.
3. To analyze the implementation of TQM practices for sustainability of select manufacturing industries in Coimbatore.
4. To what extent the customer focus is affecting the sustainability of TQM Implementation.
5. To portray the findings and offer suitable suggestions to improve the effective implantation Of TQM.

1.5. SCOPE OF THE STUDY

In today’s hyper competitive market environment organizations are finding it difficult to stay in business with a steady improvement in the overall business performance. Maintaining competitive advantages and priorities are becoming the foremost important aspects for organizations. Total Quality
Management is a fundamental shift in the management practice and a pervasive method of management. Organizations are using many methods and tools which are found in the TQM concept.

Introducing and implementing TQM is not easy with the current state of problems. Proper understanding and a right approach to implement TQM is very much essential.

TQM is one of the most researched topics, and from the industry perspective it has many success as well as failure stories. The difference between these two ends depends on the way it is understood and implemented in the organizations. This research work tries to bridge the gap in the deficiencies coming in the way of effective implementation of TQM and long term survival of the organization even in the midst of volatile market environment.

1.6. LIMITATIONS OF THE STUDY

- This study is confined to the manufacturing industries and not focusing on service industries.
- The findings and suggestions given in the study are derived from the analysis from vary in nature of the background of the respondents in the company. Hence the suggestions and findings given the study may or may not be applicable to other. Due to the culture diversification of and income generation capacity.
- The sample size was restricted to 493 respondents only.
- This study is restricted geographically in the city of Coimbatore.

1.7 CHAPTER SCHEME

This study has been divided into six chapters.

The first chapter is the gateway for this research provides the introduction of TQM in conjunction with current situation.
The second chapter provides the detailed study on the evolution of TQM.

The third chapter discusses in detail about the overview of the present research.

The fourth chapter goes into details of the research methods.

The fifth chapter analyses the key findings in this research.

The sixth chapter contemplates on the conclusions and suggestions.