ABSTRACT

An increasing number of organizations, in India are attempting to achieve the Deming Application Prize instituted by Japanese Union of Scientists and Engineers (JUSE), which indicates that they are practicing TQM, and realizing good results. As a part of strategic planning approach they are starting to use policy deployment. It has been found that the policy deployment based on the Japanese hoshin kanri concept is a good method.

Strategic Planning has long been felt necessary for business success. Unfortunately the business houses spend lot of hours of their key Manager’s time and money in publishing a strategic plan and to file the impressive document away. Almost all the business houses carry out these strategic plans, but they fail due to various reasons. This scenario necessitates the need for a model, in which the company policy should be properly aligned from top level to bottom level to achieve the prescribed target.

Policy deployment is an element of the overall process of TQM stages. This element aligns the organization for achieving breakthrough improvements. This provides the means of deploying management policy down through all levels of the organization.
Each descending level of management becomes more concrete in its restatement of the policy in terms relating to its area of responsibility and also indicates the means (checkpoints) to be used to attain these goals (control points).

The checkpoint for one level of management becomes a control point for the next lower level of management. More specific statements could be, “constantly monitor customer expectation, complaints and satisfactions and constantly rank root causes and work on the top ranking ones so as to reduce variation from intended results”.

Traditional financial system provides an indication of how a firm has performed in the past, but offers little information about how it might perform in the future. To overcome the problem, Robert Kaplan and David Norton developed the balanced scorecard, a performance measurement system that considers financial measures and also customer, business, process and learning measures.

Through the BSC, an organization monitors both its current performance (finances, customer satisfaction, and business process results) and its efforts to improve processes, motivate and educate employees, and enhance information systems—its ability to learn and improve. It provides feedback around both the internal business processes and external outcomes to continuously improve strategic performance and results.
The balanced scorecard approach works because people are motivated when they know they are being measured and they know how they are being measured.

Hence an attempt is made through this dissertation to develop a comprehensive model which takes care of both policy deployment and business performance management simultaneously.

The developed model has been implemented in three Auto ancillaries and the results have been verified. To simplify the operation, a software package is also developed for this model, which will deploy the process effectively as well as measure the performance of the individual.

The proposed model indicates how the means (major measures) and the targets under the four perspectives are set through a catchball. A set of forms has been designed to ensure the linkages to each level and also the clear definition of the measures to be monitored and controlled. In the process the means are deployed from the top level and the targets are set from the bottom level, which is facilitated by the catchball. The main focus here is in the deployment of means and the targets.

To support the developed Policy Deployment model, a software named PDsoft is designed and developed which will help the company to do the
policy deployment and the individual performance measurement in the process.

This user-friendly software enables the user to deploy the policy across the organization and also allows the user to measure and analyze the MOPs across the organization.

Finally, the perception study has been conducted in the first two organizations to understand the implication as well as to validate the model developed. It shows that the people in the organization at various levels are clear about the organization’s goals and objectives. Also there is a strong correlation between process and results, which shows that the deployment process becomes effective.