CHAPTER: 1
INTRODUCTION

1.1 BACKGROUND

In the present context of globalization of economy, every company faces 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, the goal of all manufacturing system is long-term survival. A manufacturing company survival in an increasingly competitive market closely depends upon its ability to produce highest quality product at lowest possible cost. This calls total quality management of the organization.

1.2 CONTEXT OF THE STUDY

1.2.1 TQM CONTEXT

The global business environment has brought in new competition with new opportunities and new challenges. In this global business environment, ‘Quality’ has become the buzz word. Therefore Juran (1995) point out that where as the 20th century become famous for world productivity, the 21st century would become well recognized as the “century for quality”.

The concept of TQM has dominated the management scene for some decades. Many organizations all over the world have tried to use TQM to achieve increased competitiveness and improved financial result. TQM is a leadership philosophy and strategy that is based on continuous improvement of every process, empowerment of people, continuous learning, all creating transformation toward an organization that is providing excellent products and services. According to Flynn et al.(1994) TQM as “A management philosophy for continuously improving overall business performance based on leadership, supplier quality management, vision and plan statement, evolution, process control and improvement, product design, quality system improvement, employee participation, recognition and reward, education and training, and customer focus.”
TQM is the outgrowth of a long line of developments seeking to evaluate and improve the quality of manufactured goods. The idea behind TQM is that much can be achieved by innovation, but competitive advantage is largely affected by continuous process improvement. Total quality management is an established field of study where academics, consultants, engineers and quality practitioners have contributed their ideas towards its advancement.

Deming provides an operational definition of TQM which gives a motivational meaning of the concept. Sink (1991) states that TQM can be successful only if operational definition is translated into strategies by the leadership of the organization and which are crystallized into actions and communicated to all the people with conviction and clarity. According to Zairi and Youssef (1995) defined TQM is a positive attempt by the organization concerned to improve structural, infrastructure, attitudinal, behavioral and methodological ways of delivering to the end customer, with emphasis on consistency, improvement in quality, competitive enhancements, all with the aim of satisfying or delighting the end customer.

However, TQM may also be viewed functionally as an integration of two basic functions, i.e. total quality control and quality management. Total quality control is a long-term success strategy for organization. Customer satisfaction, employee satisfaction, product quality assurance in all its stages, and continuous improvement and innovation, are main ingredients of total quality control; whereas quality management is a way of planning, organizing and directing that will facilitate and integrate the capabilities of all employees for continuous improvement of anything and everything in an organization to attain excellence. Thus, TQM in an organization brings all the people together to ensure and improve product process quality, the work environment and working culture.

1.2.2 TQM IN INDIAN CONTEXT

Change is inevitable and TQM requires, the companies to maintain quality standard in all aspect of its business. No enterprise can survive in today’s competitive environment with a “rework until its right” philosophy. To compete in the global markets, international accreditation such as ISO 9000 is inevitable. But fact is that even the post-independent era Indian manufacturers in spite of possessing good resources and rich scientific and technical manpower could not produce world class products in the international market.
The introduction and the subsequent development of globalization of the Indian manufacturing sector respectively helped India to shed its age old tag of being “an agriculture based country”. The effect of globalization of Indian manufacturing industry is reflected in the GDP’s share of Indian manufacturing sector which has grown considerably over the years. But on the other hand, the Indian consumer has now wider choice. Their preferences naturally are made by the factors such as superior quality, finishing, price, reliability, faster responses and the reputation of the brands. One therefore selects well-known brands internationally famous such as SONY, HONDA, FORD, McDonald, LEVI etc. So, local Indian established business in their field of activities need to stand up to customer expectations by upgrading outdated products, services and take efforts so that product and services quality matches with Multinational company’s products and services.

On the domestic front, the Indian industry is slowly reconciling to the fact that without improving products by cutting edge technology and exploring ways of reducing costs there is no future or else they may have to wind up one day. They have realized that without improving the competitive edge they may not last for long.

The practices of the quality management system toward TQM are undertaken by Indian manufacturing companies include ISO 9000, ISO 14000 and National Quality Awards. Quality Control Circle (QCC) was born in 1982 in India. Among some of the companies launching QCC first were public sector undertaking- Bharat Electronics and Bharat Heavy Electricals (BHEL). The year 1987 brought the ISO 9000 standards into reality and visible strategies emerged from the European market to set a global trend towards standardizing and certifying quality system in India. Four years later, in 1991, the first company in India got certified to ISO 9000. Since then, ISO 9000 has become more extensive in India (Figure 1.01). As of year 2000 there were 5554 certificates of ISO 9001 and 257 certificates of ISO 14001 distributed to the Indian organization. In 2013 there were 40848 certificates of ISO 9001 and 5872 certificates of ISO 14001 distributed.

However, this level is much lower than other ISO 9001 & 14001 certified organizations throughout the world. Compared to the top-two countries, such as China and Italy, the number of ISO 9001 & 14001 certificated were distributed in India only accounted for about 10.57% and 25.16% of their total respectively at the year 2013.
But the evolution of ISO 9000 certificates (Figure 1.01) shows that Indian companies have started to use quality management system toward TQM.

1.3 RESEARCH GAP

1.4 RESEARCH PROBLEM

The study makes an attempt to know the TQM practices and its effect on change in performance in various areas of the firm. Accordingly this study is embodied as “Study of TQM practices and performances in selected ISO 9001 certified Manufacturing facilities in Gujarat”.

1.5 RESEARCH OBJECTIVES

The objectives of the study are:

1) to identify the TQM practices and performances in manufacturing firm, to develope the framework of the study,

2) to empirically examine TQM practices in selected ISO 9001 certified manufacturing facilities in Gujarat,

3) to empirically examine the relationship between TQM practices and quality performance in selected ISO 9001 certified manufacturing facilities in Gujarat,

4) to empirically examine the relationship between TQM practices and business performance in selected ISO 9001 certified manufacturing facilities in Gujarat and

5) to empirically examine the relationship between TQM practices and organizational performance in selected ISO 9001 certified manufacturing facilities in Gujarat..

1.6 RESEARCH DESIGN

The research study is divided into two phases. In the first phase, extensive literature review has been carried on. Based on that framework of TQM practices and performances is developed (objective 1). The second phase of the study is empirical in nature. Primary data by way of pre-tested questionnaire was collected from 57 facilities in manufacturing sector. Based on the developed hypothesis, research methodology (chapter-5) is adopted. The empirical findings of the study are given in chapter-6 (objectives 2 to 5).
1.7 CHAPTER OUTLINE

The study is reported as follows:

Chapter 1: Introduction
This chapter is introductory in nature and gives the outline of the study.

Chapter 2: Overview of TQM theory in backdrop
Second chapter gives the overview of TQM philosophy and tools and techniques in the backdrop.

Chapter 3: Framework of the study
Third chapter presents the literature review for developing framework of the study. The framework of the study is also given in the chapter.

Chapter 4: Literature Review and Hypotheses development
Fourth chapter presents the overview of TQM performance studies followed by hypotheses development.

Chapter 5: Research Methodology and profile of research units
Fifth chapter explains the research methodology. It also explains the profile of research units.

Chapter 6: Data Analysis
Sixth chapter gives the findings of the study on relationship between TQM practices and quality, business & organizational performance.

Chapter 7: Discussion & conclusion
Seventh chapter presents the discussion on the study followed by implications of the study, contribution of the study and area of further research.

Finally, a bibliography on the subject of research is given to provide the future researchers in this area with consolidated information of up to date research efforts.

1.8 CHAPTER CONCLUDING NOTE

This chapter discussed the introduction, context of the study in terms of TQM, relevance of the study, research problems and research objectives, research design and chapter scheme of
the study. Next chapter gives the overview of TQM philosophy, tools and techniques and practices in the backdrop.

**End Notes**


