

QUALITY STRATEGIES IN THE MARKET PROCESS

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ABSTRACT

In order to resist the competitive environment in the market or to consolidate its leading position in the field, organizations are increasingly interested in implementing a quality management system and adopt quality-oriented strategies of the market processes. Also, in order to increase customer satisfaction, organization management is always interested in improving the effectiveness and efficiency of processes, products and services, through the implementation of continuous improvement programs, including preventive and corrective actions that are necessary. In this article, we try to plead for the necessity of adopting quality improvement strategies with direct impact on the market performance of the organization.

Keywords: *quality improvement, competitiveness*

1. INTRODUCTION

The term quality management has a specific meaning within many business sectors. This specific definition, which does not aim to assure 'good quality' by the more general definition, but rather to ensure that an organization or product is consistent, can be considered to have four main components: quality planning, quality control, quality assurance and quality improvement. Quality management is focused not only on product/service quality, but also the means to achieve it. Quality management therefore uses quality assurance and control of processes as well as products to achieve more consistent quality.

1.1. Short history on quality

The concept of quality as we think of it now first emerged out of the Industrial Revolution. Previously goods had been made from start to finish by the same person or team of people, with handcrafting and tweaking the product to meet 'quality criteria'. Mass production brought huge teams of people together to work on specific stages of production where one person would not necessarily complete a product from start to finish. In the late 19th century pioneers such as Frederick Winslow Taylor and Henry Ford recognized the limitations of the methods being used in mass production at the time and the subsequent varying quality of output. Birland established Quality Departments to oversee the quality of production and rectifying of errors, and Ford emphasized standardization of design and component standards to ensure a standard product was produced. Management of quality was the responsibility of the Quality department and was implemented by Inspection of product output to 'catch' defects.

Application of statistical control came later as a result of World War production methods, and were advanced by the work done of W. Edwards Deming, a statistician, after whom the Deming Prize for quality is named. Joseph M. Juran focused more on managing for quality. The first edition of Juran's Quality Control Handbook was published in 1951. He also developed the "Juran's trilogy," an approach to cross-functional

management that is composed of three managerial processes: quality planning, quality control and quality improvement. These functions all play a vital role when evaluating quality.

Quality, as a profession and the managerial process associated with the quality function, was introduced during the second-half of the 20th century, and has evolved since then. Over this period, few other disciplines have seen as many changes as the quality profession.

The quality profession grew from simple control, to engineering, to systems engineering. Quality control activities were predominant in the 1940s, 1950s, and 1960s. The 1970s were an era of quality engineering and the 1990s saw quality systems as an emerging field. Like medicine, accounting, and engineering, quality has achieved status as a recognized profession.

2. QUALITY – INDISPENSABLE TOOL TO SURVIVE IN A COMPETITIVE ENVIRONMENT

When we discuss about our country we can observe a particularity that is becoming more and more obvious in our business environment is the awareness of the quality importance in all organizational processes, customer relationships both internal (employees) and external customer (consumers, investors, suppliers, partners, etc.). In order to resist the competitive environment in the market, more and more organizations in Romania have implemented and certified a quality management system in accordance with standard SR EN ISO 9001:2008.

On the other hand, to maintain its market leadership, organizations implement an integrated management systems concerning Quality, Environment, Safety and Ethics or they adopt different strategies for continuous quality improvement of its internal and external processes, including processes of market.

In this sense, organizations define their own quality policy and objectives, document the organization quality management system and work toward promoting at least the following basic principles related to quality assurance processes:

- client orientation, concerning especially understanding and satisfying customer need and expectations, respecting in the same time any legal and regulatory requirements, providing motivation and responsibility of each employee;
- continuous improving the effectiveness and efficiency of the quality management system through procedural approach in which quality chains includes all organizational entities, activities and organizational resources;
- setting quality objectives at the strategic, tactical and operational on an informational database, enabling analysis and making the best decisions on continuous improvement of the quality product.

3. WAYS OF DEALING WITH QUALITY IN THE MARKET PROCESSES

In order to increase customers satisfaction, the organization management is always interested in improving the effectiveness and efficiency of processes, activities and products. Organizations choose between two strategies on continuous quality improvement processes, namely:

- **INNOVATION** – a strategy that refers to radical improvements of projects, or reviewing and improving existing processes;
- **KAIZEN** – a strategy that follows slower improvement activities, developed by employees that work on the existing processes

Radical improvement projects involve significant redesign of existing processes and include: defining objectives and presenting process improvements, implementation of improvement actions, checking the improved process, evaluations on improvements.

In the second case, improvements are made in small steps, and the best source of ideas is represented by the employees of the organisation. When it comes to elaborate an improvement project, interests of all parties are taken into account.

Whichever method is selected improvement process should include the following components:

- Evaluation on existing situation
- Identification of possible risks
- Effect evaluation
- The implementation of the new solution
- Evaluation on efficiency concerning the process.

4. CUSTOMER FOCUS

Organizations depend on their customers and therefore should understand current and future customer needs, should meet customer requirements and strive to exceed customer expectations.

- **Key benefits:**
 - increased revenue and market share obtained through flexible and fast responses to market opportunities;
 - increased effectiveness in the use of the organization's resources to enhance customer satisfaction;
 - improved customer loyalty leading to repeat business;

- researching and understanding customer needs and expectations;
- ensuring that the objectives of the organization are linked to customer needs and expectations;
- communicating customer needs and expectations throughout the organization;
- measuring customer satisfaction and acting on the results;
- systematically managing customer relationships;
- ensuring a balanced approach between satisfying customers and other interested parties (such as owners, employees, suppliers, financiers, local communities and society as a whole).

5. LEADERSHIP

Leaders establish unity of purpose and direction of the organization. They should create and maintain the internal environment in which people can become fully involved in achieving the organization's objectives.

Applying the principle of leadership typically leads to:

- people will understand and be motivated towards the organization's goals and objectives;
- activities are evaluated, aligned and implemented in a unified way;
- miscommunication between levels of an organization will be minimized;
- considering the needs of all interested parties including customers, owners, employees, suppliers, financiers, local communities and society as a whole;
- establishing a clear vision of the organization's future;
- setting challenging goals and targets;
- creating and sustaining shared values, fairness and ethical role models at all levels of the organization;
- establishing trust and eliminating fear;
- providing people with the required resources, training and freedom to act with responsibility and accountability;
- inspiring, encouraging and recognizing people's contributions.

6. INVOLVMENT OF PEOPLE

People at all levels are the essence of an organization and their full involvement enables their abilities to be used for the organization's benefit.

Applying the principle of involvement of people typically leads to:

- motivated, committed and involved people within the organization;
- innovation and creativity in furthering the organization's objectives;
- people being accountable for their own performance;
- people eager to participate in and contribute to continual improvement;
- people understanding the importance of their contribution and role in the organization;
- people identifying constraints to their performance;
- people accepting ownership of problems and their responsibility for solving them;
- people evaluating their performance against their personal goals and objectives;

- people actively seeking opportunities to enhance their competence, knowledge and experience;
- people freely sharing knowledge and experience;
- people openly discussing problems and issues.

7. PROCESS APPROACH

A desired result is achieved more efficiently when activities and related resources are managed as a process.

Applying the principle of process approach typically leads to:

- lower costs and shorter cycle times through effective use of resources;
- improved, consistent and predictable results;
- focused and prioritized improvement opportunities;
- systematically defining the activities necessary to obtain a desired result;
- establishing clear responsibility and accountability for managing key activities;
- analysing and measuring of the capability of key activities;
- identifying the interfaces of key activities within and between the functions of the organization;
- focusing on the factors – such as resources, methods, and materials – that will improve key activities of the organization;
- evaluating risks, consequences and impacts of activities on customers, suppliers and other interested parties.

8. SYSTEM APPROACH TO MANAGEMENT

Identifying, understanding and managing interrelated processes as a system contributes to the organization's effectiveness and efficiency in achieving its objectives.

Applying the principle of system approach to management leads to:

- integration and alignment of the processes that will best achieve the desired results;
- ability to focus effort on the key processes;
- providing confidence to interested parties as to the consistency, effectiveness and efficiency of the organization;
- structuring a system to achieve the organization's objectives in the most effective and efficient way;
- understanding the interdependencies between the processes of the system;
- structured approaches that harmonize and integrate processes;
- providing a better understanding of the roles and responsibilities necessary for achieving common objectives and thereby reducing cross-functional barriers;
- understanding organizational capabilities and establishing resource constraints prior to action;
- targeting and defining how specific activities within a system should operate;
- continually improving the system through measurement and evaluation.

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