Total Quality Management and Six Sigma
Post Graduate Program 2014-15

Session 9

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Recap

- Statistical Process Control
- Six Sigma
- Mid Term Exam

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Course Updates

- 22nd Jan : Federal Express Case
- 27th Jan : Cincinnati Children's Hospital Case
- 29th Jan and 3rd Feb: Geoffrey Ryans & Metalcraft Case
- 5th Feb: Toyota Accelerator Crisis and course wrapup
- 6th & 7th Feb: Guest Lectures
- 10th & 12th Feb: Project Presentations

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Agenda

- Mid Term exam!
- Projects
- Total Quality Management
  – Principles and practices

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Projects

- Applying six sigma to the catapult experiment
- Electricity consumption in IIM Raipur
- Billing counter in Easy day
- Six sigma in the Hospitality industry
- Tourism industry in India
- Comparing Japanese and American management styles

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What am I looking for?

- Stick to the topic!
- Consult the instructor
- Rigorous application of course concepts
  - Mapping to frameworks or cases discussed in class
- Evidence of data collection
- Focus on learning outcomes
- Recommendations are easy to make!
  - Focus on implementational challenges
  - Focus on a long term solution

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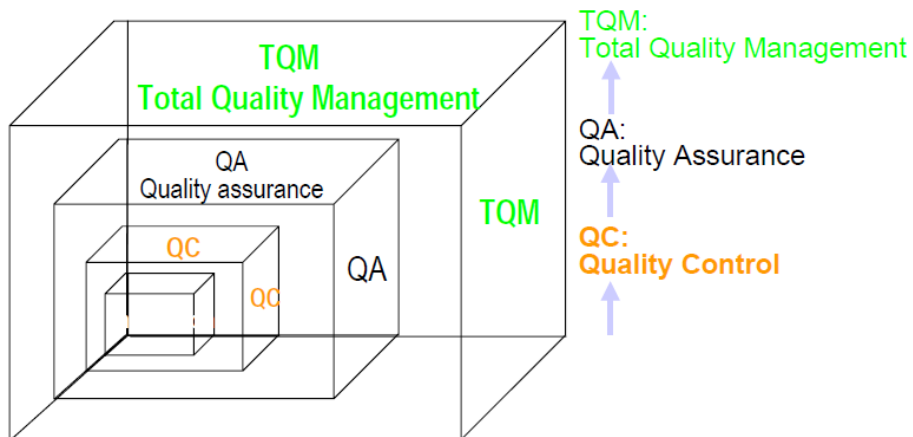
Total Quality Management

- Management?
- Quality?
- Total?

Total Quality Management

TQM:
Total Quality Management

QA:
Quality Assurance

QC:
Quality Control

Total quality defined

Total quality is a people-focussed management system that aims at continual increase in customer satisfaction at continually lower real cost. TQ is a total system approach (not a separate area or program) and an integral part of high-level strategy; it works horizontally across functions and departments, involves all employees, top to bottom, and extends backward and forward to include the supply chain. TQ stresses learning and adaptation to continual change as keys to organizational success

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In-class exercise

- Speak on the issue for atleast 2 minutes

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Principles of TQ

- Customer and stakeholder focus
- Process orientation
- Continuous Improvement and Learning
- Employee Engagement and training
- Management by fact
- Strategic focus
- Visionary leadership

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Customer and stakeholder focus

- *"If you take care of your customers and employees, the bottom line will take care of itself"*
- Everyone is a customer: Internal and external
- Other stakeholders?
- Examples of customer focussed practices?

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Process orientation

- Organization is vertical, processes are not!
- Enterprise is a system of interdependent process
  - Linked laterally over time
    - Through a network of collaborating suppliers and customers
      - Both internal and external
- Good practices that support a process focus?

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Continuous improvement and learning

- Both incremental and "breakthrough" improvements
- Improving productivity and operational performance through better work processes and reductions in errors, defects and waste
- Improving flexibility, responsiveness and cycle time performance
- Improving organizational management processes through learning

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Continuous improvement and learning

- Improving Products and Services: Nariaki Kano
  – Dissatisfiers
  – Satisfiers
  – Delighters/exciters
- Improving work processes
- Improving Flexibility, Responsiveness and cycle time
- Learning: Understanding why changes are successful through feedback
  – Planning, assessment, execution and revision

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Employee Engagement and Teamwork

- Anti-Agency theory perspective
- Workers are self-motivated, seek responsibility and exhibit a high degree of imagination and creativity at work
- Teamwork: vertical, horizontal, interorganizational
- Good practices of employee engagement?

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Strategic focus

- Quality, long term organizational sustainability is an important aspect of the strategic plan
- Long term organizational sustainability and competitiveness are key strategic issues
- Key practices that support a strategic focus?

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Visionary leadership

- Senior leadership must set directions,
  - create customer orientation,
  - clear quality values
  - high expectations that address the needs of all stakeholders
  - Build them into the way the company operations
- Key practices for leaders include?

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THANK YOU