

WAYS OF INCREASING THE EFFICIENCY OF QUALITY MANAGEMENT IN THE COMMERCIAL COMPANIES UNDER THE AUTHORITY OF THE ROMANIAN LOCAL COUNCIL IN THE POST-ACCESSION PERIOD TO THE EUROPEAN MARKET

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Abstract: More and more companies under the authority of the Local Council are interested in implementing a quality management system following the quality assurance models proposed by the ISO 9000 type international standards. Almost 200 organizations have in place a quality management system certified based on these standards. These organizations requested certification in order to enjoy a number of advantages, especially as regards their position on the market towards competition, by establishing new contractual relationships, foreseeing customers' demands, creating products and services to better fulfil these demands, at better prices. According to some surveys, many commercial companies under the authority of the Local Council managed to obtain these advantages together with other ones such as: a better working structure, motivation of the workers, improvement of the product quality, an increase in the efficiency, productivity and market quota. As more and more similar products manufactured using the same technologies emerge on the market, quality becomes the main selection factor of the commercial companies under the authority of the Local Council on the market, thus the main mean of competitiveness. Thus, lately, in our country we witness an increasingly intense concern in this field, the change of quality-related aspects, this being the main motivation for drafting this article.

Keywords: Key words: quality management, efficiency, commercial companies under the authority of the Local Council, EU

1. INTRODUCTION

In the transition to a market economy, one of the most dynamic phenomena in Romania was the implementation of quality in the commercial companies under the authority of the Local Council as promoters of technical-economical and social changes. Implementing a quality management system in the commercial companies under the authority of the Local Council represents an opportunity for Romania to develop competent and skilled human resources, especially as a consequence of the EU post-accession. There are current concerns from the Romanian organizations in the field of quality management systems implementation, in accordance with the international standards ISO 9000 and TQM models. In order to enjoy long-term benefits, the commercial companies under the authority of the Local Council must consider the specific aspects of the implementation of quality management systems foreseen by international and European standards.

2. PURPOSE OF THE PAPER

The commercial companies under the authority of the Local Councils in Romania shall confront more and

more the demands raised by the EU integration process and their competitiveness on the sole European market shall depend significantly on the way they will manage to implement an efficient quality management. Lately, the issue of the quality management systems efficiency is raised more insistently due to growth of competition and worldwide market expansion.

In the last years, these commercial companies have recorded a significant growth as regards their weight in the gross internal product, labour force, turnover and profit (Sebastianelli and Tamimi, 2002).

They exhibit a growing interest for the implementation of a quality management system, in accordance with internationally renowned models, thus being recorded a significant increase of the ISO 9000 international standards compliance certificates.

Considering these aspects, the research performed was oriented in the following **directions**:

- emphasizing the current concerns on the implementation of the quality management systems by the commercial companies under the authority of the Local Council, both internationally and locally.
- Assessing the current stage regarding the implementation and certification of quality management systems and identifying the

specifics of these systems for these Romanian companies;

In order to achieve these objectives, one used the outcome of the quiz based researches and studies (Long *et al.*, 200), the bibliographic documentation on quality management and the management of commercial companies under the authority of the Local Council, the results of the quality audits performed in commercial companies under the authority of the Romanian Local Councils and the expertise accrued during the activity in the quality management field.

3. THE STAGE OF SCIENTIFIC KNOW-HOW ON TOTAL QUALITY MANAGEMENT

TQM definition can be summarized by reviewing the definitions provided by various researchers during the last years. Here are some of them:

- TQM is an approach aiming to improve business efficiency and flexibility as a whole. Basically, it is a manner of structuring and involving the entire organization and each department, of each activity, each individual person, on every level (Oakland, 1989).
- TQM is the combination of the social and technical processes with a view to carry out all the works (exterior), each work (interior), the first time and every time, economic feasibility considered each stage of each process (Zaire, 1991).
- TQM is a continuous improvement approach of the quality of the goods and services supplied with the attendance of all functions of the organization (Pfan, 1989) on every level.
- TQM is the integrated effort for gaining the advantage of competitiveness by continuous improvement of each aspect of the organizational culture (Tobin, 1990).
- TQM efforts can be successful if the definition of the organizational system is issued by the management of the organization and is crystallized and communicated forcefully and clearly (Sink, 1991).

By its complexity and extensiveness, the TQM concept is set as a long-time strategy, supported by the development of a new industrial culture based on a participatory, innovative and responsible behaviour.

Total quality is based on a series of **principles**, namely:

- 1) **Customer satisfaction.** It's about a principle addressing the satisfaction of the external customer, of the buyer of the commercial company's product but it is also about satisfying the domestic customer

thus the need that the process be carried out entirely.

- 2) **Hard, consistent and orderly work**, the sole purpose of which is to achieve the desired purposes, objectives, in all stages and on every level: research, industrialization, planning, management.
- 3) **Personnel's communication** which is generally stimulated by training activities and expressed by involvement and communication. The personnel's adhesion is an essential side of total quality and at the same time most difficult to assess due to the complexity of the human character.
- 4) **Continuous improvement**, named KAIZEN in Japanese, meaning KAI-change and ZEN-good, is the new public management model. Thus, it is necessary that continuous improvement be a daily concern of each person, a habit (Huntzinger, 2005).
The essence of continuous improvement arises from the Japanese wording: "when starting work we must consider solving a bit better what we did yesterday" (Shimokawa, 2009). Continuous improvement is an action principle stimulating all compartments and departments within the commercial companies referred to, as well as improving the processes.
- 5) **Research objectives and hypotheses**
Based on these theoretical principles, we laid down the following:
Research objective: the commercial companies under the authority of the Local Councils in Romania;
Research objective: improving quality management in the commercial companies under the authority of the Local Councils in Romania;
General hypothesis of the paper: if managers exhibit a permanent concern to optimize quality management systems, then the efficiency of the activity may be considerably increased.
- 6) **Methodology employed**
The **research instrument** employed: scientific research quiz.
- 7) **Application regarding the know-how on the use of quality management**
As regards the extent the surveyed companies are using the quality management, the situation is like this:

Table 1: Use of quality management

No	Use of quality management	Occurrence frequency	Total weight
1	YES	34	85.0%
2	NO	6	15.0%
3	Total	40	100.0%

It is determined that 85% of the commercial companies surveyed are using the management of quality. Still, 15% of those employing this system declared in the beginning that they are not aware of the exact meaning of the quality

management, but reading the subsequent questions in the survey realized that they are actually using most of the methods and techniques composing the management of quality.

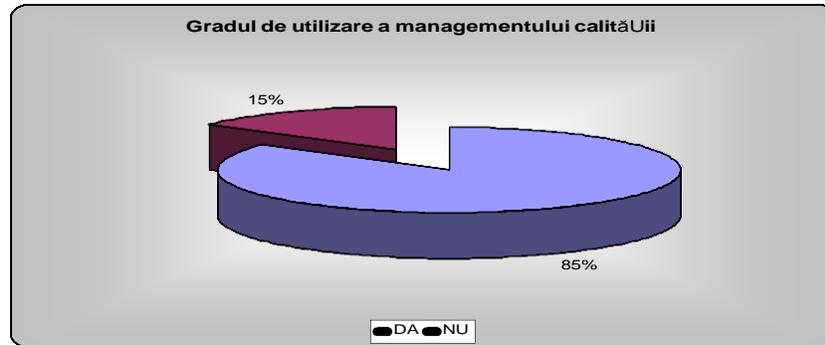


Figure. 1. Degree of quality management usage

7) **SWOT Analysis**

By using the method described under the research methodology the following strengths and weaknesses have arisen

(between parentheses we indicated their intensity, reminding that the 50% threshold is the one separating the strengths from the weaknesses)

Table 2: The strengths and weaknesses of quality management used by the commercial companies under the authority of the local councils

No	WEAKNESSES	No	STRENGTHS
I			ORGANIZATIONAL ENVIRONMENT 51.81%
1	The low degree of knowledge and understanding of the objectives in the field of quality management by all the personnel in the organization (45.62%)	1	Integrating quality management in the overall strategy of the commercial company (59.37%)
No	WEAKNESSES	No	STRENGTHS
2	To a small degree, there are standard procedures for the quality-related processes (49.37%)	2	Maintaining partnership relations with the customers (65%)
3	Existent standard procedures do not fit but to a low extent to the specific requirements of each contract (49.37%)	3	The high degree of involvement and proactive attitude of the management staff at all hierarchical levels (56.25%)
4	The quality management process is not thoroughly documented, communicated and acknowledged within the company (44.37%)	4	The organizational structure is flexible (53.75%)
5	Training and retraining in the quality management	5	The responsibilities regarding the important

	field is not regarded as an investment (41.25%)		activities under the project are clearly defined (66.25%)
6	There are no training and retraining plans for the entire personnel involved in the quality management (39.37%)		
II	QUALITY MANAGEMENT (46.29%)		
7	Quality management is not regarded as a systemic process and is not formalized (42.5%)	6	The projects are constantly monitored by use of performance indicators (53.12%)
8	The project team is not involved since its starting period (48.12%)	7	The estimations regarding the costs and terms are carried out relatively accurate and in due time (51.25%)
9	The programmes are not adjusted to the specific requirements of the various users (46.25%)	8	Resource planning is carried out systematically and in an optimized manner (55.62%)
10	The plans are not properly updated and do not allow the assessment of the impact of the errors on the final performance of the project (44.37%)	9	Performing the plans considers all process and organizational conditions (51.87%)
11	Confronting achievements with the initial plans does not allow undertaking corrective proactive actions (49.37%)	10	The projects are conducted by budgets and regarded as profit centres (50%)
12	Sub-contractors do not use the same quality management as the general contractor (41.87%)	11	Implementation of the total quality system (53.75%)
13	There are not employed risk management proper methods in the field of quality (35%)		
14	There are not employed proper software applications (25%)		
III	MULTIPLE QUALITY MANAGEMENT (43.31%)		
15	Maintaining and using the knowledge acquired from previous projects is far from perfect (46.87%)	12	The management system is adjusted to the characteristics of each project (51.87%)
No	WEAKNESSES	No	STRENGTHS
16	Interrelations between projects are used in a synergic manner (46.87%)	13	Resources are planned with the provision of coordination between the various projects (50.62%)
17	Information management is adverse (39.47%) <ul style="list-style-type: none"> • Consolidated statements (45.62%) • Personalized statements (28.75%) • Appropriate and synthetic information (48.12%) • Information allow for proactive actions (48.12%) • Proper information support (23.75%) • Effective archiving system (42.5%) 		

We have marked in the table with a darker colour, the strengths and the weaknesses with a stronger shade (grey). We notice that 77% of the stipulated strengths have a lower intensity (until 55%). As a consequence, they continue to require increased attention for enhancement. The weaknesses requiring the most attention refer to training programmes in the field of quality management, risk management, software

applications and information management. As regards the field analysis we may notice that the organizational environment is rather strength (51.81%) while the quality management and multiple quality management are weaknesses – 46.29% and 43.31%.

In the opinion of the respondents the main issues in the employment of quality management are the following:

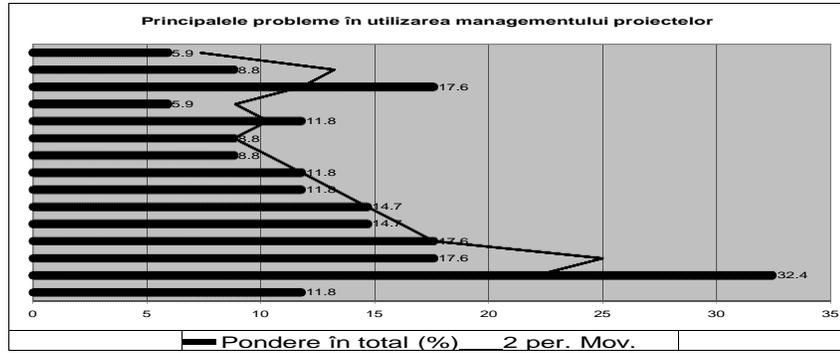


Chart no 4. Main issues in the employment of quality management

In the respondents' opinion, the most important issue is overcharging the project managers (32.4%), followed at a tie (17.6%) by finding and training managers in charge of quality, information management, and insufficiency of data bases and

software for quality management. 14.7% of the interviewed persons think that poor planning of the works and ineffectiveness of the management system as a whole are the most important issues.

Table no 3. Main issues in the employment of quality management

No	Issues	Occurrence frequency	Total possible	Total weight (%)
1	No reply	4	34	11.8
2	Overcharging project managers/ time management	11	34	32.4
3	Finding and preparing project managers	6	34	17.6
4	Information management/ lack of information for the management	6	34	17.6
5	Poor planning/ activity scarcity	5	34	14.7
6	Inefficiency of quality management system as a whole	5	34	14.7
7	Management of changes requested by the customer	4	34	11.8
8	Poor communication	4	34	11.8
9	Inefficient budget management	3	34	8.8
10	Weak support from the personnel in the operating compartments of the commercial company	3	34	8.8
11	Non-systematic quality selection the tender is decided for	4	34	11.8
12	Acceptance of works with a high or unknown risk degree	2	34	5.9
13	Data bases and software for quality management insufficient and lacking a systemic conception	6	34	17.6
14	Insufficient courses in the field of quality management within the university programmes	3	34	8.8
15	Ineffective employment of sub-contractors	2	34	5.9

With a lower percentage (11.8%) we have the problems of internal and external communication, the management of changes requested by the customer and the non-systematic of quality the organization decides to become involved in.

Only 8.8% of the respondents think that budget management, the support from the personnel in the operating departments of the companies are major problems.

Another 5.9% think that ineffective employment of the sub-contractors and acceptance of works with a high or unknown degree of risk created major problems.

4. FINDINGS AND RECOMMENDATIONS

In our opinion, the main issues in increasing the degree of implementation of the quality management within the Romanian commercial companies under the authority of the Local Council are the following:

- 1) resource scarcity due to the "hostile" environment by bureaucracy;
- 2) increase of the complexity of demands;
- 3) existence of instruments for processing the insufficiently integrated data;

- 4) prevalence of technical thinking over “quality” thinking;
- 5) insufficient qualification in the field of management;
- 6) the unfavourable assessments on the relation between costs and benefits of the quality management;
- 7) the management is not convinced of the stringency of the quality management.
5. Introducing an effective and uniform system (inclusive for the level of sub-contractors) for monitoring and intervening on the quality through critical events.
6. Installing a quality management system fit for the current and future complexity (medium-term) of the organization and setting-up a standardized data base system.
7. Enhancing the accounting system such as to allow cost tracking per objectives and cumulating the data required for a proactive control upon the processes, within the general accounting system of the commercial company.

Considering the weaknesses identified, the issues on the implementation and employment of the quality management in the commercial companies under the authority of the Local Council surveyed let us phrase the following general recommendations:

1. Turning to the project-based organizational structure (forming special teams in charge of quality) instead of a functional structure and involving the teams in charge of quality since its early stages.
2. Enhancing the quality management system by establishing some minimal mandatory structures, procedures, responsibilities and requirements for the key-processes.
3. Strengthening and developing the personnel’s capacities in the field of quality management by training programmes.
4. Specializing the managers in charge of quality by introducing their professional certification by a specialized body or consortium (professional organization + university)
8. Implementing a cost management system for the quality-related activities that will allow optimization of the indirect process employment (processing orders, design, proposal)(Łukasiński, 2011).
9. Introducing personnel’s awarding system based on performance up to the level of heads of the working groups.
10. Conducting marketing and electronic trade activities for the purpose of increasing the efficiency of these processes and improving the information connections.
11. Introducing quality management contracts.
12. Using proper methods for risk management.
13. Improving information management.

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