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Management of Quality and Innovation : the Strategy of Changes Implementation at Enterprises

Zarządzanie. Teoria i Praktyka nr 1 (7), 141-150

2013

Artykuł został opracowany do udostępnienia w internecie przez Muzeum Historii Polski w ramach prac podejmowanych na rzecz zapewnienia otwartego, powszechnego i trwałego dostępu do polskiego dorobku naukowego i kulturalnego. Artykuł jest umieszczony w kolekcji cyfrowej bazhum.muzhp.pl, gromadzącej zawartość polskich czasopism humanistycznych i społecznych.

Tekst jest udostępniony do wykorzystania w ramach dozwolonego użytku.

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MANAGEMENT OF QUALITY AND INNOVATION – THE STRATEGY OF CHANGES IMPLEMENTATION AT ENTERPRISES

Background of research. Development and implementation of quality management systems began their significant progress in Ukraine with standards ISO 9000. During the 90's the dominant of innovation activity was "time". In the new century, due to shortage of time reserves, the relationship between the three factors of the triangle "quality - price - time" becomes more important. Management of these factors in a more balanced way is a requirement of the future. Balanced management leads to significant integration of activity in quality areas at all levels and aims to high quality. **Driving forces of management changes** are:

- increasing the number of employees in innovative industries;
- global competition;
- changes in the forms of business organization, redistribution of property in public sector, which takes place through privatization;
- processes of globalization in the development of national economies.

Statement of the problem. Thus, the main objectives of our research:

- establish conditions for the formation of teamwork in enterprise during certification of quality management systems;
- substantiate the conditions of changes implementation on enterprises;

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- identify the perspectives of quality control development problems on enterprises.

Analysis of recent researches and publications. This is due to the fact that with all the problems of quality management the least studied problem is formation of mechanism of changes implementation in the process of certification of quality management systems.

Problem statement. Revealed basic advantages and disadvantages of teamwork in conditions of certification of quality management systems. The authors describe the features of the changes implementation in case of domestic and foreign enterprises.

Treatment of basic material. Despite the positive trends in the development of quality management, there is some serious risk that may affect the future of the standards ISO 9000 and certification schemes. Indeed, in some sectors, vendors may survive if they are certified. It concerns to vendors in the automobile industry, construction industry, etc. If using ISO 9001 certification is required, then more and more companies consider quality management as a necessary condition, but not the factor of success. As a result, they try to support their activities related to quality at the required minimum. The number of certified organizations, which compete with each other, increases constantly. Due to competition a quality of certification decreases. This reduces the credibility of the certificates and reduces their real value.

Solving the problem of improving the competitiveness of domestic enterprises begins first with its approach to ensuring the quality of produced products. According to modern approaches quality is a universal and comprehensive concept, which refers not only to quality of products and services we consume, but also to the quality of environment, quality of relationships, quality of life in general. Consequently, quality stands as a measure of relationship between market participants during the process of performing qualitative business.

To ensure quality not only material resources and skilled personnel need, but also a systematic approach to management. The organization shall establish an effective management system that directs the efforts of organization for qualitative performance of all ongoing processes, which in turn ensures achievement of qualitative results (creating a product or service). Hence, quality management aims not only to the field of management of quality in the organization, but also it covers all the company's management system, based on an integrated approach to the management of all processes.

An important aspect of the modern understanding of quality in the area of "satisfaction of established and foreseen demands" is that quality requirements are formulated by all interested parties in the activity of organization: investors,

customers, employees, company management, society, vendors, competitors, government and partners. Action of five forces of competition (according to M. Porter: The threat of emergence of new competitors in the industry; the ability of buyers to achieve the price reduction; the ability of vendors to achieve price increasing for their products; the threat of substitute-goods appearance on market; the level of hardness of competition between existing competitors in the industry) leads to activation of interested parties actions that finally determines the features of management in the company.

Modern competitive environment (competition) leaves no time for mistakes. Therefore an integral part of the culture of most foreign organizations, and yet a small number of domestic organizations is the concept of TQM. This concept involves large-scale changes in the organization, and also basic principles of these changes implementation. This is a particular way of life of the whole organization, which main feature is a continuous process of improvement, including: leadership (the role of senior management in company in the process of implementing the principles of TQM), training and development, the use of command methods and knowledge control.

TQM – is not only an effective way to manage your business. Implementing of TQM ideas is possible only with significant changes of the organizational culture of modern organizations.

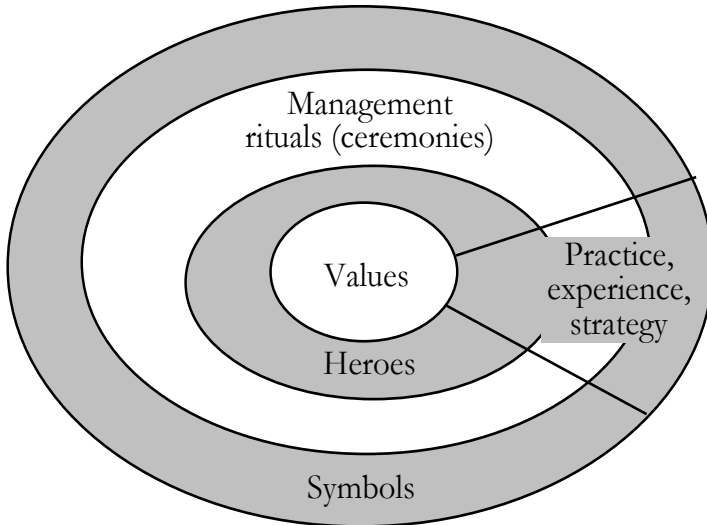
Condition of organizational culture and quality management system of organization must be adequate to each other. So, considering the issue of assimilation of TQM principles by modern companies, it's necessary to consider three key points:

- 1) *attitude of top management to quality problems* and their ability to implement changes, focusing on leadership features;
- 2) *focus on involvement of company personnel at all levels of administration to build a quality management system* by improving motivation and building a system of continuous training of employees;
- 3) *focus on team working methods.*

It should be emphasized that without changes of following social components it could be impossible to carry out any changes in the organization, which includes implementation of quality management systems and the development of modern principles of quality management.

Organizational culture – is a unique set of formal and informal norms, values and behaviors in each organization, which are formed from the accumulated experience of the organization, specially created and shared by all members. These rules apply for internal integration and adaptation to external environment, providing daily functioning of organization. Organizational culture consists of four levels, shown in Fig. 1.

Fig. 1. Diagram of organizational culture by G. Hofstede



Organizational culture is an effective management tool that allows you to significantly increase productivity, minimize staff turnover in such an environment where competition is sharpening. Numerous studies show that successful companies are characterized by high levels of organizational culture. With the development of corporate business sector starts applying the term corporate culture, which is formed as a result of efforts to develop the spirit of corporation, for the benefit of all interested parties. No wonder the fundamental values and purposes of such giants as Hewlett Packard, Procter and Gamble, Sony, Motorola, remain the same when strategy and business practices continually adapt to a changing world.

The concept "corporate culture" refers to the effect of spiritual and material life of the working group, namely: dominant morality – norms and values, codes of conduct, rituals and more. The concept of this phenomenon is not the only interpretation.

The organization operates and develops as a complex organism, its life potential, effective functioning and survival in the competition depends not only on the strategies, accurate organizational structure, appropriate management systems and highly qualified staff. The company's success is also defined by a strong culture, a particular style, that lead to advance and continuous leading position in the market.

The formation and development of organizational culture in the context of implementation of international quality standards, the use of a comprehensive

quality management philosophy, cannot be considered without the proper research. Consequently, forming a culture of quality, training the conscious attitude to quality ensuring at all levels from each executor – is the most important task facing the Ukrainian business.

With regard to domestic enterprises in our country, good examples of companies which introduce the philosophy of modern quality management through the development and support of corporate culture. For example, JSC "Farmak" – a leading pharmaceutical company that is successful and fast growing since its foundation in 1925, it took the top spot in the pharmaceutical industry of Ukraine and is well known abroad. Vision of JSC "Farmak" – to be the leader of the domestic pharmaceutical industry in implementing European standards, the speed of growth and marketing of new effective drugs. By 2015, they would like to gain into the constellation of twenty pharmaceutical companies of Eastern Europe in generic standards of quality and sales of medicines and services. Further specification of areas of the company through the formation of two types of missions: economic and corporate.

Economic mission of JSC "Farmak" – to manage all business processes, ensuring steady growth of its financial well-being and profitability, creating added value for all stakeholders. The corporate mission of JSC "Farmak" – to provide opportunities to employees for professional and career development, the disclosure of their intellectual and emotional potential, to be honest, open and accountable about them, create better jobs and attract enterprising and creative people to reveal their talents fair to evaluate and compensate their efforts inspiring for new heights.

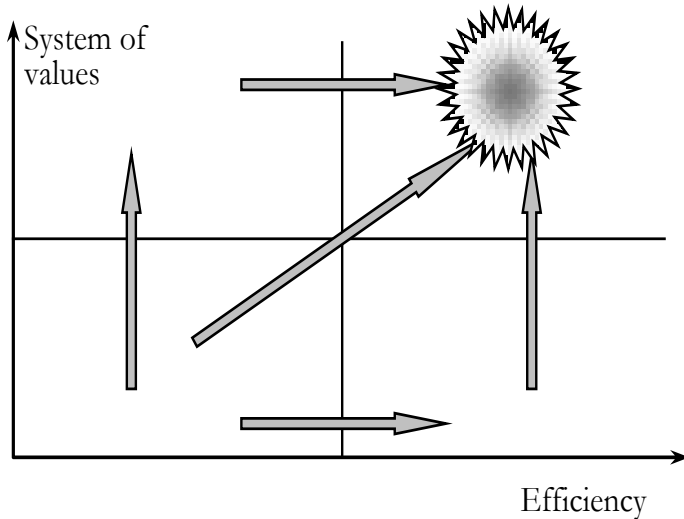
Quality Management System (QMS) was at first introduced in JSC "Farmak" in 2000 and since then constantly evolving. QMS was described in guidance on quality, which is the guiding document of quality system as Enterprise Standard (ES), standard operating procedures (SOPs) and other internal documents of the company. QMS covers business processes, involving all operational and support units. Functions of JSC "Farmak" today – are integrated QMS, which include the following subsystems:

- Quality Management System according to ISO 9001:2001 and ISO 13485;
- Quality assurance system according to the principles of good manufacturing practice (GMP);
- Environmental management system according to ISO and ISO 14001:2006.

New system of values JSC "Farmak" creates a new philosophy and corporate culture of continuous improvement and development (Fig. 2).

Fig. 2. Directions of corporate culture development at Farmak JSC

Performance management system and compensation system as a mechanism for the formation of a new corporate culture



Clarification of nature of relations between the level of corporate culture and organization ability to implement ideas of TQM, leads to the conclusion about the crucial role of top management in these processes. The standards ISO 9001:2000 and ISO 9004:2000 make emphasis on mandatory consideration of the principles of quality management. Based on these principles, management must demonstrate their leadership and liabilities related to the development and implementation of quality management system and continually improve its functioning. Leaders ensure unity of purpose and direction of the organization. They should create and maintain a domestic atmosphere in the organization in which workers of organization are fully involved in problem solving.

Create QMS – a strategic decision (which includes the definition of business strategy), agreed with all parties and communicated to all of them. Only under conditions of adequate transparency and exchange of information within the organization control of the policy objectives and motivation of employee scan be achieved. Top management of organization should focus on the following positions: motivation, planning, resource allocation, quality control and continuous improvement.

With leadership and real actions of top management necessary conditions will be created, which will promote the full involvement of employees and effi-

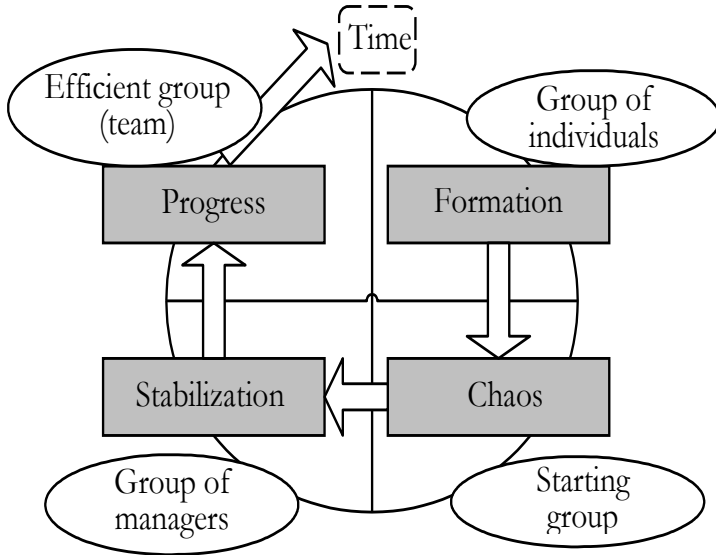
cient operation of the QMS. Principles of quality management can be used by senior management as a basis for its role:

- in developing and maintaining policies and objectives of the organization as for the quality;
- popularizing policy and quality objectives throughout the organization to increase awareness, motivation and involvement of staff;
- to provide guidance on the requirements of customers throughout the organization;
- to ensure the implementation of appropriate processes that allow to meet the requirements of customers and other parties and to achieve goals in the areas of quality;
- to ensure the development, implementation and operational support of effective quality management system to achieve these goals in the areas of quality;
- to provide necessary resources;
- to conduct periodic review of QMS;
- direct decisions in accordance with the policies and objectives in the field of quality;
- decision making as the improvement of the QMS.

Implementation of TQM principles requires some changes of employees' psychology, as who must feel not just executors, but members of a team and be prepared to work together for its success. It can be said that TQM is before all – the people who are willing to constantly look for opportunity to improve both their own activities and the activities of the enterprise as a whole, as well as the leaders who are always ready to listen and offer support tending to improvements. Employees of the company have to give up philosophy: "I've only been working at his job, execute orders, and other things does not interest me" and the leaders of the company – from authoritarian leadership style: "I'm in charge here, and all other things – only obey my orders". This change in psychology cannot be achieved at once, it requires a long and painstaking work of persuasion staff, explaining new approach to them, but it allows the company to succeed.

As a development of a team in the organization, there are several stages: creation, chaos, stabilization, progression, that are shown in Fig. 3.

Fig. 3. Four stages of team development as for quality questions in organizations



In terms of universal philosophy of quality management implementation using different types of commands (managing committees, teams of problem-solving, team to improve daily activities, self-managed teams, virtual teams, project teams), each with its own characteristics.

For efficient work of a team a variety of theories and methods is used, leading for situational theory of human motivation to work.

Means of continuous process improvement in various companies vary depending on the size and complexity of the necessary changes and transformations. Depending on the nature of the problem, it may be set up as a team or groups whose activities are coordinated by the Quality Manager.

Quality Manager is a specialist in the field of universal quality management, which is responsible for coordinating support groups, training the members of universal principles of quality management and provide them with practical support. Its defining feature is to assist in implementation of changes at the company, and follow as a "change agent".

Team of improvement is a group of experts in various fields, formed as a coordinating group or owner of a process for the systematic and organized solution to a particular problem (which is usually not included in the division of competence). Improvement teams are created as temporary working groups that make up the organizational structure of the individual matrix. Typically, these groups are made up of managers, professionals and workers of quality department.

One of the important aspects of teamwork, interpersonal communication is acting as a communication link between the different components of the TQM system. The main purpose of interpersonal communication is understanding. With the effectiveness of joint cooperation and effective volume reaching there you need (interpersonal contacts, without joint activity become almost impossible), the desired (interpersonal contacts that contribute to successful resolution of industrial, educational and other tasks), neutral (interpersonal contacts that do not interfere, but do not contribute to the solution of problems) and unwanted communication (interpersonal contacts that make it difficult to achieve the objectives of the cooperation). These types of interpersonal communication are relevant to the issue of efficiency and inefficiency of interpersonal contacts and their optimality criteria and the process quality control in the whole. Whereas, when the company is in the process of implementation and certification of quality management systems, the important point is understanding and communication between staff of different levels and enterprise management.

Conclusions

In terms of the implementation of universal philosophy of quality management using different types of commands (managing committees, teams of problem-solving, team to improve daily activities, self-managed teams, virtual teams, project teams), each with its own characteristics.

For efficient team work a variety of theories and methods is used, leading for situational theory of human motivation to work.

Means of continuous process improvement in various companies vary depending on the size and complexity of the necessary changes and transformations. Depending on the nature of the problem it may be set up as a team or groups whose activities are coordinated by the Quality Manager. One of the most important aspects of teamwork – interpersonal communication is acting as a communication link between the different components of TQM. Thus, effective interpersonal communication can lead to successful implementation of the company's principles of TQM.

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**MANAGEMENT OF QUALITY AND INNOVATION – THE STRATEGY OF
CHANGES IMPLEMENTATION AT ENTERPRISES*****Abstract***

This article considers the problems of teamwork formation and changes implementation in the process of certification of quality management systems.

Keywords: *organizational culture, organizational change, teamwork.*