



## Why Should Industries Adopt TQM

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TQM requires a new process thinking mindset. We must realize that everything we do is part of a process. Our focus shifts from managing outcomes to managing and improving processes; from what to do to how to do the processes better. Quality performance expands to include how well each part of the process works and the relationship of each part to the process. Also, process improvement focuses on continuously achieving the greatest potential benefit for our customers

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### Introduction

Total quality management (TQM) consists of organization-wide efforts to install and make permanent a climate in which an organization continuously improves its ability to deliver high-quality products and services to customers. While there is no widely agreed-upon approach, TQM efforts typically draw heavily on the previously-developed tools and techniques of quality control.

### QUALITY:-

1. Quality means fitness for use.
2. Quality means productivity, competitive cost, and timely delivery, total customer satisfaction.
3. Quality means conformance to specification and standard.
4. Conformance to requirements.
5. Quality is what the customer says
6. Quality means getting everyone to do what they have agreed to do and to do it right the first time and every time.

### TOTAL QUALITY:-

It means all the people of the organization are committed to product quality by doing right things right, first time, every time by employing organization resource to provide value to customer.

### TOTAL QUALITY MANAGEMENT:-

It is the process designed to focus external/internal customer expectation preventing problems building, commitment to quality in the workforce and promoting to open decision making.

Why should industries adopt TQM?

Adopting the TQM philosophy will:

- Make an organization more competitive
- Establish a new culture which will enable growth and longevity
- Provide a working environment in which everyone can succeed
- Reduce stress, waste and friction
- Build teams, partnerships and co-operation

Principles of TQM:-

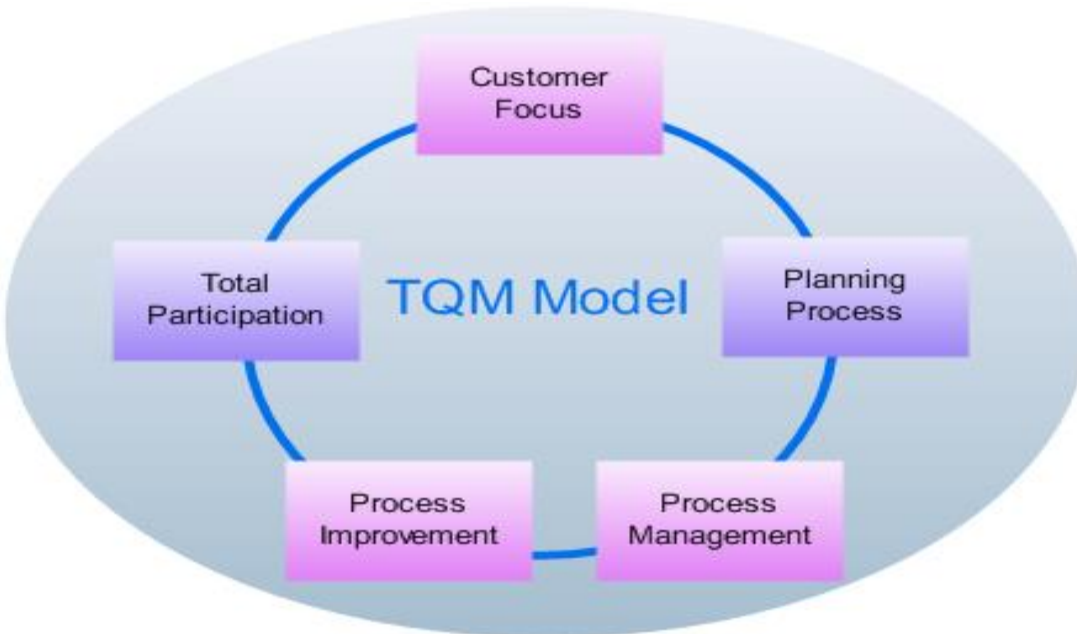
1. Delight the customer
2. Management by fact
3. People based management
4. Continuous improvement
5. Strong leadership
6. Quality system measure& record
7. Team work, Team accountable, correct problem
8. People oriented technology, speed.

FOUR C'S OF TQM:-

1. Commitment
2. Competence
3. Communication
4. Continuous improvement

Total Quality Management Model

TQM requires a new process thinking mindset. We must realize that everything we do is part of a process. Our focus shifts from managing outcomes to managing and improving processes; from what to do to how to do the processes better. Quality performance expands to include how well each part of the process works and the relationship of each part to the process. Also, process improvement focuses on continuously achieving the greatest potential benefit for our customers.



No two organizations have the same TQM implementation. There is no recipe for organization success; however, there are a number of great TQM models that organizations can use. These include the Deming Application Prize, the Malcolm Baldrige Criteria for Performance Excellence, the European Foundation for Quality Management, and the ISO quality management standards. Any organization that wants to improve its performance would be well served by selecting one of these models and conducting a self-assessment.

### Tools of Quality:-

#### Histograms

Variation in a process always exists and generally displays a pattern that can be captured in a histogram. A histogram is a graphical representation of the variation in a set of data. It shows the frequency or number of observation of a particular value or within a specified group.

Histograms provide clues about the characteristics of the population from which a sample is taken. Using a histogram, the shape of the distribution can be seen clearly, and inference can be made about the pulsation. Patterns can be seen that would be difficult to see in an ordinary table of numbers. The check sheet below was designed to probe the visual appeal of a histogram as the data are tallied. It is easy to see how the output of the process varies and what proportion of output falls outside of any specification limits.

### Cause-and-Effect Diagrams

The most useful tool for identifying the causes of problems is a cause-and-effect diagram, also known as a fishbone or Ishikawa diagram, named after the Japanese quality expert who popularized the concept. A cause-and-effect diagram is simply a graphical representation of an outline that presents a chain of causes and effects. A team typically uses a cause-and-effect diagram to identify and isolate causes of a problem. The technique was developed by the late Dr. Kaoru Ishikawa, a noted Japanese quality expert.

Total Quality Management (TQM) An example is shown in figure below. At the end of the horizontal line is the problem to be addressed. Each branch pointing into the main stem represents a possible cause. Branches pointing to the causes are contributors to these causes. The diagram is used to identify the most likely causes of a problem so that further data collection and analysis can be carried out.

### IDENTIFYING CAUSES

Identifying causes is a critical step in the process. It involves the pairing off of causes and effects. Effects are the problems that have already been identified. Say that one such problem has been targeted for solving. A fishbone diagram has six spines and represents the six major groupings of causes:

manpower (personnel). Method, Manpower, Method, Materials, Environment, Machines, Measurement.

#### Sample Cause-and-Effect Diagram

Materials, machines (equipment), measurement, and environment. All causes of work-place problems fall into one of these major groupings. Using the diagram, team members' brainstorm causes under each

grouping. For example, under the machine grouping, a cause might be insufficient maintenance. Under the manpower grouping, a cause might be insufficient training.

### Scatter Diagram

Scatter diagrams illustrate relationships between variables, such as the percentage of an ingredient in an alloy and the hardness of the alloy, or the number of employee errors and overtime worked (Figure 3.12). Typically the variable represents possible causes and an effect obtained from cause and effect diagrams. A general trend of the right indicates that an increase in one variable correspond to an increase in the other. If the trend is down and to the right, an increase in one variable corresponds to a decrease in the other. If no trend can be seen, then it would appear that the variables are not related. Of course, any correspondence does not necessarily imply that a change in one variable causes a change in the other. Both may be the result of something else. However, if there is reason to believe causation, the scatter diagram may provide clues on how to improve the process.

### References:

Wikipedia

### Loans to MFIs by banks / financial institutions

Financing agency	Period	Loans distributed to MFIs during the year		Loans outstanding against MFIS as on 31st march	
		No. of MFIS	Amount Rs. crore	No. of MFIS	Amount Rs. crore
All commercial banks	2008-09	522	3718.93	1762	4977.89
	2009-10	645	8038.61	1407	10095.32
	2010-11	460	7601.02	2153	10646.84
	2011-12	336	4950.98	1684	9810.98

Regional rural banks	2008-09	59	1340	153	31.20
	2009-10	46	2414	103	52.22
	2010-11	9	416	23	42.01
	2011-12	113	1328	128	37.51
Corporative banks	2008-09	NA	NA	NA	NA
	2009-10	0	0	3	0.01
	2010-11	NA	NA	NA	NA
	2011-12	4	161	19	4.75
SIDBI	2008-09	NA	NA	NA	NA
	2009-10	88	2665.75	146	3808.20
	2010-11	2	843.78	139	3041.77
	2011-12	12	239.42	129	1597.11
Total by all agencies	2008-09	581	3732033	1915	5009.9
	2009-10	779	10728.50	1659	13955.75
	2010-11	471	8448.96	2315	13730.62
	2011-12	465	5205.29	1960	11450.35

Bank wise details of MFIs financed are given in statement vii

All commercial banks in the session 2011-12 disburse loans to 336 MFI with enormous amount of 4950.98 crores and in the same years the outstanding loans for the MFI was 1684 in number with amount of 9810.98 crores. In the same session RRB's disbursed loans to 113 MFI's with little amount of 13.28 crores and the outstanding loan was for 120 MFI with 37.15 crore. For total by all agencies in the same session the loan disburse was 465 and amount reached to 5205.29 crore. Number of firms having loan outstanding were 1960 with surprisingly big amount of 11450.35 crore.

## Findings

1. The credit to saving ratios is best in case of Goa with average saving of 386987 and average loan of 3751577.
2. For position of women SHGs the total SHGs is 79.5% with 80 crore rupees as amount.
3. If we analysis the state wise growth Assam is the best developing state.
4. In loans to MFI by banks, the loan disbursed by all agencies was 465 in number and amount reached to 5205.29 crore.
5. So overall progress under SHGs bank linkage for last three years the SHGs savings in 2011-12 had number 79.60 with amount of 6551.41 crore.

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