

MOTIVATIONS AND OBSTACLES OF EUROPEAN TQM MODEL IN ROMANIA

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1. Introduction

Romania is one of the 45 sovereign states of today's Europe. It is a medium-sized Central European country with a medium development index [country area: 237,499 sq.km (91,699 sq.mi); country population: about 22.5 million inhabitants].

Like other former “socialist” countries of region, Romania faces actually two main challenges: the *transition to free market economy and Information Society* as well as the *integration into Western-European and Euro-Atlantic structures*.

2. Former Passive-Repressive Approach of Quality

The former “socialist” rule kept Romania isolated from the Western World for almost half a century (1945-1989).

After 1960, Romanian companies (large, medium and small, all state-owned) were obliged to introduced the so-called “State Quality Control” as expression of ***Passive-Repressive Approach of Quality***. [1]. It involved:

1. *More as 12,000 compulsory State national standards*

2. *Legislation and rules implementing exclusively the State Quality Control* (i.e. compulsory creation and operation of a so-called “*Technical Quality Control*” Department in each company, emphasizing of products *tests* and *inspections* - as receiving inspections, self-inspections, in-process inspections and end inspections - and only seldom of specific Quality Control involving processes; thus, principles, techniques and tools of Quality Assurance and Total Quality Management were ignored till recent the beginning of years '90)

3. Establishment and operation of *central and local governmental agencies* (the so-called “*State General Quality Inspectorate*” or “*Quality Police*”) aimed to over-check products and to punish - especially financially - companies' staffs and employees found “guilty” for not having provided quality products.

It seems this approach originated from USSR (via GOSSTANDARD) and was common for *all* former “socialist” countries (from Europe: Albania, Bulgaria, Czechoslovakia, Eastern Germany, Hungary, Poland, Romania, USSR, and from Asia: China, Mongolia and Vietnam). This approach was based on *Taylor's Scientific Work Organization Principles* and on the *command-and-control approach* existing in USA, as “the result of a history of political and military management, as a basis for business management”. [2]

3. From <Inspection> and <Quality Control> to <Quality Assurance> Approach

Between years 1991-2005, in Romania were founded some hundreds of thousands of new private companies and two thirds of existing state-owned companies were privatized. Consequently, a lot of companies - mostly private but also state-owned - tried to become profitable (and even competitive on foreign markets), by adopting the <Quality Assurance>

Approach (ISO 9000 quality management systems), with or without ISO 9000 certification. That was a *difficult step* aimed to initiate and achieve the transition from <Inspection> to <Quality Control> and to <Quality Assurance> approaches.

In 1989, the State Quality Control was formally suppressed but its heritages are still alive (most important being the following: insufficient managers' commitment for quality, insufficient employees' motivation for quality, resistance to change, etc.).

However, in today Romania, the quality is no longer the "State's problem" since it became the "everyone's business"! In addition, the former bottom-line orientation of companies in quality matters begun to be replaced by *a general concern of all its employees for quality*.

4. From <Quality Assurance> to <Total Quality Management> Approach

In 2000, it was launched in Bucharest, capital of Romania, the "Joseph M. Juran" Romanian Quality Award. Romanians decided thus to pay homage to a worldwide famous American citizen (born in Romania, in 1904) - Dr. Joseph Moses Juran.

This Romanian Quality Award – which criteria are representing *the Romanian Model for Excellence* – is the **highest Romania's recognition of managerial competence at national level**. It is based on the former *EFQM European Model for Excellence*, i.e. on the European Quality Award criteria employed in Europe till 1999, as a model of European Total Quality Management..

There are actually in Romania **over 800,000 companies** - of which **over 5000** are already *ISO 9000 certified* and **15** were awarded the "Joseph M. Juran" Romanian Quality Award - but **none implemented the new European model of Total Quality Management**, as promoted today by EFQM.

Between years 1992-2005, a large **national quality infrastructure** was built in Romania mostly on a private basis. It includes **over 150** accredited *testing laboratories*, **some dozens** of products/ systems/ people *certification bodies* (accredited in Romania or in UE Member States), **some** accredited *inspection bodies*, as well as **over 70** *consultancy/ education and training organizations* for Management Systems.

5. First Romanian Candidate to European Quality Award

In Romania are operating today about *1750 publishing houses* and about *1880 printing houses* (to be compared with only 56 publishing and printing houses before 1989!).

The ABC Company is one of the biggest Romania's publishing and printing house (with 24,6% market share and 13,8 % of sector's employees, in 2005). It was founded in 1832 (being re-established in 1991 as an "autonomous state-owned company") and is located in Bucharest, capital of Romania. It has today about *400 employees* - all high skilled and qualified people - and a new plant (*over 17,000 sq.m.*)

In 1995, in order to better comply with market requirements and trends, the ABC Company has initiated and developed a vast *investment program*, focused on high quality printing technologies. This policy enabled them to considerably improve their infrastructure, to implement more effective know-how, to update their technologies and to employ increasingly competent and motivated people. For ABC Company, the new plant and printing equipments symbolized a new conception of management, production, and quality as important as the advanced technology and new machinery.

Later, company's managers decided policies and strategies oriented toward the continuous increasing of processes' added value in order to meet all stakeholders' requirements.

During the following years, the ABC Company implemented an *integrated quality-environment system* which was certified *ISO 9001:1995* in 1999 and *ISO 14001:1996* in 2001.

In 2001, the ABC Company's dedication to Total Quality was rewarded with the "*Joseph M. Juran*" *Romanian Quality Award*, whose criteria are representing the Romanian Model of Total Quality Management, similar to the European Model of Total Quality Management.

In 2002 this company was awarded the *IQNet Certificate* ("The International Certification Network") for quality and environment.

In 2004 the ABC Company was awarded the *Certificate for Integrated Quality-Environment Management System* issued by SRAC, the biggest Romanian certification body.

Thank to its systematic customer focus and managerial innovation, the ABC Company's turnover, turnover per employee, profit, profitability and other basic financial indicators increased continuously and significantly between years 1998-2005.

6. The implementation of EFQM Model for Excellence

In 2004 ABC Company decided to review its activities within the EFQM Excellence Model framework (www.efqm.org) and established an adequate *self-assessment program*.

The benefits of a TQM Model (Model for Excellence) as a *continuous improvement tool* are the following:

- to identify *improvement opportunities*
- to focus *continuous improvement effort*
- to involve people in *change*
- to develop an *understanding of Excellence*
- to provide a *common vocabulary and set of principles*
- to pull *together existing initiatives*
- to compete for *national and international quality awards*
- to prepare for *external scrutiny* (e.g. RQA – JMJ or EFQM).



Fig. 1 – The European Excellence Model (EFQM)

The EFQM Excellence Model

The EFQM Excellence Model is a non-prescriptive framework for **self assessment**. Using this tool, an organisation can assess whether it is doing *the right things* and getting *the right results*. The ensuing assessment of an organisation's performance is measured both by results and by the quality of the processes and systems developed to achieve them.

In its most sophisticated form the model is used to **assess an organisation for quality awards** - including the European Quality Award. The assessment looks at the *whole* organisation (or the *whole* of a part of the organisation) using nine criteria.

The model provides a **balance and a relationship** between *approach* (the way in which results are achieved) and **results** (what is achieved) - a balance between *cause and effect*. The criteria which deal with cause are known as *enablers*. Those which deal with effect are known as *results*. In scoring the organisation both have equal weighting (50%). The model has **9 criteria**. Each of the nine criteria has a definition and a weight. Each of the 9 criteria is supported by **sub-criteria**. The sub-criteria are a series of statements about each criterion which should be considered in the course of assessment.

Recognition scheme at EFQM - EFQM Levels of Excellence

Providing the framework for Sustainable Excellence

EFQM runs the Levels of Excellence both to recognise exceptional organisations and to identify role models for others to learn from. This is the true spirit of the EFQM Mission, "to be the driving force for sustainable excellence in organisations in Europe". Recognition schemes celebrate achievement and encourage even greater effort in the future. They are great ways to motivate and encourage systematic improvement. They provide a focus for learning and training. They provide milestones and demonstrate progress to your people, supplier and customers.

EFQM Levels of Excellence

The EFQM Levels of Excellence are actually the following:

- **<Committed to Excellence>** - demonstrates that an organisation has started out and passed the first hurdle of commitment.
- **<Recognised for Excellence>** - indicates a well managed organisation on the way to advanced organisational Excellence.
- **<EFQM Excellence Award level>** - at *Finalist, Prize Winner or Award Winner* itself - designates organisations that aspire to achieve European best or world-class levels.

A two-stage self-assessment procedure was implemented within the ABC Company:

I. Stage – a *functional self-assessment* was carried out by function managers themselves. They reviewed their own approaches and results according to the 9 criteria of the EFQM Model (Fig. 1)

II. Stage – two *company-wide self-assessments* were carried out, each of them leading to a feedback report indicating weak and strong points, and being followed by improvement plans.

The benefits of self-assessment process are the following:

- It is done internally by the organisation's people – it is done *by* staff not *to* them
- It involves staff in *improving their own organisation*
- Its clear purpose is *continuous improvement*
- It is *evidence* based
- It gives a view of the *whole* organisation or the *whole* of a part of the organisation
- It is focused, economic & *efficient*

In 2005 the ABC Company became an Active Member of EFQM and applied for candidature to European Quality Award. It filled and sent the 75 pages application document and it paid the correspondent application fee. After assessment of candidature document, the ABC company was assessed two times during the 2005 summer, by 6 EFQM assessors (firstly during a *3-days pre-Site Visit* and finally during a *5 days Site Visit*).

Usually, the EFQM Site Visit process is designed to validate deployment of improvement actions derived from self-assessment against the 9 criteria of the EFQM Excellence Model. During the site visit, the EFQM Assessors (Validators) positively searched for *evidence to assess*

deployment of the improvement actions; the candidate had opportunities to demonstrate it has met the minimum profile.

Finally, the decision of EFQM assessors was - unfortunately - **not to recognize the excellence of ABC Company** (as “Recognised Organization”, “Recognised for Excellence” or “Committed for Excellence”); their Feedback Report *detailed and explained this decision, inviting the ABC Company to improve further its processes and to candidate again in 2006.*

7. Most Important Lessons Learned from the EFQM Feedback Report

1. Thorough benchmark is indispensable within each self-assessment process.
2. Critical success factors (like customer satisfaction, people satisfaction, product/service quality, market share, competitive costs, etc.) have to be reviewed at least annually.
3. The use of advanced technology and state-of-the-art equipment alone is not enough for progress. They need the establishment of each “process owner” as well as an effective management of all involved resources (especially human ones).
4. The integration of incremental and breakthrough process improvement are essential for effective increasing of indicators like effectiveness, efficiency and responsiveness combined with a reduction in cycle times.
5. Providers should be constantly working on improvement projects in matters of quality, productivity, cost and delivery.; they should place value on their employees’ ideas
6. Effective and efficient top-down and bottom-up communication is a must of TQM.
7. The heart of continuous involvement is the involvement of each employee in group-oriented activities (like solution teams, 5S, Kaizen Circles, TPM Groups, etc.)
8. Appropriate systems are needed in order to prevent the recurrence of errors. These systems have to be conceived/ implemented by employees and enforced by managers.
9. Managers and employees have to reconsider their attitudes towards life and work as well as their behaviors, asking for more cooperation, coordination, communication, creativity and efficiency.
10. Systematic contributions to Society and surveys of Society’s perception as well as outside promotion of Total Quality are characterizing every excellent company.

8. Motivations of European TQM Model in Romania

-tool and benchmarking for *continuous improvement*

-common understanding of *Excellence concepts, principles, methods and techniques*

9. Obstacles of European TQM Model in Romania

-old inherited counter-productive *mentalities, attitudes and behaviors*

-competition of *European/ international “ghost” quality awards* (i.e.: “Diamond Star for Quality”, etc.) awarded without assessments and of *other “Excellence Awards:”* in Romania

-*high costs* of application and site visits

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