

STRUCTURAL AND BEHAVIORAL CHANGES IN ROMANIAN QUALITY MANAGEMENT

UDC:

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Abstract

The former socialist-communist rule kept Romania isolated from the Western World for almost half a century (1945-1989). All about 7000 Romanian state-owned companies which were operational in 1989 were obliged by decree to organize a "CTC (Technical Quality Control) Department" in order to inspect/ control the quality of their products. This practice - known as "State Quality Control", imported from the former USSR - was based on the principles and structures (including a central State Quality Police) characterizing the so-called "passive-repressive approach" to Quality.

Today Romania (a NATO and EU State Member since 1st of January 2007) has over 800.000 companies – mostly private – which are striving to compete within the Global Market, by implementing efficient quality approaches like "Quality Assurance" and "Total Quality Management".

This paper describes the most important challenges, issues and outcomes of this very important transition.

Key words : quality management, quality policy, quality strategy, legislation, structures, Romania

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 21,6 million inhabitants].

Like for other former "socialist" countries, the transition of Romania to the functional free market economy included and still includes the transition of companies and of other organizations from State "Quality Control" towards the much more efficient "Quality Assurance" and "Total Quality Management" approaches.

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* [4]. It involved:

1. Over 12,000 mandatory State national standards (called "State Standards" - STAS)

2. *Legislation and rules implementing exclusively the „State Quality Control”*

According to the former legislation, all Romanian industrial companies were State owned and compelled to adopt, since their founding, the microeconomic "Quality Control" (QC) approach (frequently understood and achieved, thanks mostly to the lack of resources, as only "Inspection" approach) – which is still in force in some of today companies.

The "Quality Assurance" (QA) approach was implemented before 1989 only in few companies, operating mainly in the nuclear, aeronautics, electronics and defence sectors.

The "Total Quality Management" (TQM) approach principles and practices were, until recent years, practically ignored in Romania.

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

These three above mentioned features characterized the so-called "passive-repressive approach of quality", a former *State quality policy* that was specific to Romania and to other centrally planned economies from Europe and Asia, during some decades (1960 – 1990).

Many Romanian quality professionals now agree that this approach came in Romania and in other ex-"socialist" countries from USSR (via GOSSTANDARD) that, in turn, imported it - after the Second World War - from USA. (*The US approach has historically been command-and-control oriented.*

This might be the result of a history of political and military management as a basis for business management." [4].

This situation was reflected in a negative way as well in the educational system as in creating a solid quality culture, especially regarding prevention versus detection/ correction attitudes and behaviours.

In December 1989, this Romanian authoritarian approach was abandoned and the "Quality Police" dismantled. But their counterproductive heritages – especially mentalities, attitudes, behaviours, etc. – still remained

3. NEW ROMANIAN LEGISLATION AND STRUCTURES

After 1990, like other Central and Eastern European countries, Romania was facing the great challenge of rapidly implementing and adjusting its accreditation and certification systems according to the *EU Quality System* as well as implementing quality standards and quality systems in its private and state owned companies. In order to cope with these objectives, between years 1990-2001, new legislation was adopted and new infrastructures were funded in the fields of standardization, certification, accreditation, metrology and consumer protection.

A transitional governmental agency – *the National Commission for Standardization, Metrology and Quality (CNSMC)*, employing over 3000 people within six organizations and managed by a Minister State Secretary – was established in February 1990, in order to identify and develop necessary legislative and institutional changes, compatible with democracy, free market economy and EEC policies [4]. During its only two-years activity, CNSMC elaborated over 20 draft Laws and Government Decisions on standardization, metrology, certification, accreditation and consumers protection (a new concern in all emerging European democracies intending to become "capitalist countries" with "consumer societies"). These drafts attempted to start the harmonization of Romania's legislation, standards, structures and procedures with those of European Community states.

In 1991, CNSMC proposed to Romanian Government a *national quality policy* (proposal published in the Romanian Government Bulletin, no. 30/1991). As "answer", in August 1992, the Romanian Government dismantled CNSMC (by Governmental Ordinance¹ GO 18/92) and promulgated three basic GOs: on *standardization* (GO 19/1992), on *metrology* (GO 20/1992) and on *consumers' protection* (GO

21/1992), as well as the Governmental Decision² - GD 167/1992 on *national quality certification system*. All GO were put in force immediately, but their approval by the Romanian Parliament came only two years later (by Law³ - L11/1994). According to these new regulations, *most of national Romanian Standards SR (former STAS) became voluntary, the fundamental universal rights of consumers were officially recognized/ granted, a new government agency - the Office for Consumers Protection (the forerunner of today ANPC) and its network - was founded and over 100 non-governmental associations for consumers protection were created within most important cities.*

Thus, the Romanian Government decided in 1992 to transfer gradually most of its former quality responsibilities and to involve itself in only few quality matters, especially in *standardization and certification* (through IRS - the Romanian Standardization Institute, a former governmental agency), *metrology* (through BRML – the Romanian Office for Legal Metrology) and *consumers' protection* (through OPC – the Consumers' Protection Office). The Research and Technology Ministry (MCT) established however a quality structure dedicated mainly to the management of quality programs/ projects funded by EU (PHARE).

In 1991, the Ministry of Public Works (MLP) has subordinated the State Inspectorate for Constructions' Quality - a governmental agency that was also included, between years 1989-1991, within CNSMC. No other quality structures were initially established within other governmental agencies (including Ministry of Industry, Ministry of Transports and Tourism, Ministry of Telecommunications, Ministry of Education, Ministry of Health, Ministry of Agriculture, etc.) but some structures dedicated to consumers' protection were created within these agencies.

In addition, over hundred of **quality non-governmental bodies** were created, between years 1990-2007, in order to deal with certification, accreditation, education & training and consultancy in Quality Management matters.

Meanwhile, some dozens of **regulatory measures** were promulgated in the areas of quality assurance/ certification and of consumers' protection; the most important were the following:

-L 10/1995 - on constructions' quality (and its related GD 272/94, 392/294, 393/94)

-GD 629/1996 - on products quality assurance and their certification

-GD 908/1996 - establishing CIIC – the Inter-ministerial Council for Quality (managed by MCT) in order to assess/ propose quality legislation and to

¹ GO = Governmental Ordinance

² GD = Government Decision

³ L = Law

check the National Program on Products and Services Quality.

-GD 1073/1996 - on quality assessment, certification and surveillance for providers of national defence system, establishing some dedicated military bodies entitled OMCAS – the Military Body for Certification, Accreditation and Surveillance and CCASs – the Commissions for Certification, Accreditation and Surveillance.

-GO 38/1998 - on the accreditation activity - and GO 39/1998 - on the standardization activity - deciding the long time claimed separation of regulation, standardization, certification and accreditation functions (introduced by GD 167/1992). The former governmental IRS - Romanian Institute for Standardisation was replaced by a non-governmental organization, the ASRO – Standardization Association of Romania (www.asro.ro). The RENAR - Romanian Association for Accreditation (www.renar.ro) started to work and was recognized at national and European levels

-GD 166/2001 - establishing ANPC - the National Authority for Consumers' Protection (www.anpc.ro), as successor of OPC – the Consumers' Protection Office, created in 1992

-GD 681/2001 - establishing CISPPSPC - the Inter-ministerial Committee for Products and Services Market Surveillance and Consumer Protection (managed by ANPC)

-L 37/2002 – approving GO 58/2000 which amended substantially GO 21/1992 (on consumers' protection) and establishing principles of liability for defective products, according to European Directives.

Thus, between years 1992-2007, a large **national quality infrastructure** was built in Romania mostly on a private basis. It includes today **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 80** *consultancy/ education and training organizations* for Management Systems.

The actual **Romanian quality infrastructure** is currently employed *in order to generate customers' trust in products/ services and their providers* - mostly through third party certifications and through accreditations.

4. FROM „INSPECTION” AND „QUALITY CONTROL” APPROACHES TO „QUALITY ASSURANCE” APPROACH

Between years 1991-2007, in Romania were founded some hundreds of thousands of new private companies (mostly as small and medium sized ones)

and two thirds of existing State-owned companies (mostly large ones) 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, further, to „Quality Assurance” approaches.

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

The ISO 9000 family of standards represents an international consensus on good management practices with the aim of ensuring that the organization can time and time again deliver the product or services that meet the customer's quality requirements and applicable regulatory requirements, while aiming to enhance customer satisfaction, and achieve continual improvement of its performance in pursuit of these objectives. These good practices have been distilled into a set of standardized requirements for a quality management system, regardless of what your organization does, its size, or whether it's in the private, or public sector.

Here are, for example, some of today's Romanian myths on *ISO 9000 standards*:

- ISO 9000 is a “product standard”
- ISO 9000 is an “authorization”
- ISO 9000 certification is compulsory
- ISO 9000 is a very expensive, time consuming, paper-based and useless approach
- ISO 9000 is to be implemented mainly within big industrial companies; therefore, it is not adequate for higher education organizations
- There are no customers in higher education; therefore, it is nonsense to speak about “customers' requirements”, “fulfillment of customers' requirements” and “customers' satisfaction” within higher education

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*.

Organizations providing public services, public/ private education, public/ private health care did implement and certify a Quality Management System in order to generate the confidence of their customers and managers (Fig.1) .

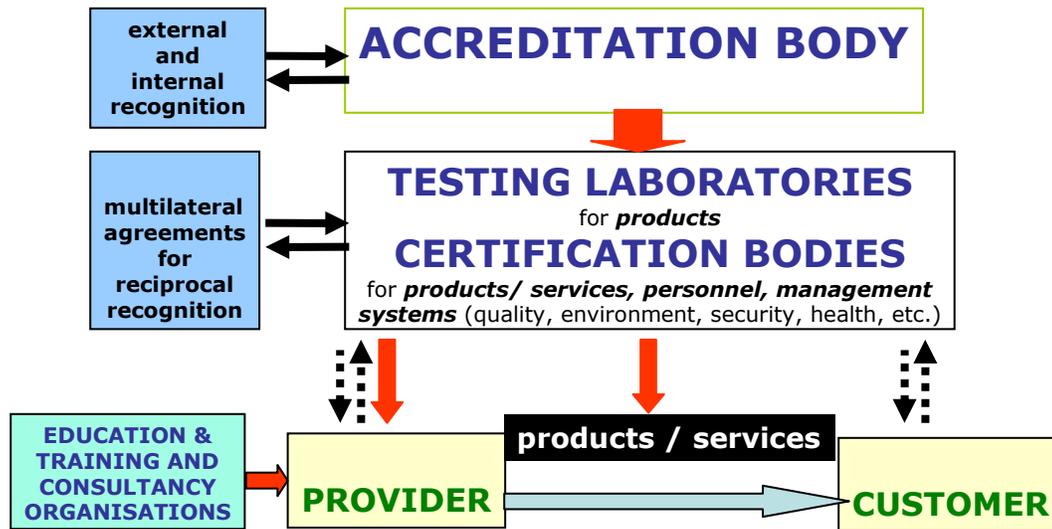


Fig.1 - Confidence generation through certification and accreditation

5. FROM „QUALITY ASSURANCE” APPROACH TO „TOTAL QUALITY MANAGEMENT” APPROACH

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

In February 2001, the *first Romanian awarded companies* were presented (by the President of Romania). Before this event, Dr. Juran sent to the award winners the following message:

“I have been informed by Dr. Dragulanescu that in November of this year there will be announced the first winners of the J. M. Juran Romanian Quality Award. In my view this is an important forward step for the Romanian economy.

In this connection it is noteworthy that Japan, a country once ridiculed for the poor quality of its exports, has become an economic superpower chiefly because it attained world leadership in quality of products. One of the actions it took to attain that leadership was the creation of a national award for high quality.

Many other nations have since created such awards. Their experience has demonstrated that the existence of a national quality award, plus publication of the criteria used to judge the merits of applications for the award, tend to stimulate companies to improve their own quality. Moreover, when one company in a specific industry receives such an award it stimulates

other companies in that same industry to bring their quality up to the level of the award winner.

So it gives me much pleasure to congratulate this year’s award winners and to extend to all Romanian institutions my best wishes for continued progress in improving quality, year after year.”

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 11.000 companies** were certified *ISO 9001* (till 2010⁴) and **16 companies** were awarded the “Joseph M. Juran” Romanian Quality Award - but **none succeeded to implement the new European model of Total Quality Management**, as promoted today by EFQM.

⁴ According to the publication “ISO Survey 2008” [7], the number of ISO 9001 certificates issued for Romanian organizations raised continuously during the years 2000, as it follows: 5183 (in 2004), 6097 (in 2005), 9426 (in 2006), 9633 (in 2007), **10.737** (in 2008).

In 2008, Romania was ranked by ISO as the *10th country in the world* for the ISO 14.001:2004 certification (with 3884 certificates issued for Romanian organizations) and the *6th country in the world* for the ISO 22.000:2005 certification (with 347 certificates issued for Romanian organisations).

6. IMPLEMENTATION IN ROMANIA OF THE EUROPEAN OLD/ NEW AND GLOBAL APPROACHES DIRECTIVES

The first step on the road to membership of the European Union for Romania was the adoption of *the Acquis communautaire*, the complex of legislation, procedures and practices that form the basis for the alignment of national regulations in all fields of European Union policies [6]. For the correct functioning of the internal market it is necessary - among other things - that no distortions occur, caused by differences in the technical regulations for products. Technical regulations have always been a prime object for the harmonization within the framework of the Treaty of Rome.

EU member states have harmonized their technical regulations to a large extent. Originally this was achieved by making product specific directives that describe in detail the technical specifications that the products had to comply with. This approach, now known as the **"Old Approach"**, was rather successful in a limited number of fields, such as automotive industry, chemicals, pharmaceuticals, foodstuffs and metrology. However, in the other fields progress was slow and not very successful. A different approach to technical regulations was developed in the middle of the eighties, which is not product specific and therefore less detailed.

The **"New Approach"** concentrates only on *essential health, safety and environmental requirements* of broad classes of products, such as machinery, medical products, construction materials, lifts, non-automatic weighing instruments, etc.

Full implementation of the European "New Approach" directives was part of the Romania's accession process in the area of the free movement of goods. The full implementation of the directives goes beyond transposition of texts since they are dependent for their implementation upon a functioning conformity **assessment infrastructure**. That infrastructure is made up of a certain number of functions, such *legislation, manufacturing, Notified Bodies, testing, inspection, certification, market surveillance, standardization, accreditation and metrology* that are fulfilled by different organizations of Romania, e.g. ministries, local producers, testing laboratories, certification bodies, the national organization for standardization, accreditation, metrology and other. Strengthening the performance of the different players in their new roles, as well as organizing them for their new roles is an essential element in the implementation of the European New Approach.

The implementation of conformity assessment procedures for certain categories of products is already of some importance in the period before full membership of the European Union. Once Romania has aligned its legislation in some sectors of the New Approach, it became possible to sign a trade facilitation agreement with the EU, known as the **Protocol for European Conformity Assessment (PECA)**. This agreement allows for mutual recognition of conformity assessment of industrial products in aligned sectors and provides for mutual acceptance of industrial products that are legally placed on their market (i.e. EU internal market and the Romania market). In effect, it would already create a limited "Single Market" and by eliminating legal uncertainties concerning exports would make it easier for producers to place products on the much larger European internal market, if they are able to compete with EU manufacturers.

On an aggregate level, the Romanian manufacturing industry should benefit from the harmonised standards introduced through the Acquis Communautaire. The take-over of the Acquis means *easing the access to EU markets as it reduces significantly technical barriers. It abolishes the need for multiple certifications in different EU markets and it improves transparency and reliability in the areas of product quality from which exports should benefit as well as domestic consumers. Romanian products are now only the subject to one conformity assessment procedure through MRA (Mutual Recognition Agreements)*. This is, in many cases, reducing production costs considerably. The take-over of the Acquis Communautaire is likely to play a significant role in the upgrading of technical processes and product quality by the Romanian economic operators. Hence it will make an important contribution towards achieving the longer-term developmental goal of the Romanian producers: **productivity and product quality convergence**.

Regarding the creation of the legal basis for a system of conformity assessment quite a number of activities have been undertaken.

A **Law on the product conformity assessment (Law 608/ 8 November 2001)** has been approved. It offers the general framework for a whole set of technical regulations based on the European "New Approach" directives which were developed by the different ministries. The Ministry of Industry and Trade is now the competent authority to coordinate *the quality infrastructure and the product conformity assessment policy*.

The Government Decision 71/2002, which transposes the Council Decision 93/405EEC, approved its implementation Methodological Norms. They deal with the **"Global Approach"** modules for various

phases of the product conformity assessment procedures, Notified Bodies, notification, rules for affixing and use of CS conformity marking, some basic principles of market surveillance and a set of sanctions. Two other indispensable parts of the foundation of the "New Approach", the transpositions of *the Product Liability Directive* and *the General Product Safety Directive* have also been dealt with. Both Directives have been transposed into **Law 37/2002**, approving a Government Ordinance that amended another Government Ordinance on Consumer Protection (21/1992).

Of 154 (European) Directives of the Acquis Communautaire, Romania adopted 9 Directives in 2000, 55 Directives in 2001, about 70 Directives were adopted in 2002; other 20 Directives were adopted in 2003. Their involved European Standards (EN) were also adopted before 2007, as Romanian Standards (SR – Standard Roman) by Romanian Association for Standardisation (www.asro.ro).

During years 2000, all 154 European Directives were implemented in Romania, by establishing appropriate structures and responsibilities.

Some punctual resistances to change – generated in some organisations mainly by "inherited" counter-productive mentalities, attitudes and behaviours – have still to be identified and limited, mainly by local appropriate information and education initiatives.

In 2010, a copy of all documents containing the Romanian translation of the Acquis Communautaire (over 100.000 pages) was offered to the government of Republic of Moldavia, in order to help the authorities of this country to better and quicker understand the changes needed before to start an eventual process of adhesion to European Union.

7. CONCLUSION

Today Romania - a NATO and EU State Member since 1st of January 2007 - has over 800.000 companies (mostly private) which are striving to compete within the Global Market, by implementing more and more efficient Quality Management approaches like "Quality Assurance" and "Total Quality Management" as well as confidence generating schemes like certification and accreditation..

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