

BUILDING A CULTURE OF QUALITY

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THE IMPORTANCE OF quality in the global automotive industry has been moving to the next level in recent times. It's a level where the reliability and durability of the vehicle and, therefore, the components, need to be at an unprecedented high.

In the early years of manufacturing in India and elsewhere, the focus was on product quality. From there with the advent of new knowledge from experts like Juran and Deming, the Japanese industry shifted its focus to process quality. The philosophy was that a good process automatically produces good products.

Consumer expectation and supplier competition in the industry has in recent years changed the focus to reliability including concepts like traceability. Data analysis is used not only to improve this but also attempt predictability on the shopfloor. From inspecting finished goods for quality in the 1960s, we have now come to an age of predicting possible quality problems by monitoring the process and analysing the data continuously as we manufacture.

While tools and technologies have changed over time, the most important foundation for quality in an organisation is the culture. To create and sustain the quality culture the following guidelines are imperative.

Top management focus

The importance given by top management by their policy management, goal setting, review and other management tools sets the agenda for the behaviour of everyone – from the shopfloor operator to senior management in the company. This is not only a challenge for leaders, but is also their responsibility. Leaders can motivate people to imbibe and embrace a quality culture. Quality has to be institutionalised in the business process and equally ingrained in the minds of the operating and management team. They need to establish processes to clearly communicate company policy and objectives across the organisation and ensure such policies cascade down to each and every job holder in the organisation. This will enable strong companywide alignment towards vision, goals, strategies and strategic initiatives.

In addition, design leading and lagging quality metrics – forward-looking, predictive metrics – can foretell quality outcomes and pre-empt challenges by allowing for course correction.

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Customer-centricity

Unless the customer is placed as the most important part of an organisational journey, quality will never become the core. Delighting the customer by exceeding expectations is what differentiates the top performers in our industry from others. Other elements like pricing, delivery, response and building a good relationship will all add value only when the basic quality of our product is best in class.

Standard Operating Procedures

Standard operating procedures (SOPs) are basic requirements and extremely critical in reducing variability on the shopfloor. In fact, even in the support services like finance or procurement, the same is true. A company with a quality culture looks at SOPs as the only way to work and continuously improve, and not just as a compliance for audit by external agencies.

If the desired results are not achieved, the company must look at the SOPs and revise them in a manner that the desired results can be obtained. SOPs are the stepping stones for further continuous improvements. It is important to re-examine the SOPs periodically to achieve the improvements. A history of amendments made, indicating what, why, how and when they were made, and making the SOPs dynamic, will completely change the thinking across the company and result in reinventing the business strategies in the future.

Plan-Do-Check-Act (PDCA) rotation

Despite all the planning and selection of equipment and training of people, among other exercises, mistakes will happen once in a while. Therefore, for continuous improvement, rotation of 'Plan-Do-Check-Act' or PDCA is very vital.

A true PDCA will not only identify the root cause of the problem but will also help in implementing either a one-off or systemic correction to solve the problem. With an established PDCA rotation process, a problem is allowed to occur once but never again, which means that the recurrence-prevention processes remain very strong. This philosophy will help to unearth and build the transparency in problem escalation through the PDCA process and practice the same in spirit. This will, importantly, bring about a culture of transparency where the problems are transformed in perception as opportunities to improve upon.

Training

Building the relevant capabilities is a crucial enabler. Training will play an important role in bringing employees up to speed. The training should address both white collar and non-white collar staffers. In addition, there has to be specific emphasis of formal training for managerial staff, where large skill gaps will become a real challenge. According to the World Bank, only 43 percent of non-production workers in India's automotive sector are formally trained, compared to nearly 70 percent in China.

Some cultural aspects like transparency and openness are very important as people behave as per expectations, which are embedded over a period of time. Perseverance is also another aspect, which needs to be cultivated by a system of proper target setting and a reward-and-recognition system in the organisation.

Business excellence cannot be achieved only by equipment, tools and techniques. Culture cannot happen overnight – it has to be cultivated over many years of focus, hard work and purposeful management. ■