



# QUALITY

*Striving for Excellence*

**National Centre For Quality Management**

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## President's Page

### QUALITY FINAL



S. P. Thapliyal

*Quality is best defined as fitness for use. In recent decades the quality moment has been buffeted by a never ending process of new technology with promises of near miracles. There has been successes and there has been failures also, therefore an effective assessment of quality on a regular basis and thereafter analysis of the defects become a necessity. The craftsmanship to create quality product takes expression with the help of committed and inspired employees where leadership is the vital role to steer the organization on a right track by walking the talk and demonstrating courage, conviction, commitment, consistency, confidence and character.*

*Experts have predicted that 2020 will be the learning decade and only those organizations that have the foresight to invest in shaping the skills and leanings will lead. To meet these requirements methods like continuous improvement, concurrent engineering, business process engineering, TQM, enterprise engineering and Six Sigma are used by an organization to improve quality. Various modern techniques are applied correctly to all aspects - customer satisfaction, fewer defects/errors, cycle time, task time/productivity and total cost must all improve or, if one of these aspects does not improve, it must at least stay stable and not decline.*

*NCQM has a number of such programs which address the culture change and organizational excellence through quality governance to meet the changing needs of the market.*

*A deep heartfelt thanks to all the readers, contributors and members of NCQM who have supported the quality professionals to make a difference.*

### CONTENTS

Energizing Employees For Improved Performance <i>by Dr. Purshottam Poddar</i>	....2	Integrated Project Management <i>by Mr.R.Gopalkrishnan</i>	....14
Integrated Management System <i>by Dr. Purshottam Poddar</i>	....4	ISO News	....17
CIP-KAIZEN <i>by Dr. Purshottam Poddar</i>	....7	Role of Training and Development in Effective Implementation of TQM – A Comparative Study <i>Dr. E. Laxminarayan</i>	....19
Developing Level 5 Leadership For Effective Intelligent Supply Chain Management Practices During Volatile Global Market Regimes <i>by Dr. KDKM Sarma</i>	....9	Importance of Design, Strategy and Operational Interactive Approach and Value Delivery for Supply Chain Network in Rural India in the Near Future (2008-10) <i>Dr. Dheera Kakani</i>	....22
		NCQM News	....24

# Energizing Employees For Improved Performance

*Dr. Purshottam Poddar - Senior Faculty NCQM*

## WHY ENERGIZE?

- All Employees want to feel valued and appreciated for their work, their knowledge and their skills.
- A Manager's limited time with his/her employees must be positive and meaningful.
- Managers today must create supportive work environments to foster desired behaviours and outcomes.
- The more “High-Tech” our work environments become, the more “High-Touch” Managers must be with their employees.
- Downsizing, Rightsizing and Reengineering create environments in which employees trust need to be rebuilt.
- **Work environment and the degree** to which it serves to enable or inhibit individuals in getting work done is also important.
- It does not necessarily take much to bring out the best in people – **Simply asking for their opinions, providing them with timely information** that is important to them can be **very effective**.
- **Break the “Utility Mind-Set”** – “If it worked last year or five or ten years ago, then do not fix it”. As a way of sending a message to employees who held on to this **Mind-Set**, a C.E.O had a special rubber stamp made with the image of a **Dinosaur**, which he would put when a letter memo or proposal exhibited this Mind-Set, and returned it to the author.

## BUILDING MORALE

- **Energized employees** are a **vital force** in any successful organisation.
- At the core of an **energized work force is the quality of one-on-one relationships** that individual workers / staff have with their managers.
- Managers need to show **Trust, Respect and Consideration** to them on a daily basis.
- Getting best out of workers is above all a product of the “**Softer**” side of Management.  
**Hard Side - Material, Machine, Equipment**  
**Soft Side - People, Process, Policy**
- **Softer side of Management** – How individuals are **Treated, Inspired and Challenged** to do their best work.
- **Softer side of Management** – The **Support, Resources and Guidance** that is provided by managers to help make good employees performance a reality.

## EMPOWERMENT

- **Giving employees the Responsibility and the Authority** to get things done their way – can unleash tremendous amount of energy. This is specially true in field work and dealing with customers.
- **Employee** want to feel they are **Trusted and Valued Members** of the organisation.
- **Smart Business People** know that it makes sense to **empower** people, even if they make a mistake or two along the way.
- **Examples of Empowerment**
  - Share customer letters and comments with employees.
  - Let employees visit vendor's facilities to learn more about their manufacturing processes to improve incoming product quality.
  - Let employees participate in Plant Tours and Customer Presentations.
  - Let the employees from different areas of

the organization serve together on problem solving, productivity task forces.

### ONE – TO – ONE COMMUNICATION

- **Communication is truly the glue** that holds an organization together.
- **Well informed employees are good and productive. Employees are good and productive because they feel involved.**
- Manager of a Holiday Inn – with an abysmal occupancy rate of **60 percent** – decided to communicate the Hotel's Occupancy Rate to all employees every day. Within 12 months, the rate climbed to **85 percent. Employees literally became helpful & friendly and carried guest's bags.**
- **Employees who are “In the Loop”** are employees who are **energized vital part** of the Organization.

### SOLICITING SUGGESTIONS

- A good way to **involve and energize** employees is through **employee suggestions.**
- Various systems & programmes – such as **total quality management, continuous improvement, or simply the good old suggestion box** - encourage employees to make suggestions that will improve a **company's products and services while reducing costs.**
- **Employees suggestions** not only help the company they also help employees **by improving working conditions, removing the organisational hurdles that come in the way of workers' doing excellent work and giving employees a measure of control over their jobs.**
- However, it is **important that employees' suggestions are taken seriously and those that have merit, are quickly implemented.**
- This sends a message to employees that they are **Valued.**

### TRAINING & DEVELOPMENT

- **Best organizations provide their employees training** to learn new skills, gain new ways of viewing the work, and meet and network with co-workers.
- **Breaking out of their day – to – day activities** is very energizing in itself.
- **When employees get opportunities to learn and better themselves, it electrifies and otherwise stagnant group of individuals.**

### INTERESTING CHALLENGING WORK

- **Let's Face It** – Employees doing the **same tasks** over and over again – **find themselves in a rut.**
- **Remember how you felt** when you first started in your job – **Excitement, Anticipation and Occasional Nervousness** about starting something new.
- We can help our **employees retain or recapture** that feeling by allowing them to take on **new interesting challenges without assigning them to entirely new jobs.**
- **Assign small project / start ups** which require learning new tasks, working under pressure, dealing with new groups of people e.g. **creating a task force of a pressing problem.**
  - **Make small strategic assignments, which emphasize presentation and analysis skills e.g. doing a competitive Analysis ; doing a problem prevention analysis.**
  - **Have your employees take on coaching assignments** that require learning something new e.g. **designing a training course; teaching someone to do something new; doing a study project.**

We all need to have a clear purpose and well – defined goals. We also need to define the boundaries as well as operating principles.

**TEAM ---Together Everyone Achieves More**

# Integrated Management System

*Dr. Purshottam Poddar - Senior Faculty NCQM*

## What is Management?

Coordinated activities to direct and control an organization. (ISO 9000:2005 Definition).

## What is a Management System?

System to establish Policy and Objectives and to achieve those Objectives. (ISO 9000:2005 Definition)

## What is an Integrated Management System?

An integrated management system is a management system that integrates all of an organization's systems and processes in to one complete framework, enabling an organization to work as a single unit with unified objectives.

With an integrated system, your organization becomes a unified whole, with each function aligned behind a single goal: improving the performance of the entire organization. Instead of "silos", you have a genuinely co-ordinated system: one that's greater than the sum of its parts, and can achieve more than ever before. An integrated system provides a clear, holistic picture of all aspects of your organization, how they affect each other, and their associated risks. There is less duplication, and it becomes easier to adopt new systems in future.

An integrated management system allows a management team to create one structure that can help to effectively and efficiently deliver an organization's objectives. From managing employees' needs, to monitoring competitors' activities, from encouraging best practice to minimizing risks and maximizing resources, an integrated approach can help an organization achieve their objectives.

## What is IMS?

- ISO 9001:2008 QMS: Prevent Non-Conforming Products
- ISO 14001:2004 EMS: Prevent Pollution
- OHSAS 18001:2007 OHSMS: Prevent Incidents Accidents – likely / Potential Hazards

## So what is an integrated Management System (IMS)??

A management system that integrates two or more these elements!

The system operated as a unified system delivers in all areas of operations

i.e. Customer satisfaction, Prevention of pollution, Risk management, Continual improvement

## Other Popular Standards (which can be considered for integration) are:

- ISO 22000:2005 Food Safety Management System - FSMS
- ISO 27001:2005 Information Security Management System - ISMS
- ISO/TS 16949 - ISO 9001:2000 for Automotive Production
- SA 8000:2001 Social Accountability

## Why should management systems be integrated?

- ❖ Reduce duplication and therefore costs Major reason
- ❖ Improve Quality, Environmental Performance & reduce risks and increase profitability
- ❖ Balance QMS, EMS and OHSMS Objectives
- ❖ Eliminate conflicting responsibilities and relationships
- ❖ Turn the focus onto business goals
- ❖ Formalize informal systems
- ❖ Harmonize and optimize practices
- ❖ Create consistency
- ❖ Improve communication
- ❖ Facilitate training and development
- ❖ Reduced training cost
- ❖ Reduced time for implementation
- ❖ Reduced auditing time
- ❖ Faster implementation
- ❖ Cost reduction in auditing
- ❖ Easy to understand with less documentation compared to normal implementation.

## How can systems be integrated?

Several approaches can be taken, depending on an organization's current situations



- Conversion from existing system
- Merging systems

**All systems can share common core processes, such as**

- Policy definition and deployment
- Document control
- Resource management
- Internal Audit
- Management review
- Corrective action
- Preventive action

**Important Additions**

- Risk assessment
- Should cover safety risks, environmental impacts and process failure modes.
- Regulations management-
- Should cover regulations on Product, Health, Safety, Environment, Security Plus their analysis and impact

**Deploying IMS - Steps in Integration**

- Think about the overall business objectives: Vision, Mission, Business plan
- Define basis for integrated management system, (example)
- ISO 9001:2000: ISO 14001:2004: OHSAS 18001:2008
- Define policy and objectives
- Think about the “Product Realization Processes”
- “Generic Process Model”
- Build the : “Administrative” part of the system
  - Documentation
  - Roles and responsibilities
  - Legislation
  - Policy deployment
  - Resources needs
  - Communication channels (internal & external)
  - Emergency procedures
  - Monitoring & measurement of system and operational processes
  - Non-conformities
  - Corrective actions preventive actions continual improvements
  - Check for adequacy and effective

implementation

- “Revise” product realization processes
- Review against requirements of relevant standards
- Internal audit (Is the system effectively implemented?)
- Management review (Is the system meeting the business needs?)

**Merging existing Systems**

- Make one IMS Manual incorporating requirements of all the three systems
- Keep QMS Manual as it is and combine EMS and OHSAS manual as EHS Manual

**Administrative and managerial aspects in Integration:**

- Define policy & objectives
- Define roles and responsibilities
- Identify and fulfill resource needs
- Deploy policy and objectives throughout the organization
- Establish a documented system
- Identify & address statutory and regulatory requirements
- Define and control process parameters
- Monitor and measure processes
- Identify, control and correct non-conformities
- Establish corrective actions where necessary
- Identify the need for preventive actions
- Identify opportunities for improvement
- Monitor the entire system by internal audits and management reviews

**Common clauses for IMS**

Following are the common activities:

- QHSE Policy (optional)
- Documentation (optional)
- Control of documents
- Control of records
- Training

Following are the common activities:

- Legal & other requirements
- Resources, Roles, Responsibility & Authority (In OHSAS accountability is added)
- Internal Audit
- Management Review



### Implementation of common clauses:

Following activities can be safely combined:

- Training activities (Common Training Calendar & training records)
- Internal Audit (Combined audit for QMS+EMS+OHSAS)
- Management review Meeting – MRM (One MRM with all required minimum agenda points)
- Instrument Calibration activities

### No extra efforts are required to combine the following:

- Control of documents
- Control of records
- Corrective & Preventive actions & their records
- Calibration of instruments

### Following may be / may not be combined:

- QHSE Policy
- Non Conformity records

### IMS Policy

We can have either

- Separate policy for each of the three management system or
- Combine EMS with OHSAS – called EHS /HSE Policy or
- Have a three-in-one policy called QHSE or QSHE or QEHS or HSEQ Policy

### While documenting followings are common:

- Organization chart – Responsibility & Authority
- Procedures for
  - Control of documents,
  - Control of records,
  - Internal audit,
  - Corrective and preventive action

### Agenda points for common IMS Management Review:

- Status of actions in previous MRM
- Status of Internal Audits & Evaluation of compliance with Legal & other requirements
- Customer complaints & feedback
- Analysis of process performance & product conformity
- Performance on Objectives & Targets
- Communication from internal / external parties
- Review status of corrective / preventive actions
- Recommendations / Opportunities for improvement
- Changes that could affect QMS, EMS, OHSMS

### Some common formats

- (Audit) Non Conformity Report
- Audit Observations
- Corrective & Preventive Action record Format
- Training Feedback & Evaluation
- Internal Audit Schedule
- Minutes of Management Reviews
- Calibration record / history record
- Training

### Difficulties encountered

- Objectives not made measurable
- No action plan to achieve the objectives
- Unclear / Confusion between Correction action, Corrective action and Preventive action
- Corrective actions are not based on root cause analysis
- Some difficulties are management based – some MR based
- Attitudinal Non conformities are very difficult to vacate



Dhananjay Joshi

*I take this opportunity to introduce myself, Dhananjay Joshi, I have recently taken over as Executive Director at NCQM. I have 30 years of experience in Manufacturing / operations in various industries at Senior Management level. I am Lead Assessor for QMS ISO 9001. I will be working to meet objective of spreading Quality in every aspect of Life.*

# CIP-KAIZEN

Dr. Purshottam Poddar - Senior Faculty NCQM

- **KAI-Change ; ZEN – Good (For the better)**
- **KAIZEN – CHANGE FOR THE BETTER OR CONTINUAL IMPROVEMENT**
- CIP – KAIZEN - A technique in which systems/ process currently used are constantly questioned with uncompromising intention for continual improvement
- CIP - Is based on the Japanese “Kaizen” concept; based on the premise “Nothing/ nobody is perfect” There is nothing so good that it cannot be improved further
- WHY? Customer expectations are continually going up ; Increased External Competition ; Global economy and quality requirements are forcing us to reduce costs
- A PRODUCT is as good as the people who make it. Hence **DEVELOP** the people to improve the product
- **CIP-KAIZEN** is based on ; Thinking + Acting ; Ability + Desire ; Everyone's responsibility ; Cannot be bought / delegated.
- **CIP – KAIZEN** is a philosophy ; is a way of life ; an attitude **to improve constantly**
- Means – **no search for guilty ; no justifications ; no complaints ; no reproaches**

made continually. They will add up to large improvement

- Self generated ideas are placed higher than instructions from the top
- Ideas accomplished by listening to others – juniors and ideas of a group better weight age
- As idea implementer is a greater man than the idea generator

## ADVANTAGES

- Desire to make improvements sets-in in employees
- Any improvement is bound to improve productivity
- Process of improvement instead of being directed by management is led by employees – sense of ownership sets in due to involvement & empowerment
- Improvement in attitude of employees
- Small changes can act as mitigators of boredom-monotony-which high technology often increases
- Employees begin to participate which leads to self-development, work for improvement of the organization & neighborhood development

## KAIZEN APPROACH

- Better to look for small changes / improvements on continual basis by many people with little/no investment than QUANTUM changes/improvements which require time & money (ROI) involving only a few.
- To compensate for slow improvements KAIZEN recommends that improvements be

## HOW KAIZEN?

- Anything done that is good, is a KAIZEN. When people in the organization are involved in searching for and for making improvements on a continual basis, that Organization has “KAIZEN”
- “DO IT – DON'T ASK” is the motto. Grant

every individual freedom to make improvements at his/her work place by making changes.

- Management makes a unspoken statement “I TRUST YOU” You know your job better than everybody including your own boss. It may even be wrong to ask your boss, because you are asking someone for a decision who knows less. By asking the boss width may be gained as he has wider perspective and may point out influence of proposed change beyond your work place. But boss may have to ask his boss, who is far removed from the work place. Thus while width may be gained, there is loss of depth.
- To protect against any errors or misuse and any damage due to loss of width, 4 restrictive conditions are introduced:
  1. Every change must be reported to hierarchical superior. After implementation. Kaizanis must submit a written report
  2. Changes should be made without breaking the existing rules, regulations and understandings e.g. freedom under Kaizen does not mean that the Store Keeper can discontinue making gate-passes to save paper.
  3. Improvements should be made with zero investments as far as possible. Yes zero investment improvements are possible, if we change out mind-set.
  4. Complex problems should have simple solutions. When we look for zero investment improvements, we mostly find them in simplifying things. Before seeking to simplify, seek to first 'Eliminate'. If not possible seek to 'Combine'. If that is also not possible, then as a last resort 'Modify'

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# Developing Level 5 Leadership For Effective Intelligent Supply Chain Management Practices During Volatile Global Market Regimes

*Dr. KDKM Sarma- Ph.D.,  
Management Consultant, Bangalore and Hyderabad.*

## ABSTRACT

Indian Business Environment will be more volatile during next decade considering especially global and Indian political and economic factors. Achieving and sustaining Level 5 leadership qualities at top management level will be more effective for good organisations to become great in the above environment. Developing Trustworthy Culture in the organisation with Customer Focused Innovation and effectively implementing Intelligent Supply Chain Management (ISCM) systems ensure accelerated growth of the organisation.

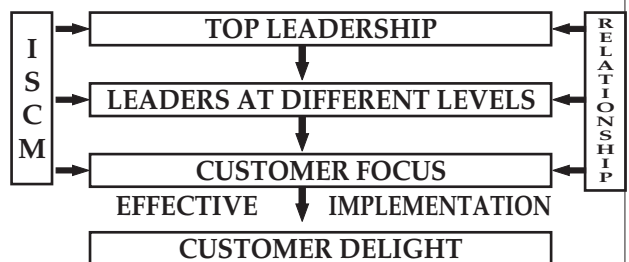
## Introduction

1. Top Leadership is consistently good companies, strive to develop continually and sustain Leadership Qualities at Junior, Middle and Senior Levels of Management. Effective implementation of Supply Chain Management at different stages is a challenge to many organisations, even during relatively stable market regimes. Presently and in the near future, considering various economic, social political and consumer environment parameters volatile global markets prevail in India and many other developed and developing countries most of the days, in a year. So it is therefore imperative to have excellent leadership coupled with effective Intelligent. Supply Chain Management practices so that organisations can brilliantly compete with other competitors, especially during volatile markets. So to successfully tackle various challenges and utilizing opportunities faster than the competing organisations, developing Level 5 leadership at the top level is critical so as to sustain accelerated growth during 2011-2020. Employee enlightenment, relationship between processes and values, creating capabilities to compete with change, consistent effective implementation of core values, code of ethics to achieve vision of an organisation,

developing and improving value system to practice organisational commitment are all the required systems that can be utilized by the top management to sustain accelerated growth.

2. **Core Values and Code of Ethics :** Core values (essential and enduring) and core purpose (fundamental reason for being beyond just making money) are to be instilled as principles to guide decisions and inspire all stake holders associated with the organisation during internal and external processes. It is a continual process so as to develop different levels (Level 1, Level 2, Level 3 and Level 4) of leadership at different stages of the structure of the organisation.

Moral standards achieved by different employees are to be assessed properly during the Engagement and Employment stages of the employees. Employee excellence is the focus to be achieved through periodical effective training performance assessment, rewards and motivation through visionary leadership of top management. It is possible only when the top level achieve and sustain level 5 leadership.



## 3. Level 5 Leadership

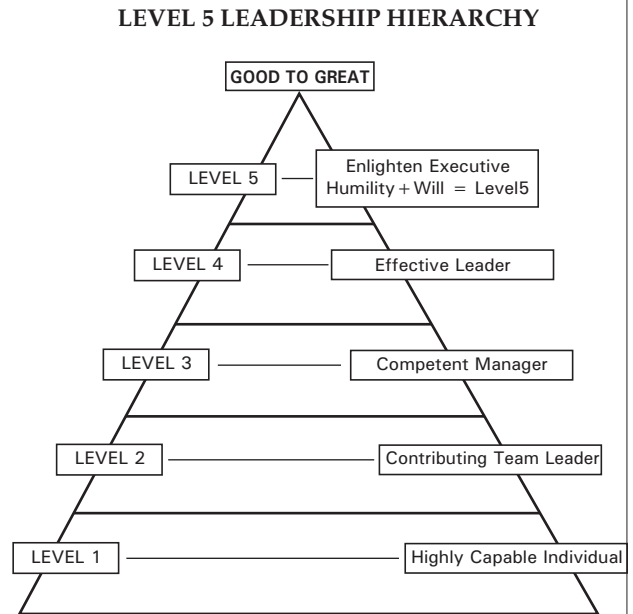
Level 5 refers to the highest level in a hierarchy of executive capabilities fully developed Level 5 leaders embody all five layers of the pyramid. Level 1 through Level 4 are self explanatory.

Level 5 leaders channel their ego needs away from themselves and into the larger goal of building a

great company. It is not that Level 5 leaders have no ego or self-interest. Indeed they are incredibly ambitious. But their ambition is first and foremost for their organisation; not themselves. Level 5 leadership characteristics of professional will and Personal Humility are compared in the table given below :

**LEVEL 5 LEADERSHIP HIERARCHY**  
(After JIM Collins - Good to Great)

LEVEL 5 PROFESSIONAL WILL	LEADERSHIP PERSONAL HUMILITY
Creates Superb Result	Demonstrates a compelling modesty
Clear catalyst in the transition from good to great	Shuns Public Adulteration
Demonstrates an unwavering resolve to do whatever must be done to produce the best long term results no matter how difficult	Never boastful, Acts with quiet, clam determination
Sets the standard building an enduring great company will settle for nothing less.	Relies Principally an inspired standards-Not inspiring charishma to motivate .
Looks out the mirror, not out the window to apportion responsibility for poor results	Channels ambition into the company not the self, sets up successors for even greater success in the next generation.
Never blame other people, external factors or bad luck	Looks out the window, not in the mirror to apportion credit for the success of the company to other people, external factors and good luck.



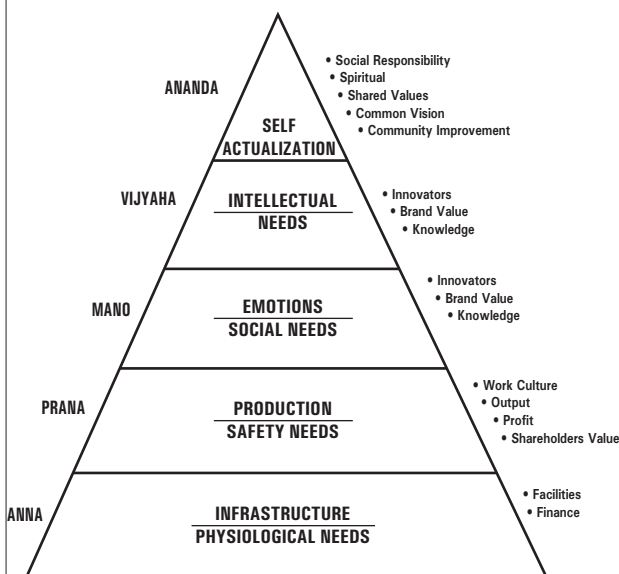
**4. Intelligent Supply Chain Management (ISCM) :** It works on a model of Replenishing to a completed scale with innovative, agile and adaptable stakeholders. Ethics, Code of conduct and culture of an organisation provide great influence on innovative efforts, adaptability and agility<sup>3</sup>. These three parameters define prerequisites for an Intelligent Supply Chain Management (ISCM).

Agility and Adaptability is for sustainability in ever changing volatile market environment and changing customer requirements. It is achieved by preparing the employees and other stakeholders for the medium and long term forecasted changes. For this, required knowledge and skills are to be imparted across stakeholders involving them in each and every stage of the planning for the future and exposing them to the latest global functional technologies and IT environment. Win-Win situations are to be encouraged for all stakeholders, especially employees of the organisation, by creating an environment and setting role model leadership qualities.

The following septs are to practice and achieve for Win-Win Environment :

- 1) Encourage every employee to put conscious efforts to practice open mind through meditation, yoga and organisational ethical practices.
2. Each employee must be open minded to listen to other stakeholders more effectively.

**CORPORATE AS A LIVING ORGANISM**



Remember that other stakeholders in the Supply Chain Network have interesting things to say. Show respect in this way for others and their opinions and learn more from them in the process.

3. Consciously transform each employee utilizing different level leaders into a more positive assertive person by thinking and acting more positively and assertive at all times.
4. Employ the "Sharing Needs" success formula in every professional relations with other stakeholders each day. Practice successful one-on-one relationships.

**5. Relationship between Trust worthy Culture Value System Network and Capabilities of an organisation :** Top Management team should be transparent with Level 5 leadership qualities, effectively practicing and showing "Bench Mark" 4 Philosophy, so that middle level management adopt them with Sincerity and Competitive Enthusiasm.

Failure of Satyam Computers top management during 2005-2009, as far as transparency and ethical practices are concerned, is a good example, how otherwise, competitively well professionally managed organisation brought every bad credentials to Indian Corporate Society. Infosys, ONGC and many other Navratna Public Sector and few other Private Companies are striving to focus on "Bench Mark" philosophy. When this philosophy is coupled with structural latest skills and knowledge imparting efforts to concerned employees on a Continued basis, supported by global research and review results, make good companies become great.

Level 5 leaders in the top level have to develop a positive state of mind consistently to all its employees and other stakeholders. It, systematically, generates a high level of trust between employees and other stakeholders that enhances the value of the organisation in the global market. Generally listening, caring for the problems of the stakeholders, going out of the way to extend help to win their confidence so as to achieve a Win-Win approach, develops a "Culture of Trust worthiness". It is a prerequisite for Intelligence Supply Chain Management (ISCM) to be successful at all times especially during changing and uncertain

local/global market environment strategics.

When employees are encouraged to share the knowledge with other stakeholders, (internal and external), "Organisation Learning" takes place continuously at the work place. It leads to improvements aligned to market / customer requirements. This improved the agility of the organisation's readiness to adopt to changes.

**6. Value System Network :** It is a concept within which an organisation :

- i) Identifies and responds to Customer's needs
- ii) Solves process.
- iii) Procures Input.
- iv) Reacts to Competitions.
- v) Strives for a profit.

Within a value system Network each firm's

- a) Competitive Strategy
- b) Past Choice of markets determines its perceptions of the Economic Value of a New Technology.

These perceptions expect to obtain through pursuit of sustaining and disruptive innovations.

In establishment organisations expected rewards, in their turn drive the allocation of resources towards sustaining innovation and away from disruptive ones. This pattern of resource allocation accounts for established firms consistent leadership (Type 5 Leadership) in the former and their dismal performance in the latter.

When value system is clear it becomes easier to encourage employees to practice organisational Commitment.

**It implies**

- Dependability
- Predictability
- Caring
- A sense of duty
- Character
- Loyalty
- Reliability
- Consistency
- Empathy
- Sincerity
- Integrity

Commitment brings (i) Security, (ii) Growth, (iii) Strong Relationship between individuals in the organisation and the other concerned stakeholders and (iv) Lasting personal and professional relationships.

**7. Team Work :** Every employee needs to work.

Working judiciously, honestly, sincerely and passionately creates a thriving organisation and every one in the organisation will get benefited. The team work in an organisation has been emphasized very rightly. As per Bhagavad Gita (Chapter 4-31 JNANA YOGA) "Those who share the fruits of their Yagna are freed from all sins. But man suffers who is selfish."

**"YAGNA SISTAMRUTHA YANTHI BRAHMA  
SANATHANAM  
NAYAM LOKOSTHYA YAGNASYA KUTHONYAHA  
KURUSATTAHAMA"**

Every employee must work for the team/organisation and direct his/her efforts for the success of the organisation. Those who create to work for their pleasure alone will suffer. Intelligent Supply Chain Management (ISCM) emphasizes on team work and motivates people to work in teams.

To quote

**"We Cannot help ourselves without helping others  
We Cannot enrich our lives without enriching others  
We Cannot prosper without bringing prosperity to others"**

*-Janeete Cole, Spellmon college*

**8. Core Competencies :** Enhancement of Core Competencies depend on

- Technical Innovations
- Human Resource Management
- Long Term Relationship with all Internal and External Stakeholders
- Financial Management
- Marketing Management.

To move towards achieving unequal and comprehensive Total Quality Management (TQM) System, "Malcom Baldrige Criterion for organisational Performance Excellence (USA), International Quality Rating System (IQRS)7 (DNV, Norway) are the best practices of successful organisations in the world. The ultimate aim of these systems is to achieve business performance excellence and establish sustainable competitive advantage through a structured approach.

**9. Why good Companies can fall based on the concept of Value System Network :** Good Companies fail to organisational obstructions due to "Bureaucracy" in organisation structure,

"Complacency (Self Satisfied)" or "Risk-Averse" Culture.

For example, incase of most Product development organisations, sub groups do component level "Innovations". Such systems work very well as long as the products fundamental architecture does not require change. But when architectural technology change is required, this type of structure impedes (obstructs) innovations that require people and groups to communicate and work together in new ways. Thus organisational structure has to be examined when implementation of new technologies are required.

The second important factor is based on different "Technological Capabilities Distinction" that is made between innovations due to

- i) Radical Change
- ii) Incremental Innovations.

The magnitude of the technological change relative to companies capabilities will determine which organisations triumph after a technology invades an industry. It is verified that the established organisations tend to be good at improving what they have long been good at doing. Entrant organisations seem better suited for exploiting radically new technology into one industry from another, where they had developed and practiced it.

The third factor is that organisations do not have interactive approach and value delivery for Supply Chain Network. It is essential to have design, strategy and operational interactive approach for effective value delivery especially for fast developing Countries like India.

**10. Customer Focused Innovation :** Innovation is to create new ideas/approaches so that when implemented benefit the Customer. A "Culture of Innovation" is to be created by the Top Management at middle and junior levels that alternately makes the organisation as a leader in the market. Retaining leadership for the years to come is achieved through practice of encouraging and generating new ideas focusing unspelt out needs of different Categories of customers. Internal innovation has to be stabilized in a structured manner. Then it has to move towards open



innovation through cloud sourcing. Finally it leads to “Customer Driven Innovation”. This structured pattern is through interactive achievable approach and value delivery for Supply Chain Network. Thus Customer Focused Innovation helps the company to retain its market leadership position as top management leadership practices continually Level 5 Leadership.

**11. Capabilities of Organisation for Sustained Accelerated Growth :** Well planned and selected resources, effective implementation of processes, following global standard systems like ISO/Six Sigma etc., Institutionalization of Core Values and Organisational Ethics and Integration of the systems and maintaining value added professional Relationships through Level 5 leadership qualities at the Top Management and effectively implementing Intelligence Supply Chain Management (ISCM) Practices ensure

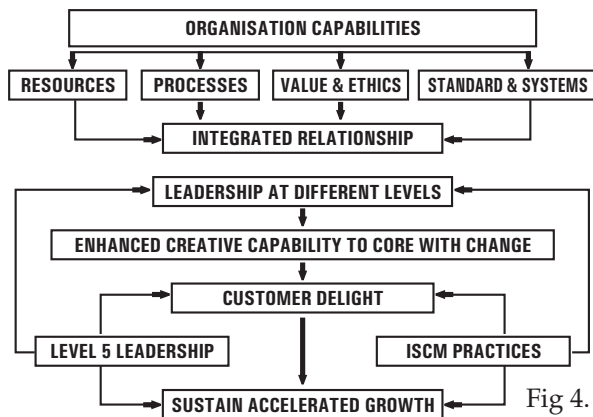


Fig 4.

Sustained Accelerated Growth during volatile markets at local/national/global levels.

**12. Conclusion :** When the global economy is in turbulent Phase, Indian economy relatively showed more stability due to business practices followed by many good organisations in the Private and Public Sectors. However the coming decade (2011-2020) is going to be more volatile and turbulent for Indian Economy as it is seen that many companies are following non-ethical methods to gain in collaboration with political and government official networks / agencies.

There are many opportunities open, as global markets are focusing on more business activities in India and China. The successful Indian Companies

have to face greater challenges to sustain accelerated growth because of leadership issues, the method of technology absorptions followed and practices followed in Supply Chain Networks. Building culture of innovation at national level matching International customer requirements, is possible only, by improving Competencies and Capabilities through effective Intelligent Supply Chain Management practices achieved by developing Top Management Level 5 Leadership qualities and sustaining them in the Global Volatile Market Regimes ensuring strict compliance of code of Ethics, Value System Networks and Customer Focused Innovation.

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Gist of Talk on

## “ INTEGRATED PROJECT MANAGEMENT”

*Mr.R.Gopalkrishnan, Consultant, The World Bank  
at NCOM Learning Centre, Vikhroli, Mumbai,  
on June 2, 2011*



*Mr. R. Gopalkrishnan  
introduced by Mr. R. Nadpurohit*

I n d i a n development in the fifties and sixties started with Mega projects such as steel plants (Rourkela, Bhilai, Durgapur, Bokharo). These were based on socialist models since the sources of technology and funding were guided by countries like USSR/Germany/ Rumania. Inadequacy of local design capabilities and project management skills compelled dependence on external inputs. Since projects were state owned, the entire development and implementation were left to governmental authorities. Significant implementation issues and quality issues resulted in time and cost overruns. The following examples illustrate the same.

- i. Maintainability of facilities. The equipments providers failed to supply standardized equipment and facilities leading to maintenance problems and high inventory of spare parts. Examples include different capacity electric motors for same capacity compressors, different configuration of gears in gear boxes for cranes with same capacity.
- ii. Consultants recommending equipments without relevance to site situation-High priced consultant overlooked the coral soil conditions in south India which led to the failure of the recommended Dredger while commissioning
- iii. The soil investigation report was the basis for the site of a Foundry Forge Complex and when construction commenced, the situation was different. This resulted in concrete pile foundations at the plant. Thousands of piles were driven resulting in the contractor becoming the best Piling expert in the country.
- iv. ENRON Power Project is yet another example with major international issues in technical,

legal, commercial aspects Asia Times (Jan 18, 2001) special reports by Toney Allen outlines very well the issues. The major issues include payment for power in US Dollars, assured post tax return of 16 percent on capital investment and shielding ENRON from Indian jurisdiction as all disputes must be settled under English law in England.

Three things are important for managing projects viz. 1. be within Project Cost, 2. Meeting Time targets and Quality of workmanship and 3. Performance of facilities.

Designers are liable for the design performance and they should take the role as problem solver.

Experience with traditional model has resulted in multiple responsibilities and increased implementation time and cost. Also it has led to inefficiencies in plant operation.

**Integrated Project Management** model with emphasis on Design and Build provides an effective alternative to the above mentioned situation.

Recent experience demonstrates that making a single agency responsible for the project from concept to completion ensures better performance and faster completion of projects.

Design, Build projects need to incorporate-plans for regulatory compliance, Quality control, Risk management, Health and safety and Coordination among various agencies involved. Sound planning is an essential requirement prior to launching a project.

**Plan, Manage, and Monitor:** Three Steps to Effective Design Build Project Delivery.(PMP) Developing this document as a clear, concise and well defined document is prerequisite. Time spent

in making this is “Filling the Toolbox”. Managing is a matter of using the tools. This is where the Design Build project starts producing.

Various aspects are detailed here.

### Planning:

Planning involves-1. Defining Scope-overall definition of Design Build Job. 2.What is provided by the owner, what is not included. 3. Required ancillary support systems/ 4. Specifying Performance objectives and specific design criteria. 5. Defined output limits and characteristics. 6. Deciding space constrains. 7. Determining process variables

Project Planning is the first important stage. Much more care is necessary at this stage. Realistic planning requires more time to ensure timely implementation. More comprehensive the planning, less chances for hold ups and delays.



A very Good example of project Planning and Implementation is the Mobil Nigeria Joint Venture OSO Condensate project with a scope of six Off Shore Platforms, 150 miles of sub-sea pipelines and huge Tank farms with an estimated cost of US \$ One Billion.

The project considered- regulatory requirements, factory act, risk management and simultaneous compliance of financial and physical management plan. It incorporated milestones and time targets. All participants agreed and complied with this. Responsibility matrix among participants was agreed to, completion targets decided with zero date as date of commissioning. Tasks were detailed working backwards. Everyone involved

was aware of the importance of one's role and the need to meet targets. Everybody committed to the plan. Compliance monitoring system was used for controlling time and cost.

This resulted in the completion of the project within the stipulated period of two years. The unique feature was-with many institutions involved the project reached 99.2% physical completion and 97% disbursement.

Planning requires identification of scope of project and identification of critical activities in the project. Performance objectives of end deliverables need to be quantified. At this stage define and identify maintainability requirements to ensure selection of reliable equipments, smooth commissioning and efficient operation of the plant facilities. What, who and where actions will take place must be firmed up.

For a Thermal power with Gas as fuel , one needs to stipulate gas consumption per MW of power generated. This should be complied with and quantum of penalty to be imposed for deviation from this needs to be specified.

Another example of good project is the Expressways in Pakistan and South Africa. They are well built and they have provisions on the roads which can enable a jet plane to land and take off without making U turns.

**Contracting to cover - Type of contract, Critical requirements, Liabilities and indemnification, Risk allocation and reward sharing details for-beyond target date/early completion**

**Contractors--**Having planned the project, next step is to select competent and reliable contractors for execution on basis of capability of a contractor for what one wants to contract.

Shortlist contractors on technical competence before asking for bids. Aspects to be considered are-What is going to be liability and on whom?, Are those capable of handling such liability?, What is the risk of failure?, What penalty will be imposed on them?, Will it solve the problem?

Change in order / sequence is the worst thing that can happen in a project.

One must be very particular in deciding specifications. These should not get changed later in middle of implementation because it will stall their whole project. Plan phase wise requirements of resources judiciously and manage them well, especially finance.

**Training--**Project needs competent-qualified, trained, experienced--people. In many places, vocational training/skill is lacking. Check contractors capability for having requisite skilled manpower. Initiate training for Managers and technicians in time. Use Management and Technical institutes.

For steel plants, initially TISCO provided manpower. Policy makers in Delhi set up NITIE to train Industrial Engineers through a two year PG course. Students received stipend..

**Communications:** One needs to establish clear, emphatic, unambiguous communication channels. What a periodic progress report (weekly, monthly) should contain must be specified. Plan and schedule meetings/ conferences to review and monitor project. Update PERT/CPM and decide crashing of some activities to maintain schedule.

**Others factors--**

What permits are needed from whom must be clear at planning stage. Decide as to how much amount of **mobilisation** of resources-- material, manpower, funds-- is needed. When, how and by whom?

Infrastructure for same should be thought about at this stage. Time taken for **site preparation** should be calculated. Anticipate what environmental aspects will come up. How these will be dealt with?

Decide project mile stones. It becomes easy for **monitoring**. Work out meaningful **cash flow requirement for various phases**. Put **cost control** in place. Keep watch on what is actually happening at ground level.

Prepare **responsibility matrix** for everyone. Best way is to manage project with **Business Integration Model**.

**Implementation Schedule** - Project schedule incorporates -

- Contract negotiations and award of contract
- Procurement to meet timely requirements of various phases
- Acquirement of permits-Statutory and regulatory requirements
- Resource mobilisation
- Site preparation based on Geo-technical investigation.
- Actual construction-Building,equipment installation
- Commissioning and testing
- Start up and completion dates.
- Milestones with target dates to enable effective monitoring
- Using PERT/CPM techniques, identified critical tasks.

**Legal Aspects** - Antucupate any legal issues. Requirements of regulatory and regulatory bodied to be met.

**Financial Aspects** - What are the Sources for funding? Debt finance-planning, Timely payments to contractors. Financial aspect is main focus for both planning and cost control. Overall costs are broken down for various milestones and monitored. Timely information is to be received on progress and completion of tasks. Controlling time and cost of physical activities requires information in time.

**Tools like Microsoft Project are to be used for monitoring project.**

**Project Team** - Organization structure for project is planned under Project Leader. Tasks are assigned to key executives. Responsibility matrix is prepared for project implementation.

**Risk Management** - Assess various types of risks which can cause delays / failure and how risk can be mitigated. What can go wrong? Where? Parties

involved are - suppliers, Contractors, Statutory bodies, Government and Owners.

Timely acquisition of land and permission has delayed many projects with cost overrun. Milan subway flyover has not been completed even after two years.

**Health and Safety** - Visualise site environment and plan for safety and security of resources and personnel. Insist on contractors to observe rules and regulatory requirements. Prevent accidents and hazards.

**Procurement** - To get timely supply of deliverables. Orders are placed with due considerations of lead time and inspection / test time. Quality Assurance has to be in place and implemented with rigour to assure quality of project.

“Evaluation/and or validation- There are many ways to evaluate a project, including detailed cost and schedule variance analysis, days without an incident or lost time accident, surveys of owner or regulatory agencies, percentage of change order work, or other useful tools for evaluation. These should be used as necessary to support the monitoring of the project as required by the plan. Monitoring is an ongoing process throughout the project, and regardless of how it is carried out, it should provide enough relevant information to the project team to either.

- i. Document that the project is proceeding according to the specific requirements, or
- ii. Develop corrective action plan for improving the project performance, in whichever area needs such improvement.

## ISO News

### Is that really pure coffee in your cup? New ISO standard helps ensure you get what you pay for

When you prepare yourself a cup of instant coffee which the label claims is “100 % pure soluble coffee”, you don't expect to find anything else inside. Instant coffee



Cartoon: A. Rosa

represents a sizable fraction of international trade and is subject to national and supranational regulations. But how can we avoid incorrect and misleading declarations and counterfeit products?

A new ISO standard, **ISO 24114:2011, Instant coffee – Criteria for authenticity**, outlines specifications to certify the purity and quality of soluble coffee powder, providing a tool to detect possible adulterations. The criteria are based on the analysis of over 1000 samples of commercial soluble coffees and their statistically sound evaluation.

Marino Petracco, Chair of the ISO subcommittee that developed the standard, says, “Incorrect declarations claiming to be 100% pure soluble coffee, but with accidental or fraudulent additions, deceive consumers, and result in unfair competition between manufacturers. For both the benefit of consumers and coffee manufacturers, ISO 24114 will be an invaluable aid, ensuring the veracity of declarations, and strengthening the mutual confidence throughout the coffee chain.”

The standard is intended for use by any industry third parties buying pure soluble coffee to control its purity and quality, with the aid of a qualified laboratory.

ISO 24114 was developed by technical committee ISO/TC 34, Food products, subcommittee SC 15, Coffee.

ISO 24114:2011, Instant coffee – Criteria for authenticity, is available from ISO national member institutes. It may also be obtained directly from the ISO Central Secretariat, or by contacting the Marketing, Communication & Information department.



## ISO launches ISO 50001 energy management standard

With energy one of the most critical challenges facing the international community, the publication on 15 June of the ISO International



Standard **ISO 50001 on energy management systems** is an eagerly awaited event because it is estimated the standard could have a positive impact on some 60 % of the world's energy use.

ISO 50001 will provide public and private sector organizations with management strategies to increase energy efficiency, reduce costs and improve energy performance.

The standard will be available on the ISO Website on 15 June. In addition, ISO is launching the standard on 17 June at the Geneva International Conference Centre (CICG). Presentations on the following themes are planned:

- ISO 50001 within the context of ISO standards in general and how they can contribute to solving global problems
- A description of ISO 50001 and its benefits
- How the standard was developed, who was involved and how they overcame challenges
- What ISO 50001 can do for developing countries.

ISO Secretary-General Rob Steele comments: "Energy is critical to organizational operations and can be a major cost to organizations, whatever their activities. An idea can be gained by considering the use of energy through the supply chain of a business, from raw materials through to recycling.

"Individual organizations cannot control energy

prices, government policies or the global economy, but they can improve the way they manage energy in the here and now. Improved energy performance can provide rapid benefits for an organization by maximizing the use of its energy sources and energy-related assets, thus reducing both energy cost and consumption. The organization will also make positive contributions toward reducing depletion of energy resources and mitigating worldwide effects of energy use, such as global warming."

ISO 50001 is intended to provide organizations with a recognized framework for integrating energy performance into their management practices. Multinational organizations will have access to a single, harmonized standard for implementation across the organization with a logical and consistent methodology for identifying and implementing improvements. The standard is intended to accomplish the following:

- Assist organizations in making better use of their existing energy-consuming assets
- Create transparency and facilitate communication on the management of energy resources
- Promote energy management best practices and reinforce good energy management behaviours
- Assist facilities in evaluating and prioritizing the implementation of new energy-efficient technologies
- Provide a framework for promoting energy efficiency throughout the supply chain
- Facilitate energy management improvements for greenhouse gas emission reduction projects
- Allow integration with other organizational management systems such as environmental, and health and safety.

Courtesy - ISO Website



# Role of Training and Development in Effective Implementation of TQM – A Comparative Study

cond...from previous issue Dr. E. Laxminarayan, Deputy Director, CLI

## 7.1. Types of T&D Systems

The study reveals (Table -1) that different industries across the sectors and types are using a combination of different types of T&D Systems as a part of TQM implementation process. Skill based training; behavioral training and continuous education are the maximum used types in both the

sectors and types. The results imply that the amount of training imparted in the private sector is considerably higher as compared to public sector. However, no significant difference is observed amongst the four types of industries as regards the types of T&D systems.

Table No- 1:-Techniques of Training and Development (Sector & Type).

TYPES OF TRAINING & DEVELOPMENT	SECTOR		TOTAL%	TYPE			
	PUBLIC%	PRIVATE%		STEEL%	AUTO%	ENGG.%	CHEM & FERT%
Skill Based Training	99.5	98.04	98.77	100	97.99	98.99	99.00
Behavioural Training	89.22	98.53	93.87	96.00	97.92	88.83	95.14
Continuous Education	69.67	84.80	77.21	73.96	77.77	78.00	79.17
Part Time Courses/Degrees	35.78	31.86	33.82	32.23	22.00	22.00	49.31
Industrial Visits	51.46	64.71	58.04	65.63	55.53	47.50	62.50
E-Learning	11.27	23.53	17.36	32.23	0.00	10.00	18.75
Coaching & Counselling	25.49	59.80	42.65	42.71	29.17	56.67	37.42

Type of Industries (No. of Comp. / No. of Respondents):  
STEEL (8/ 96); AUTO. (4/48); Engg. (10/120); Chem.&Fert. (12/144); Total 34/408)

**Hypothesis-1:-** The findings (Table No-2) reveal that T & D strategy has established a significant and positive correlation with TQM effectiveness. The results imply that HRD strategies can significantly impact the effectiveness of TQM implementation in Indian industries. Hence, the hypothesis is tenable. It is also evident from these findings that T&D strategy has clearly emerged as thrust area of HRD with direct linkage and bearing

with TQM effectiveness. These findings are in line with the mandatory requirements of competence, awareness and training under clause No.6.2.2 of IS/ISO 9001: 2000-QMS; and also corroborate with the findings of Khadagade (1994), Revanna and Lakhe (1995), regarding the importance of training for successful implementation of TQM in Indian context.

Table No- 2 :- Correlations between the Impact of TQM and different HRD strategies (N-408).

HRD STRATEGIES	MEAN	STD. DEVIATION	CORRELATION
Training & Development Systems	3.64	0.506	0.164**
Rewards & Recognition Systems	2.96	0.471	0.015
Performance Management Systems	2.28	0.719	0.293**

\*\* Correlation is significant at the 0.01 level. & \*Correlation is significant at the 0.05 level.

## 7.2. Strengths of T&D Systems

**Hypothesis-2:** The results (Table-3) indicate that all the components of the hypothesis i.e. training need identification, training objectives, course curriculum, pedagogy, faculty, evaluation & feedback have established significant and positive correlation with effectiveness of TQM, except the infrastructure. Hence, the hypothesis is tenable in all the strengths except infrastructure. Pedagogy

and faculty have secured highest correlation as compared to other strengths. This implies that faculty and pedagogy can act as motivating factors in influencing the training results and consequent TQM effectiveness. The results also confirm that a planned & systematic approach for training with appropriate training inputs can bring in greater quality orientation amongst the employees.

Table No - 3:- Correlation between the Impact of TQM and Strengths of T&D Systems (N-408).

STRENGTHS OF T&D SYSTEMS	MEAN	STD. DEVIATION	CORRELATION
Training Need Identification	3.65	0.762	0.369**
Training Objectives	4.05	0.625	0.337**
Course Curriculum	3.92	0.752	0.238**
Pedagogy	3.11	0.806	0.492**
Faculty	3.84	0.816	0.479**
Infrastructure	4.68	0.707	0.086
Evaluation & Feedback	3.61	0.782	0.357**

\*\* Correlation is significant at the 0.01 level.& \*Correlation is significant at the 0.05 level.

**Hypothesis- 3:-** The findings (Table.No.4) reveal that four components of the hypothesis i.e. training Need Identification, Training Objectives, Faculty and Evaluation & Feedback have established significant difference. However, no significant difference is observed in the remaining three components i.e. Course Curriculum,

Pedagogy and Infrastructure. Private sector industries have secured higher statistical mean values in all the strengths, except Infrastructure. This implies that private sector industries are laying more emphasis in strengthening the T&D systems for bringing quality orientation.

Table No – 4 :- Strengths of T& D Systems for TQM implementation (sector-wise).

STRENGTHS OF T & D SYSTEMS	Sector	Mean	Std. Deviation	Std. Error Mean	't'	Signif
Training Need Identification	Public	3.40	.646	.045	-7.158	.000*
	Private	3.91	.785	.055		
Training Objectives	Public	3.97	.623	.044	-2.714	.007*
	Private	4.13	.618	.043		
Course Curriculum	Public	3.85	.750	.053	-1.915	.056
	Private	3.99	.749	.052		
Pedagogy	Public	3.03	.821	.057	-1.786	.075
	Private	3.18	.787	.055		
Faculty	Public	3.71	.849	.059	-3.314	.001*
	Private	3.97	.762	.053		
Infrastructure	Public	4.64	.685	.048	1.754	.080
	Private	4.51	.726	.051		
Evaluation & Feedback	Public	3.38	.729	.051	-6.367	.000*
	Private	3.85	.763	.053		

\* P< 0. 05 (No. of Companies--Public -17, Private -17; No. of Respondents--Public - 204, Private -204)

## 8. Conclusions

The study reveals that TQM has made deeper inroads and it has reached a stage of maturity in the Indian industries. The findings reveal that T&D strategy has established a positive and significant relationship with TQM effectiveness and has emerged as a thrust area and a cornerstone in successful TQM implementation in both private and public sector. These findings corroborate with the universally held assumption that continuous education and training is a prerequisite for establishing and sustaining a continuous quality improvement culture. The results imply that both public and private sectors differ with regard to methods and strengths of T&D, wherein training is imparted with more intensity and vigour in private sector industries as compared to public sector. It is clearly evident from the study that T&D strategy of HRD has emerged as an integral and inextricable part of overall organizational strategies.

It is no denial of the fact that organizations across the sectors are under tremendous pressure in terms of shrinking profitability, survival and growth. It would be worth while, if studies are undertaken in the area of cost benefit analysis of training vis-à-vis TQM implementation in small and medium sized industries to ascertain the viability of present T&D methods and systems. In spite of limitations associated with this kind of studies, it has provided a frame work for carrying out further research in this area. There is enough scope for undertaking further studies in multidisciplinary areas like Occupational Safety & Health and Ergonomics in different sectors of industries involving T&D. In conclusion it can be summarized that, the 21st Century belongs to those learning organizations which are able to respond quickly, learn, unlearn, and relearn faster than the competitors. In this context T&D interventions can play a significant role.

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# “Importance of Design, Strategy and Operational Interactive Approach and Value Delivery for Supply Chain Network in Rural India in the Near Future (2008-10)”

DR. DHEERA KAKANI, PH.D., (DR. KDKM SARMA)

## INTRODUCTION

Service Industry (Small, Medium) in Rural India is rapidly expanding with the support of information revolution happening during the last five years (2002-07). Effective Supply Chain Management can provide competitive advantage in retail at different rural parts of India. Supply Chain can be optimally used to benefit those at the bottom of the rural business as India’s food chain is leading back to the village and thereby retail industry is taking in a big way. Survival of service Industry depends on :-

- Quality
- Price
- Speed
- Variety

Many competing firms (Large / Medium) in rural business are delivering targeted levels of quality, speed, customization and cost for given resource levels. These depend on both how much work is done ahead of demand and here the organisations allows customers to tap into its resources.

Examples are “Reliance Fresh” “Subhiksha” “Heritage India” to quote a few successful big firms are rapidly using effective Supply Chain Strategies and operation in an integrated interactive environment with speed of operations surprising many operators who are achieving local monopoly in their respective product / area specific operations till recent times. To day firms with proper service process design approach are rapidly expanding their supply chain operations surprising both the competitors and public at large

Rural Supply Chains grow more rapidly in the near future (2008-10) because of entry of dedicated major players who want to follow the strategic and operational aspects of Supply Chain.

## Near Future Scenario (2008-10) of Rural Supply Chain Networks

Presently it is estimated around 650 million people live in Rural India and it will go atleast upto 750 million people in the next ten years. The reasons for increase in rural supply chain network are :

1. Expansion of Industries in rural areas.
2. Urban areas are congested with deteriorating quality of life and saturated markets.

It leads to transforming rural India into a group of Sophisticated Activity Centres. Innovations happen in the next three years in every layer processes, products, service models and business models. Models and Technologies will be applied to achieve Competitive Advantage Investments for betterment of rural areas are also undertaken by Central and State Governments in India to enhance Self Employment Opportunities. Rural Supply Chain in rural India cover agro products, toys, textiles, handicrafts etc.

Global supply chains cross countries and may originate either from urban or rural areas depending on product for example European or American retailers are sourcing vegetables, meat fruits, approved products, leather etc, from rural areas of low cost countries. Same is followed by national majors Reliance Fresh, Subhiksha and other retail food chain networks during last two years.

Supply chains migrate from local to global, rural to urban and vice versa. After reaching saturation in “Super Market” growth in urban areas, now it is time for Supply Chain Network growth of “Super Market” Culture in rural areas during next two to three years.

## Importance of Strategies and long term planning and commitment by the top management.

Developed countries had shown importance of implementing planned strategics in developing Rural Supply Chain Markets. These are clearly witnessed in European, American, Australian



Rural markets. Model of Grameena Banks in Bangladesh and India also show how even developing countries had shown importance of defining strategies and involvement of government agencies in defining and implementing policies. However Cooperative Banks, Rural Banks fail to deliver required growth in rural network due to poor implementation of day to day operational activities and lack of accountability.

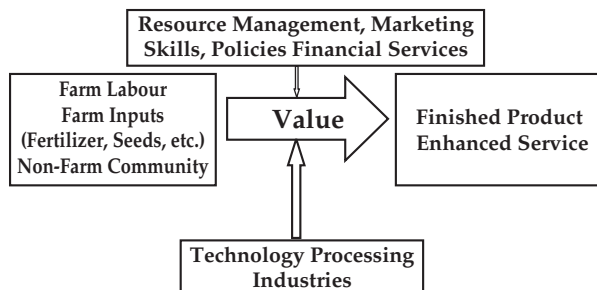
Effective implementation of Integrated Rural Supply Chain ensures strategies adopted by top management. This is essential for competitive advantage.

Design of Rural Supply Chain Network

They are broadly classified as :-

- 1) Agriculture
- 2) Small Scale Industries.

The Input - Output Network of Rural Supply Chain is shown in figure



Integrated Rural Supply Chain Network also consider Information Network, Logistic Network, Banks role etc. The Logistics Network ensures a Stream lined material flow among all partners. It also reduces lead time. Further reduces cost of moving raw materials, sub assemblies and finished goods to their destinations.

Information Network ensures efficient Logistics and effective decision making process. The Financial Network through Banks Connects Financing, Insurance and Credit Rating Agencies and all other Stake holders and financial Institutions. The present Indian Rural Supply Chain is far from Satisfactory as it has not applied Strategic Component of the Supply Chain and only implementing ad-hoc operational activities.

In the next two to three years Successful Major Retails Players (Reliance Fresh, Subhiksha, Food world etc.) applying very effective strategies in their integrated Rural Supply Chain Model and achieve better and fast results.



## Post Diploma in Total Quality Management

**Distant Learning Mode - July 2011 Batch**

Focuses on TQM, ISO 9000, ISO 14000, OHSAS, IMS, TS 16949, Statistical Techniques and Organisational Excellence

**Batches:** January and July each year.

**Duration:** One Year

### Contents

Paper-I Total Quality Management (TQM)  
 Paper-II Statistical Process Control (SPC)  
 Paper-III Quality and Management Systems (QS)  
 Paper-IV TQM in Service Industries / TQM in Manufacturing Industries (any one)  
 Paper-V Tools and Techniques for Organisational Excellence

Project Work on Application of Principles, Tools and Techniques (Optional)

**Contact Sessions** are conducted for providing guidance and responding to students difficulties.

**Examinations :** June and December every year at Mumbai, Ajmer, Bangalore, Hyderabad, Nagpur, Noida, Pune

**Eligibility :** Graduate in any discipline or Diploma/ Degree in Engineering / Technology or equivalent. Final year engineering students can enroll for the course, provided they have cleared all papers of previous years.

**Course Fees :** Rs. 8,211/- Group registration of 3 or more Rs. 7,659/- each. (includes service tax, course material and one year Student membership of NCQM).

Course brochure and application form can be downloaded from NCQM website [www.ncqm.com](http://www.ncqm.com)

For registration please contact :

Course Co-ordinator,  
National Centre for Quality Management





## NCQM News

### Welcome Aboard - New Members

#### Institutional Member:

IM0114 Durgadevi Saraf Institute of Management Studies  
Mr. Piyush Shah .....Mumbai

#### Corporate Member:

CM0546 Satyam Venture Engineering Services Pvt.Ltd.,  
Mr. Sathaiah Potana.....Secunderabad

CM0547 Smart I Electronics Systems Pvt. Ltd.,  
Mr. Ganpat Shinde .....Borivali

CM0548 Navneet Publications (India) Ltd.,  
Mr. Atul Shethia .....Vasai (E)

CM0549 Reliance Money Limited  
Mr. Santosh Khadagade .....Mumbai

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SL0014 Cdr. Dr. K. D. K. M. Sarma ....Bangalore

SL0015 Prof. Dr. Pradip Manjrekar .....Mumbai

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SM0114 Mr. Jayant Sadashiv Malshe ....Mumbai

SM0115 Mr. Vishwas Hari Soman .....Mumbai

SM0116 Mr. Shyamkant P. Dikshit .....Pune

SM0117 Dr. Jayashree T. Palit .....Mumbai

SM0118 Mr. S. R. Pandey .....Mumbai

#### Individual Member:

MI0494 Mr. Mukund Dinkar Gadre  
.....Navi Mumbai

MI0495 Mr. Siba Sankar Mishra .....Orissa

#### Programmes Conducted

Six Sigma - Green Belt March 3-5, 2011

HACCP Awareness March 1, 7, 11, 29,  
April 11, May 17, 2011

Being Cost Effective Through 5S Principles of Good House-Keeping 7 W Seven Areas of Wastes  
.....March 14, 2011

Purchasing of Profits May 21, 2011

Internal Audit for Integrated Management System (IMS) (ISO 9001:2008, ISO 14001:2004 EMS, ISO 18001:2007 OHSAS) May 27-28, 2011

Sustained Success of an organization – A Quality Management Approach June 3-4, 2011

Improving Productivity in Manufacturing  
.....June 13, 2011

Internal Audit (IA) as per ISO 9001:2008 revised standard June 20-21, 2011

#### NCQM Forthcoming Programmes

1) HACCP Awareness July 2 & 22, 2011

2) Safety Induction and Accident Reduction in Industries July 5 & October 18, 2011

3) Being Cost Effective Through 5S Principles of Good House-Keeping 7 W Seven Areas of Wastes July 16, 2011

4) Root Cause Analysis & Use of QC Tools July 26, 2011

5) Purchasing for Profits August 20, 2011

6) 'Yes! You Can make the Difference' August 26, 2011

7) How to Fight Low Price Competition August 27, 2011

8) Introduction to IS 15793:2007 August 29, 2011

9) Internal Audit (IA) as per ISO 9001:2008 revised standard September 19-20, 2011

10) Road Map of World Class Factory October 10 & 11, 2011

11) Improving Productivity in Manufacturing October 15, 2011

12) Internal Audit for Integrated Management System (IMS) (ISO 9001:2008, ISO 14001:2004 EMS, ISO 18001:200 OHSAS) October 2011

11) Sustained Success of an organization - A Quality Management Approach November 2011

For further details, please contact: Programme Coordinator, National Centre for Quality Management, Mumbai or download the brochure from the NCQM website – [www.ncqm.com](http://www.ncqm.com).