

ANALYSIS OF EFFECTIVENESS OF QUALITY MANAGEMENT SYSTEMS IN RUSSIA

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The authors discuss the ways to eliminate internal and external causes in order to increase the effectiveness of quality management systems developed for Russian organizations in accordance with an international standard IOS 9001:2000.

Quality management standards (ISO 9000 Family) have been well known in Russia since 1994. The primary purpose of any management system is to implement the chosen strategy of an organization by focusing resources on areas critical for organization success. For the quality management system (QMS) this means providing high-quality products and services that meet or exceed customer requirements and expectations.

Although the primary purpose of any management system is to ensure the quality of its outputs, it is also important that the activities that are used to accomplish this purpose are efficient and provide maximum value. Nowadays ultracompetitive business organizations do not have time, money or resources to support inefficient or non-value-added activities.

Most QMS of Russian organizations are ineffective today. According to the estimations made by V.D. Matsuta¹ more than 80 percent of QMS in Russia are ineffective for their organizations. The internal processes that make up the QMS components must be in alignment and must fully support the other processes of the system. The general trend in ISO 9000 standards is to reinforce this need to align processes into integrated system. Vadim Lapidus emphasizes the problem of misunderstanding of ISO 9001 standard and incorrect implementation of QMS in Russia².

Originally ISO 9001 standard was intended only as a model for contracts between two parties. Eventually a "quality system" certification (or registration) business grew on top of it. Certifying based on ISO 9001 was created to strengthen, for its own part, the confidence of parties external to contract situation, such as customers and authorities.

The original intention behind certification was that it would be one useful means among others, but the byproducts that sprouted from the commercialization of the issue have led to outcomes open to serious criticism. Distorted ISO 9001-based certifying has gained a lot of ground, even at the expense of product certifying.

This is evident in, for example, the fact that

- ◆ product issues have been pushed into background while the general standard perspective has gained ground,

- ◆ the certifying business has focused on ISO 9001 and forgotten about the ISO 9004 subject matter, which is in fact a basis for ISO 9001,

- ◆ instead of focusing on relevant product and process features, certificates are being peddled in marketing communications as useful "certificates of competitiveness"^{3,4}.

All of the above is grounded in a fundamental misunderstanding. Certificates are only, and nothing but a plot of the ISO 9000 standards. Thus, it has become a business that globally seriously threatens companies' efforts at gaining superior competitiveness. The major problems related to general, third party certifying are:

- ◆ The connection to real customer needs is lacking.

- ◆ The connection to the company's business requirements is lacking⁵.

Certificates as indicators of "quality" have significantly hampered the basic utilization of the standards, and using ISO 9000 family only as a checklist for certification has corrupted the whole core idea of the standards.

It is appropriate to point out internal and external causes of low effectiveness of QMS in Russia. The most important external causes are:

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- ◆ negative monopolistic processes in Russian transitive economics,
- ◆ lack of market competition,
- ◆ inadequate economic situation because of economic crisis.

In our opinion there is a growing gap between changes in Russian economics during last 20 years and methods of quality management used in Russia. Sound implementation of ISO 9000 amounts to natural, effective and efficient customer-driven business management. Unfortunately it was not called for during last fourteen years in Russia^{6,7}.

The most important internal causes are:

- ◆ formal conformance of QMS to the model of the quality management system as it is given in the ISO 9001 standard,
- ◆ the leadership in most situations is unaware, is that the only obvious proposition they have at hand is the ISO 9000 standards, while they remain inadequate to a current situation in Russia,
- ◆ inadequacy of cultural principles supporting Russian industrial and service sectors against those prescribed by standards ISO 9000 Family,
- ◆ gaps in quality evolution, and first of all, statistical process control,
- ◆ lack of methodological literature and information.

In practice, a lot of Russian organizations have not included effectiveness and efficiency of their QMS as an objective in the quality policy. This is because Russian organizations are on the position called as “silo” approach to management. A key message of ISO Family 9000 standards says “live to rules that ease your life”. Russian people tend to obey authorities and state power rather than rules and law. The cultural basis of QMS in Russia is repressive by nature and is not focused on customer needs and expectations.

In essence, ISO standards specify that the movement is away from the “silo” approach to management to an integrated systems approach. In the “silo” approach, individual departments seek to optimize their outputs, often at the expense of the organization (and customer) as a whole. Even though each department optimizes its own departmental processes toward its primary goal (bringing orders, developing new products), this “silo” approach can have disastrous effects on the business as a whole and on its

ability to meet the customer’s expectations. In fact, customer is forgotten once the order is received, until it comes time to deliver the product. The ISO 9000 standards have been revised to reinforce the need to integrate and align internal processes like sales, engineering, and production into horizontal processes focused on the customer and not individual department functions⁸.

A central ISO 9000 concept that emphasizes the comprehensive and systematic nature of quality management is the “quality management system”. It is a basic concept for the systematicity of leadership and management but does not refer to a separate system to be built into the company.

The value basis of the ISO 9000 standards consists of the eight Quality Management Principles. The most important are process approach and system approach. Process approach implies implementing effective, efficient and agile process management approaches. System approach to management implies implementing comprehensive and systematic business management.

In our opinion low effectiveness of Russian QMS is a result of dramatic problems connected with implementation of process approach and system approach to management in Russian organizations. It is necessary to emphasize that since 2000 mentioned problems became more acute.

The ISO standards emphasize understanding how the outputs of the process support other processes needed to satisfy the customer. To truly embrace the process concept, the supplier of these outputs would go to these internal customers and determine what they need in terms of quality, information, accuracy in order to fully meet their needs. This would continue until all the organization’s important processes were aligned to meet both its external and internal customers’ needs and expectations. In effect, what is created are systems of processes all oriented and operating together toward the achievement of system goals, most typically to satisfy the customer.

Process management covers thus the deployment of the general model: process network, process chains, identified single processes and activities, process owners, committed participation of people. The leadership must be aware of the performance of processes in organization.

The ISO 9000 standards have a TQM value basis. Quality Management Principles form a basis for developing the organization's quality management. These general principles form a point of departure for developing involvement of people, leadership and continual improvement⁹.

The most important cause of QMS low effectiveness is a lack of leaders who is ready to work in today's complicated economics' situation. Most of the heads of Russian organizations are not ready to implement the process approach and system approach to management. They are sceptical about the quality management and the ISO 9000 standards.

There is an overwhelming amount of evidence that successful companies pay much more to the claim that people are our most important resource. Successful organizations share a fundamental philosophy to value and invest in their employees. Low wages, lack of open and honest management are the important causes of low effectiveness of QMS in Russia.

It is necessary to remember that QMS can be very useful for today's Russian organizations. Innovative improvement of QMS opens completely new opportunities for satisfying excellently both existing and future needs of customers and organization itself.

In the long run efficient and effective QMS brings real benefits to organizations and to Russia as a whole.

¹ International association of quality professionals // Standards and quality. 2006. №9. P.23.

² Penkin E. Galaxy of quality - 2006 // Standards and quality. 2006. № 9. P. 20-23.

³ Novitsky A. Don't buy a gramophone tube // Standards and quality. 2005. № 3. P. 75-76.

⁴ The ISO Survey of ISO 9000 and ISO 14000 Certificates (2000-2006).

⁵ Glichev A. V. Is it a limit or a base for development? Thoughts about the quality management system's future // Standards and quality. 2007. № 11. P.18-23.

⁶ Rakhlin K.M. International standards ISO 9000 Family: the essence of process approach // Standards and quality. 2001. № 1. P. 45-47.

⁷ Rakhlin K.M. Knowledge management. Modern concepts of strategic management and paradigm of competitiveness. //Standards and quality. № 7. 2005. P. 84-85.

⁸ Craig R.J. How to obtain the ISO 9000 certification. M., 2001. 183 p. Translated by N.P. Pletneva.

⁹ Oakland John S. Oakland on Quality Management. Amsterdam - Boston - London, 2004. 476 p.