

## **CHANGE MANAGEMENT FOR BUSINESS EXCELLENCE: A CASE STUDY OF TQM PRACTICE IN TVS GROUP**

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### **ABSTRACT**

Organizations worldwide have been exploring new methods to gain competitive advantage. The objective of this paper is to study about change management practices through implementation of TQM. Five companies in the TVS group have won the coveted Deming Award instituted by the JUSE. The case examines the quality an initiative taken by TVS group to get the coveted Deming Prize based on the integrated Japanese Model for business excellence is discussed in this paper. The TVS group regarding TQM experience and its preparation for winning the award also explored and the case also provides information about Deming prize.

**KEYWORDS:** Business Excellence, Deming prize, Total Quality Management, Change Management

## **INTRODUCTION**

TQM, like change management strategy, is a 'continuous journey' aiming to provide a competitive edge to the organization in a fast-changing environment. To survive and thrive, Organization has to change with the changing business environment. The objectives of change is to move for growth of organization, achieved by upgrading the present technology, modifying structure, changing existing systems and modifying work culture of the organization if required. In today fast changing business environment responsibilities of organization leader have increased.

TQM as a company-wide management philosophy started getting attention by manufacturing organizations. Given an environment of competition and concern for productivity and effectiveness, as also global opportunities, many organizations, including private and public sectors appear to have appreciated the need for implementing a culture across their companies in the different functions. The Indian organizations are facing competition from China, Korea, and many other

nations. Its need that the companies are more focused for attaining benchmark standards in terms of the quality on its products and services. Before beginning of liberalization & globalization of Indian economy in 1991, the competition in the automotive components & Two-Wheeler industry was up to few numbers. A business leader also needs to understand the importance of the both internal and external factors which likely to effect change process & adjust factors accordingly. However, the environment changed and the company had to think 'out of the box' method to deal with the competition. Process Improvements through Quality Improvement Projects (QIP's), Value Engineering Projects and Statistical Process Control projects and Operations Research Projects by managerial teams was making great contributions in various organizations.

## **TQM IN INDIAN COMPANIES THROUGH DEMING PRIZE**

Globalization has drastically changed the business landscape with the importance of quality management. Indian companies are also participating in the quality race, although slowly. Initially facing a challenge from the

multinational organizations since the management to provide competitive Government of India implemented the advantage in the fast changing

**Table 1. Road map for implementation stages of TQM**

- 1. Identify key interest and list the long term changes required with customer focused.**
- 2. Define the objectives of TQM with total involvement of all stack holders.**
- 3. Identify infrastructure availability and develop understanding of organizational process with quality system.**
- 4. Specify top management commitment through strategic and systematic approach.**
- 5. Create an environment of participative work by emphasizing customer – oriented values with commitment.**
- 6. Design plans of action with specifics about the future.**
- 7. Identify key issues and develop strategies for implementation.**
- 8. Implement and monitor for excellence**
- 9. Measure benefits in terms of increased customer satisfaction.**
- 10. Review and reward based on facts and feedback.**

model of LPG. In the changing

environment relevant to business.

environment, The bureau of Indian standards, has also established quality standards in accordance with international standards, with the main task of product standardizations. Today we witness a world which has been changed dramatically since the nineties. Quality management like change industry (CII) to introduce TQM to Indian manufacturing industry. He was assigned by the Japanese Union of Scientist and Engineers for the

Japanese Professor Yoshikazu Tsuda was invited by confederation of Indian Award for quality, which are largest number outside Japan. The points to be kept in mind for implementing Total Quality Management are as per **Table 1.**

promotion of TQM in Japan & the world over. If we analysis about the auto-component manufacturers in India, many organizations won the Deming

Indian organizations have been in the favorites list of the Deming Awards of Japan. The Japanese Union of Scientists and Engineers (JUSE) Started the Deming prize in 1951. Initially, this prize was open only to the Japanese industry, but in 1985 it was thrown open to the rest of the world.

### **CASE: TQM Journey of TVS**

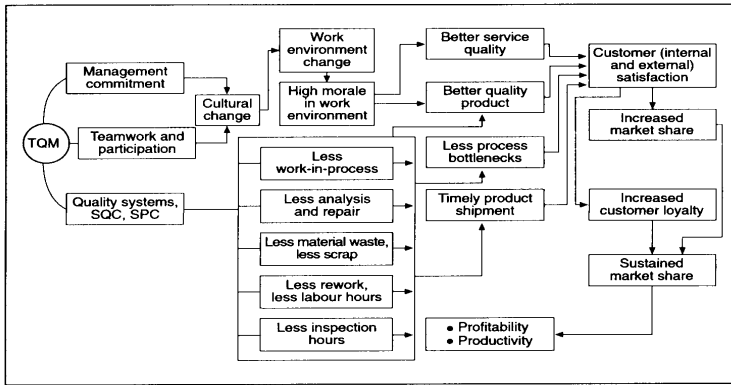
The TVS group is India's leading supplier of automotive components & Two-Wheeler manufacturing is one of the country's most respected business groups with ethos of quality, customer service and social responsibility. TVS companies are known for their commitment to quality as Total quality Management a way of life. It pioneered the two-wheeler moped in 1980 and redefined personal mobility in the Indian hinterland. SCL is only the second company outside Japan to win the award, and the first one in the country. TVS motor is the first two-wheeler company in the world to get the award. Process of achieving performance excellence through TQM involves total commitment by the management, participation of all employees and developing quality systems. The whole process is depicted to improving quality is depicted by **Figure 1**.

Figure.1 Road map for TQM Practice for performance excellence

Management of quality at TVS. The following steps facilitate achieving quality standards through TQM:

- **Strategic & Policy Management-** TVS is committed towards sustainable development and growth as an integral part of its business philosophy. First, adopting the Total Quality Management (TQM) philosophy as a part of Competitive Strategy was formally launched in the company in late 1980. It started with massive effort on education and training on TQM.

Daily Management - Daily Management is the fundamental of TQM in TVS. It aims to institutionalize processes leading to long – term substances to its performance. Daily management provides the solid foundation for substance to TVS. The company established a standardized approach for integrating daily management activities in various functions such



**Figure.1 Road map for TQM Practice for performance excellence**

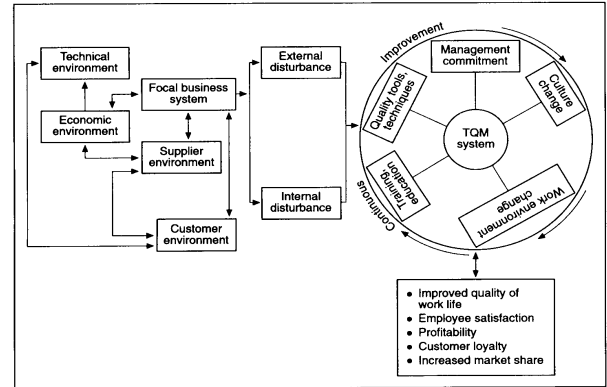
as operations, maintenance, customer services etc.

- People Management - the most fundamental challenge was to create a mindset that looks at improvement activities as essential for achieving targets and goals. This system improved the quality of TVS. This motivated TVS applied for Deming prize and started working in this direction. The procedure laid down by Deming Award guided to following the norms for overall improvement of quality. This led to continuous improvement.

The present study has resulted in the following valuable lessons:

1. Globalization has thrown new challenges as well the opportunities.

2. Implementation of TQM leads to improvement in performance.



**Figure 2. Benefits of TQM System**

3. Culture is an important issue for the success of TQM.
4. Awards models provide a roadmap, a framework for achieving excellence in managing quality.

**BENEFITS OF TQM SYSTEM**

TQM lead to improvement of all aspects of an organizational functioning including improves commitment of the management, develops a positive work culture, leads to quality production and increases the profitability. Besides this it improves the satisfaction level of employees, and develops a system of continuous improvement. Process of improvement is depicted in **Figure 2**.

## CONCLUSION

The objective of deming quality award by TVS group companies are to promote concepts of quality and recognize the results achieved in contributing for higher quality in their field. Continuous improvement is an integral part of culture in TVS. TVS addresses all aspects of social, environmental and economic performance like safety and health of the people, resource conservation, development of innovative products and processes, value creation for all stakeholders and contributing to the prosperity of the communities and nations. TVS Quality policies guide in its approach such that quality principles and practices are applied throughout the business using quality practices, the global quality and customer relationship standard. TVS group has inculcated the philosophy of Total Quality Management and Business Excellence as part of the company's Corporate Business Strategy. Any company can gain competitive advantage and move towards Business Excellence as described in this paper. TVS has done this because of its foresight and the vision it had among the Top Management Leadership and support from all its employees in the company. These companies have as

prepared themselves to compete and be successful in a competitive globalize world.

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