

# **TOTAL QUALITY MANAGEMENT IN SAUDI MANUFACTURING INDUSTRY-A SURVEY BASED IMPLEMENTATION PLAN**

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**ABSTRACT:** Total Quality Management (TQM) is one of the latest management philosophies that have come into vogue. With its tremendous success in Japan, it has caught corporate attention all over the world. The manufacturing industry in Saudi Arabia is catching up fast with the TQM implementation. This paper is based on a survey conducted on sixty manufacturing companies in Saudi Arabia to evaluate the quality systems followed and on the observations by the author of the way TQM is being accepted in those organizations. It outlines the issues faced and actions proposed.

## **1. INTRODUCTION**

In order to develop a style of management which generates a culture ensuring that everyone gets everything right the first time and every time to satisfy customers needs, quality improvement and the implementation of Total Quality Management (TQM) will be the key to the prosperity of organizations in the Saudi industry if they wish to succeed in today's world of competition. This paper describes a recent survey of Saudi manufacturing industry.

## **2. TQM IN TODAY'S BUSINESS ENVIRONMENT**

Total Quality Management (TQM) is a management philosophy for achieving higher quality at lower cost, with high employee participation in making the workplace worth being proud of. This philosophy, originally with a focus on the factory operations, is found to be universally applicable to manufacturing as well as service industries. [1]

## **3. A TQM SURVEY**

### **3.1 Statement of the Problem**

Many organizations have faced challenges to compete or even to survive in today's business environment. Management of this business complexity has created the need for new approaches and methodologies that can provide them with the competitive edge they need.

Focusing on continuous improvement of quality products and services, and customer satisfaction is still a new concept for many in the Saudi industry. There have as yet been very few research and studies on the implementation of TQM and its success here.

### **3.2 Effectiveness of TQM**

Many researchers around the world conduct studies on TQM and how it improves productivity, increases profitability and consequently leads to customer satisfaction. To implement TQM in an environment like Saudi Arabia with organizations consisting of multinational force is even more challenging where workers from different continents join hands to achieve one common goal. Despite the challenges organizations face with TQM, some Saudi companies have taken a step ahead to implement TQM and they have shown success at this stage.

### 3.3 Sample

A total of 150 companies were selected as part of the survey; however, only 60 companies responded to the survey. These firms were selected to evaluate their quality systems and recommend an approach for improvement.

A questionnaire was distributed to collect responses on type of industry, number of employees, exposure to the TQM concept and its adaptation, obstacles to implementing TQM, existing quality measures, etc. Senior management people and others from manufacturing and quality assurance were given the questionnaire.

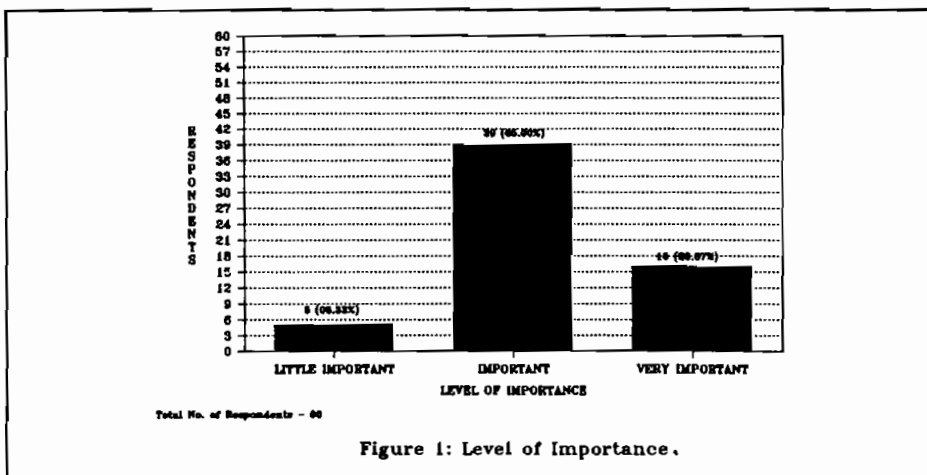
### 3.4 Survey Results

Key questions from the survey are noted below, with responses summarized in charts.

A. Question: How important is the application of TQM to the organization?

Table 1. Level of Importance.

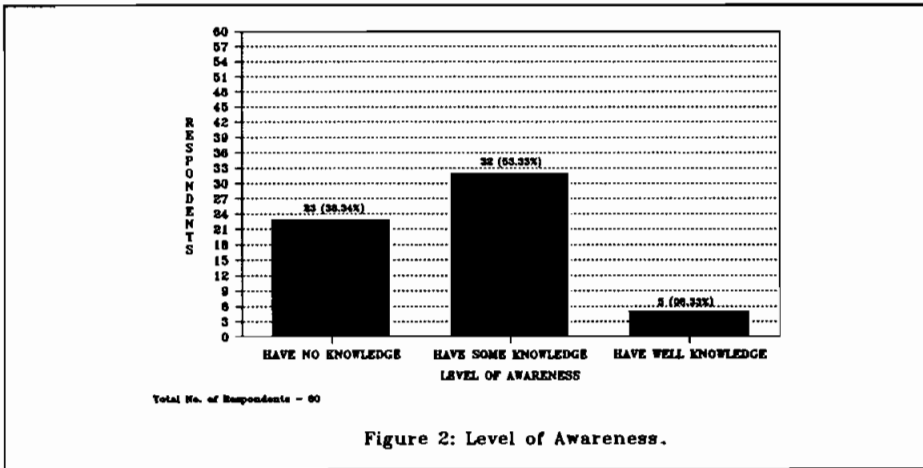
Little Important		Important		Very Important	
Number	Percent	Number	Percent	Number	Percent
5	8.33%	39	65.00%	16	26.67%



B. Question: How familiar are people with TQM?

Table 2. Level of Awareness.

Have No Knowledge		Have Some Knowledge		Have Well Knowledge	
Number	Percent	Number	Percent	Number	Percent
23	38.34%	32	53.33%	5	8.33%



C. Are you currently implementing TQM?

Table 3. TQM Implementation.

Implementing		Not Implementing		Will Implement	
Number	Percent	Number	Percent	Number	Percent
8	13.33%	42	70.00%	10	16.67%

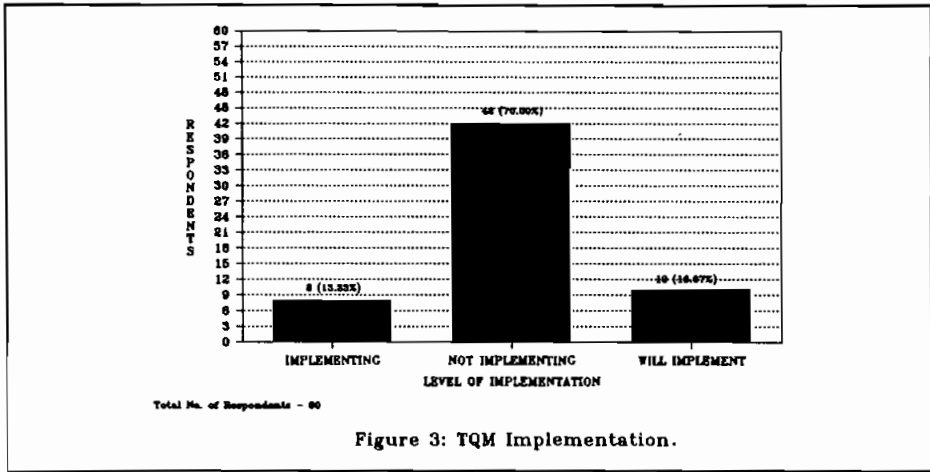


Figure 3: TQM Implementation.

D. What seem to be the reasons for not implementing TQM?

Table 4. Reasons for Not Implementing TQM.

See No Reason		Cost		Limited Competition		TQM Unawareness	
No.	Percent	No.	Percent	No.	Percent	No.	Percent
16	26.67%	8	13.33%	11	18.33%	25	41.67%

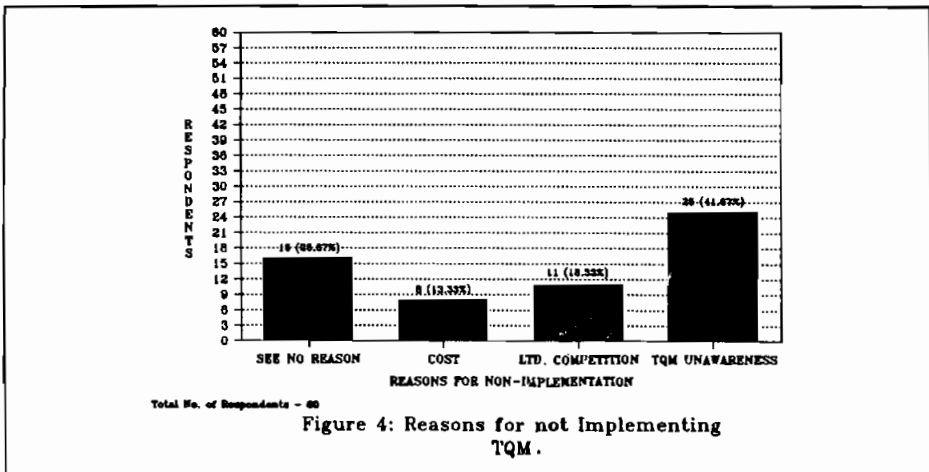


Figure 4: Reasons for not Implementing TQM.

### 3.5 Summary of Findings

The survey has identified several factors affecting the quality of products and services. Among those were the following:

- No clear vision or objectives established.
- Lack of support from senior management.
- More focus on quick profit and less focus on services.
- No documented policies and procedures.
- No feedback on customer needs or requirements.
- Limited information available on TQM.
- Lack of understanding the TQM concept by the employees.

On the other hand, the survey has identified many favorable factors that can support the implementation of the TQM program successfully. Among those favorable factors is the Islamic religion which highly address doing things the best all the time and every time, educated population, industrialization, supported nationalization mode, culture and multi-national force with experienced foreigners.

## 4. RECOMMENDED IMPLEMENTATION PLAN OF TQM IN SAUDI ARABIA [2]

Issues relating to TQM implementation in Saudi Arabia are somewhat typical across the industry in the public and private sectors. Following are the highlights of these issues reflecting the observations and experience gained by the author in the implementation of TQM.

### 4.1 Creating and Supporting a TQM Culture

Culture is a complex issue, especially in the Arab world. Broad cultural changes must occur in many organizations before TQM and the accompanying continuous improvement can become a way of life. We can not just import a philosophy from the West or from Japan and implement it without first making sure that the people are ready to support its implementation. It is very important to recognize this in dealing with the multinational workforce of professionals and workers.

### 4.2 Commitment from Top Management

Effective TQM depends on effective leadership. When leaders take the lead, subordinates will be inspired. A high ranking official in the organization must be designated as the sponsor of the quality management plan. Demonstrating commitment for TQM from the chief executive officer (CEO) or the president shows seriousness about its implementation.

### 4.3 Developing a Philosophy for Quality

The first step in introducing TQM is to establish a vision and a mission statements for the company. They should provide everyone in the organization something to aim for, something they can share, and use to find the way to take pride in accomplishments along the way. The next priority is to outline a strategy to carry out the mission, with clearly identified objectives. Once these are established, the organization as a community will have something to strive for.

### 4.4 Training

Organizations fail to implement TQM effectively if they place TQM among the least important items on their agendas, or because they do not give enough support and attention to training. Top management must be educated and trained about the quality improvement process before the training starts for others. The basic categories of training that should be

undertaken are: *awareness training, orientation training, and skills training.*

#### **4.5 Developing Teamwork**

Much is said about team-building in organizations, but not enough is done about it. Organizations need to institute a process of identifying key issues, and forming Quality Improvement Teams to address them. The teams' recommendations should be reviewed and approved by management with appropriate changes if needed.

#### **4.6 Communication**

Creating a healthy environment for implementing TQM depends on honest and open communication. Top managers need to listen to other people. Progress requires that horizontal and vertical communications be free and open throughout the organization, they must be as unrestricted as possible. The president or the most senior person in the company needs to hold periodic briefings with the entire workforce and answer questions put forth by employees. The department heads and managers need also to meet with their own staff regularly in the same manner. A suggestions box, company newsletter, billboards, and similar communication devices are recommended to keep the TQM tempo going.

### **5. MARCHING TOWARDS THE 21st CENTURY**

It has been an unbelievable transformation for Saudi Arabia to stand proudly on the threshold of the 21st century. The nation's progress is reflected in more than 2,100 factories in KSA, more than 2,000 industries with a total capital of SR 120 billion, and 320 chemical factories with investment of SR 60 billion. Investments in iron and steel, and petrochemicals industries have reached SR 40 billion. KSA has transformed from a steel importing to an exporting nation. The Second Industrial Estate, in an area of 2 million square meters at Jeddah, with an initial plan for about 204 additional factories is another milestone for Saudi industry. [3]

Utilization of the advancing information technology will play a major role in the success of organizations. Today, production is becoming much faster than ever before. To meet the market demand, companies in 1990s are developing and producing their products at a faster rate than in 1980s due to advancement in technology.

This rapid change in production and development phases is mainly occurring because of the utilization of advanced technology to shorten the process. The computer has become the key ingredient in this change. The integration of a data base management system to tie together material control, accounting, purchasing and manufacturing activities is just an example of how IS can support the implementation of TQM successfully. [4]

Another ingredient to the success of the Saudi industry in the future is the *focus on Human Resource Management (HRM)*. It is the approach that an organization uses to select, develop, evaluate and reward employees to realize the full potential of the workforce to pursue the organization's quality and performance objectives. Saudi Industry need to develop a commitment to change through people. If we manage people well, value them as being the most valuable asset in the organization, they can help us achieve the impossible.

### **6. SUMMARY**

The increasing global competitive marketplace we are witnessing now is creating a tremendous change in the way business is conducted. The quality challenge of the marketplace in 1990s in Saudi Arabia in particular will be intensified with advancing worldwide quality movement. This challenge will focus on quality improvement across the

organization.

Saudi industry needs to develop a commitment to change and focus more on quality. It has to develop a culture where there is a genuine opportunity for continuous improvement in products and services. The age of quality has started, and organizations need to focus on quality in order to improve productivity, delight the customer and increase profitability. Organizations need to develop a culture where people contribute and develop till they feel proud about their companies. Utilizing the advancement in technology, establishing the IS function as a key organizational entity besides Quality Management, and creating team spirit among workers are keys for performance improvement.

## REFERENCES

- [1] Sashkin, Marshal and Kiser, Kenneth J., *Putting Total Quality Management to Work*, Berrett-Koehler Publishers, San Francisco, 1994.
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