

SERVICE QUALITY – A MAIN TARGET OF THE 21ST CENTURY ORGANIZATION

Assoc.Prof.Dr.Eng. & Ec. Mihail Titu
Lucian Blaga University of Sibiu
Sibiu
Romania

Prof.Dr.Eng. DHC Constantin Oprean, *Rector*
Lucian Blaga University of Sibiu
Sibiu
Romania

Keywords: quality, experimental research, quality management, strategic management, risk management.

ABSTRACT

Within the framework of the present-day, permanently changing, global competitive environment, quality management and strategic management represent the way for a scientific approach to organizational strategies capable of avoiding risk, uncertainty and crises of all kinds. Competition is becoming more and more aggressive, and the winners will be those organizations that are able to exploit the advantages and opportunities created by a supersaturated market. Within this context, the essence of the organizational value is represented by the value of the leadership and that of the managerial decision-making. A solid organizational culture allows all members of an organization to become well aware of the priorities, objectives and the necessity of becoming more committed to achieving the organization's goals. The awareness of the internal and external environments provides a clear image of both weak and strong points, as well as of opportunities and threats; only within this context, the managerial decision-making process is governed by "full awareness". Undoubtedly, the strategic management of quality is the element that ensures the fact that opportunities are turned to the best account. Nevertheless, the meaning of the word "organization" has changed. The first definition of the organization – i.e. the first theory of the organization – derives from the way in which, in the middle of the 18th century the Prussian king, Frederick the Great, defined his own invention: the modern army. "An army, he said, is made up of three parts: the infantry that walks; the cavalry the rides the horses; the artillery that is towed." In other words, an organization is defined by the way in which work is done. This concept was the foundation of all military organizations before the World War II. All the abovementioned fundamental concepts are explicitly dealt with in the present scientific paper.

1. INTRODUCTION

Thus, in order to become efficient, an organization may use three fundamental approaches: the model of the ideal organization, which is able to obtain maximum results from using the available market and knowledge; the maximization of opportunities by focusing available resources on the most attractive possibilities and by using them in order to obtain the best

results; the maximization of resources in order to facilitate optimal utilization of resources. There are two distinct categories of opportunities, namely: the replacement of current products and activities with better products and activities or the innovations, which represent a limited category in number, but which yields the best opportunities. Therefore, organizations must use their opportunities and the resources must be allotted to opportunities. Life has proved that in order to acquire the market-leader position one must focus on a market share, on a certain category of customers, or on a certain technology. Everything that is marginal cannot survive in the long run and cannot yield profit. The position of market leader is transitory and not at all permanent. In business, everything happens as in a physical system: energy always tends to spread. Economic performance is founded on an operational plan which includes the organization's objectives, performance fields, priorities, and strategies as well as responsibilities for the implementation of performance programs. As stated before, we define the organization as a group of people organized in their own structure who work together with the intention of attaining a set of common objectives, in order to obtain a product for a particular customer. Any organization, irrespective of its size, has two functions: it is both a supplier and a customer.

The second form of the organization is the company, "compagne", which is a combination of two French words "com", meaning together, and "panis", meaning bread. In other words, "compagne" means to work together and to share the bread, which is the result of people's work. This meaning is not very different from that expressed by the general definition of the concept of organization.

2. QUALITY MANAGEMENT IN THE FUTURE ORGANISATION

The result of competition is the global increase of social welfare of both the suppliers and the customers; its repercussions are positive for both the social and natural environment. Thus, all producers are able to launch their offer and all consumers are able to make their demands on any existent market. The existent reality has proved that producers must launch their offers on a specific market share, which is clearly identified and precisely selected. The principle of maximizing the producer's profit and that of maximizing the usefulness for the customer makes them both act on a particular market share and not on a different one. According to the competitors' size, we are able to identify the competition at the level of simple entities (individuals), i.e. nanoeconomic competition; microeconomic competition (small organizations); minieconomic competition (big organizations); and macroeconomic competition (sectors of a national economy).

Competitiveness is the concept associated to competition, or is the quality that a product acquires after engaging in the competition. The tougher the competition, the higher the product competitiveness. The law that governs the transformation of competition into competitiveness is that which states that an internal economic competition transforms into external competitiveness. Therefore, the success of an organization, namely its competitiveness, is given by the proportion in which that particular organization manages to exploit its human resources, its level of knowledge or the amount of available innovations. The primary factors of the competitiveness of a product are the price and quality, and amount of sales and the profit characterize the size of that specific economic competitor. In addition, another primary factor could be the time of product delivery. The main factors that control the primary factors of competitiveness are: the volume of production; technology; management; the strategy that determines the volume of production on a given structure and on the technology employed. We may also add a number of fundamental factors that provide a clearer image of the competitor. The majority of the present-day organizational changes are being made in order to improve performance. This should remain our objective as well.

However, while we are marching towards this goal, we should also consider the establishment of an active organization, which can support multiple changes, and which is a pleasant working environment. We maintain that the 21st-century organization is characterized by responsibility, self-sufficiency, risk and uncertainty. It could be a friendly environment, but it is a very human one as well. Artificial strictness and discipline of conventional corporations belong to the past. They are replaced by a world which is full of dynamism, challenges and dissatisfaction, which are basically characteristic to the human society. In order to describe the organization of the future, one must first perform a thorough analysis of a chameleon. The organization of the future will be, eventually, an adaptable organism. Its configuration and appearance will modify according to the requirements of the environment. The chameleon organization has five fundamental characteristics: flexibility, commitment to man, superior team spirit, strong abilities, and a tendency towards diversity. Although, up to the present moment, there is no such perfect chameleon, a few organizations are characterized by a couple or even a great majority of these elements. The organization of the future is itself founded on flexibility. It commits itself to act, to adapt and to change according to the changes that take place in the environment – this implies also its customers' changes.

The chameleon organization does not feel threatened by change; it is looking forward to embracing change. The chameleon organization's strong points are due to its fundamental abilities – the knowledge of what the organization can do best. Fundamental abilities are different from main activities. A fundamental ability is based on knowledge and skills, while a main activity is based on tasks. The difference is a major one. James Collins and Jerry Porras maintain, in *Built to Last*, that the organizations that last are those which are always able to find another way. They define their "clothes", their fundamental abilities and then organize themselves around those abilities, focusing on all new opportunities. In fact, the chameleon organization will be an "abilities basket", which it will organize and will supply the results required by its customers on the market. Those activities that are not part of the set of main activities will be reallocated in the exterior. The organization is aware of the fact that it has neither the time nor the resources which are necessary for activities that cannot be termed main activities. This cannot happen in the case of a hierarchy – because it is too dangerous. Because it values man, the chameleon organization has a tendency towards diversity regarding its work capacity and the way in which this is used. Diversity does not refer to race, sex, religion, or nationality, but on the abilities and perspectives which help finding solutions for the customers. The organization of the future embraces diversity, which could include, among other elements, more or less workdays a week, and a different amount of work from one week to another, according to requirements. There is trap which threatens all organizations which are engaged in the process of change. The great majority of managers wish to do appropriate things well. Unfortunately, after we have invented the way in which we conduct our work, sometimes we are not able to adapt and we fall into the trap of doing bad work in a systematic and skillful manner. This is the point where organizations are unable to react and gradually decline.

3. SERVICE QUALITY – OUR TARGET

Society may decide to sacrifice efficiency to equality. The conflict between efficiency and equality is one of the greatest problems society has to face and deal with. Nevertheless, in this context, we consider the efficiency problem in micro economy, in organizations, namely the management's contribution to the improvement of efficiency and effectiveness. The production level and dynamics depend on the volume, structure, and dynamics of production factors and as well on the productivity level and dynamics in the process of their utilization.

Economic efficiency implies avoiding waste of resources. When work force is not committed to achieving the objectives and organizations do use all their resources (as in the case of severe recessions), potential production is lost. Should these resources be engaged, total production could increase and thus everyone would be satisfied. Nevertheless, the employment of all available resources does not necessarily prevent waste, because this may be done inefficiently.

There are two important requirements to be met with a view to achieving economic efficiency: productive and allocation efficiency. Productive efficiency refers to the efficient production of a set of products. Productive efficiency occurs when resources reallocation is practically impossible. In most cases, increasing the production of a particular product implies decreasing the production of another one. Allocation of resources is inefficient, from the viewpoint of productive efficiency, when increasing the production of a particular product does not imply decreasing the production of a different one. However, allocation of resources is efficient, from the viewpoint of productive efficiency, when the only way to increase production of a particular product is decrease production of a different one. The first requirement for an organization to acquire productive efficiency is to produce any output level with minimum costs.

Allocation efficiency refers to the allocation of resources between products. In other words, allocation efficiency refers to choosing among various alternative points on the production possibilities curve (the maximum limit, to which an economy/organization is able to produce given the resources). Allocation efficiency is defined from the viewpoint of the impossibility to change the allocation of resources so that to improve a person's situation without affect the other person's position. Management's contribution is not restricted to improving efficiency, but as well effectiveness. This concept assigns the management the achievement of objectives and tasks under specified temporal and qualitative conditions. However, not always efficacy overlaps effectiveness. One may complete a specified managerial task, thus being effective, even if the ratio of income to expenses is not favorable. Nevertheless, due to its consequences, completion of tasks is extremely useful though not sufficient. Enhancing the effectiveness and efficiency of Romanian organizations, according to the new requirements of the transition to the market economy, enforces certain changes in all its components due to the continual development of management. Besides developing management subsystems, it is also necessary to operate certain changes at the level of organization's management system: planning and re-planning the organization's management system on the basis of rigorous scientific principles; remodeling the organizations' strategies and policies; enhancing and developing the management instrument; rationing decision-making; intensifying the operational component of the management work; training skilled managers, promoting efficient leadership; remodeling managerial and organizational culture.

Recent studies performed by the American Quality Foundation show that only 20% of the American organizations evaluate periodically their quality assurance programs, while 70% of Japanese organizations perform these tests on a regular basis. TQM can be implemented in an organization only if all employees consent to it. Otherwise, several excellent quality enhancement programs may fail because not all employees are determined to apply them.

The new ISO 9000:2000 standards emphasize the following aspects: to focus quality policies on the continual improvement of organizational processes; to clearly define a model for internal assurance of quality, focused on total quality management; to define a model for external assurance of quality; to assure and implement an efficient information system; to improve product effectiveness; to assure compatibility with the ISO 14000 referring to environmental management.

4. CONCLUSIONS

In conclusion, a healthy organization has a well-balanced assessment system, which reflects its principles and determined performance in relation to the values of its shareholders. Planning, accomplishment, measurement, and improvement of all processes belong to quality management systems and are the main objectives of modern management. By identifying imperfections, nonconformities, strong points the continual improvement potential is determined.

However, beyond the defect indicators, it is also interesting to evaluate the cost of these defects; thus, the usable productivity stake is emphasized; it helps comparing relative significance of several nonconformities. Non-quality is expensive, while good work makes quality achievement possible at the lowest cost.

The organizations of the future, as those of the present-day, will function within an insecure, highly competitive and complex environment.

Their profitability and viability will depend on the effort of a more and more diverse workforce – one characterized by the existence of two groups: managers and employees who are significantly different and who insist that these differences be recognized. In Romania, funding, risk and performance are of great importance.

Performance is preceded by quality and succeeded by profit. Not so long ago, quality issued used to be discussed in terms of the production processes, technology, the economic aspects of product quality being left aside. Absence of quality is expensive. The results of estimates of quality costs often prove surprising.

Thus, we are dealing with a powerful means of driving to action those involved in a certain activity.

Preoccupation for quality costs provide an image of the management of an organization, and not necessarily one of the quality of products or services and represent an important instrument for assessing the efficiency and effectiveness of the quality management system. The objective is not to reduce nonconformities costs by higher costs on prevention and measurement, but to constantly reduce these costs. The quality management system should involve costs that become constantly lower; lower than the losses it prevents; otherwise, the quality management system is art for the sake of art, not management.

5. REFERENCES

- [1] Burduș, E., ș.a.: Managementul schimbării organizaționale. Editura Economică, București, 2000.,
- [2] Fundația Druker: Organizația viitorului. Editura Teora, București, 2000.,
- [3] Olaru, Marieta: Managementul calității. Editura Economică, Ediția I, II, București, 1995, 1999.,
- [4] Oprean, C., Țițu, M.: Managementul inovațional și al calității. Editura ULBS, Sibiu, 1999.,
- [5] Oprean, C., Țițu, M.: Sisteme de control și fiabilitate. Editura ULBS, Sibiu, 1999.,
- [6] Oprean, C.: Managementul calității. Editura ULBS, Sibiu, 2004.,
- [7] Oprean, C., Țițu, M., Oprean Cristina: Managementul strategic. Editura ULBS, Sibiu, 2002.,
- [8] Oprean, C., Țițu, M., Oprean Camelia: Studii de caz în managementul strategic. Editura ULBS, Sibiu, 2004.,
- [9] Țițu, M.: Managementul calității. Suport de curs. Editura ULBS, Sibiu, 2005.,
- [10] ISO 9000:2000, ISO 9001:2000, ISO 9004:2000, ISO 19011:2001, SR ISO 14004:1998.

