

WC-BEM 2012

# Sustainable development of organizations through total quality management

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## Abstract

In a dynamic economic environment the companies have to focus themselves on the achievement of sustained success, which includes the satisfaction of all the interested parties' requirements and expectations. I think that to achieve these objectives and to have a sustainable development, every organization must implement a complex management which combines the Total Quality Management and Strategic Management principles and, in this paper I am introducing the conceptual model.

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**Keywords:** Sustainability; quality; total quality management; excellence; strategy.

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## 1. Introduction

Economic changes that occurred in the economic environment over the last two decades determine the need for a new management orientation of the economic organizations: orientation towards the sustainable development.

Sustainable development takes into consideration the fact that economic efficiency depends on many variables, from the legislative and technological to socio-cultural. By following the sustainable development, to achieve the organizational goals, it is necessary for management to act taking into account not only to obtain profit but also the environment and society. Thus, to ensure long term profitability, the management attention should be directed in addition to profit, to respect the legislation on social and environmental protection – towards the responsibility for corporate accountability.

For shaping the perspectives of organizational sustainability, management should be proactive – by anticipating the changes that will occur on stakeholders' needs, finding the necessary resources and driving towards the established goals. To implement and make the necessary changes, it is important for each and every employee to know and to understand better the work they perform, thus, being able to adapt to changes within the organization.

Given the fact that the development at technical, organizational, geographical, cultural and temporal level determines the change in the number of elements and features of the production system, the management of a sustainable production system must meet the design of a more complex work, which takes into consideration the following: Compliance with the environmental legislation; The quality of products or services – the customers' needs; Increased productivity – the needs of investors; Satisfaction, wellbeing and content of employees – the social

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needs. The necessity of adopting the orientation towards a sustainable development by the economic organizations is demonstrated by the appearance of some new versions of international documents – for example, ISO standards – as well as by changes in the conception of some bodies operating at European level – for example, European Foundation for Quality Management (EFQM). Specifically, there were major changes in the new ISO 9004 standard and in the new EFQM excellence model in 2010.

## 2. TQM and the sustainable development

Since the first version of standards from ISO 9000 series for “the quality system”, in ISO 9004 standard, recommendations were presented to organizations that implemented quality system and set the next goal to improve it. After the major revision in 2000 of ISO 9000 series, only one model of “quality management system” was held, and the recommendations for improving the organization’s results, which had such a system implemented, were also presented in ISO 9004. After the periodic review in 2009, ISO 9004 has become a guide for “Management for the sustainable success of an organization. A quality management approach”. The standard transformation was necessary because, after a major economic crisis, balance of organizations can be restored only through a continuous and systematic improvement of its overall results.

The argument that supports this idea is that, in essence, based on the recommendations of ISO 9004:2009, a quality management system developed on the basis of the strategic management concepts results. Among the recommendations of ISO 9004 standard to be met in order to achieve the sustainable success, we can exemplify the following:

- ✓ Identify all the stakeholders and their requirements and expectations;
- ✓ Determine the results that the organization would have to get to achieve the long-term satisfaction of stakeholders;
- ✓ Anticipate resources, including skills and technologies necessary to achieve the objectives;
- ✓ Decision making on organizational changes necessary to ensure a proper framework for the deployment of operating processes;
- ✓ Development of policies needed for the organization’s vision and values to be accepted and supported by stakeholders;
- ✓ Establishment of the organizational objectives taking into account both the requirements and expectations of stakeholders and the monitoring and evaluation results of the external environment of the organization and its strategic capability assessment;
- ✓ Development and implementation of processes for continuous improvement, including benchmarking studies, learning and innovation;
- ✓ Identification and assessment of risks.

Although I have mentioned only briefly the main recommendations of ISO 9004:2009, from the presented ones, it results that the quality management system for the sustainable success of an organization must ensure processes of objectives, strategies, monitoring the external environment, feed-back necessary for continuous improvement as in Figure 1:

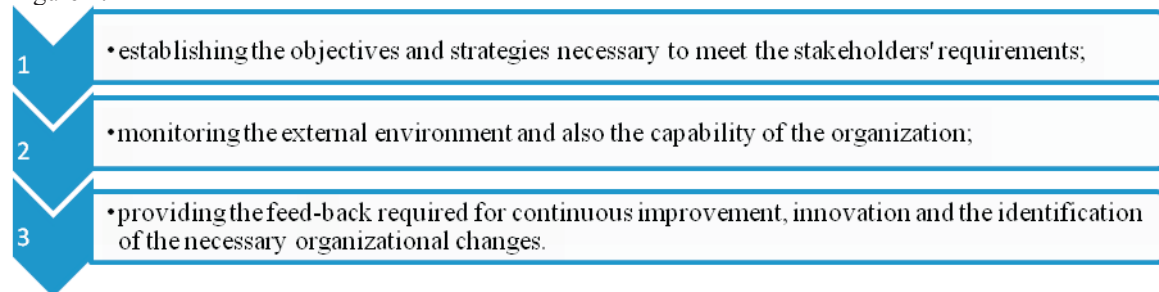


Figure nr.1- Processes of the management system for a sustainable success

Therefore, the strategic elements within quality are outlined, which gives a prospective and projective thinking that is specific to modern organizations oriented towards a sustainable development in an extremely dynamic, complex and hostile environment. The sustainable success of an organization is achieved by its capability to meet the needs and expectations of customers and other stakeholders, equally and on long term. Sustainable success can be achieved by an effective management of the organization, by an environmental awareness of the organization, by learning and applying appropriate improvements, innovations, or both of them.

### 3. Elaborating a conceptual model for the management system of the organizations

Achieving sustainable results necessary for the organization to meet the requirements of all stakeholders, certainly involves its long-term development and even the accomplishment of the stage of excellence. The achievement of the sustainable success by accomplishing the stage of excellence as a result of orienting towards the “total quality” is possible by implementing a complex system of management processes. A management system, which allows both coordination and the achievement of a synergy among the implemented processes, is necessary, to:

- ✓ A permanent adequacy of policies and strategies at the conditions of the organization’s external environment;
- ✓ Monitoring the organization’s external environment and the internal processes;
- ✓ A continuous improvement, learning from experience;
- ✓ Permanent innovation and the implementation of processes’ reengineering.

The conceptual model of this management system is presented in the following figure:

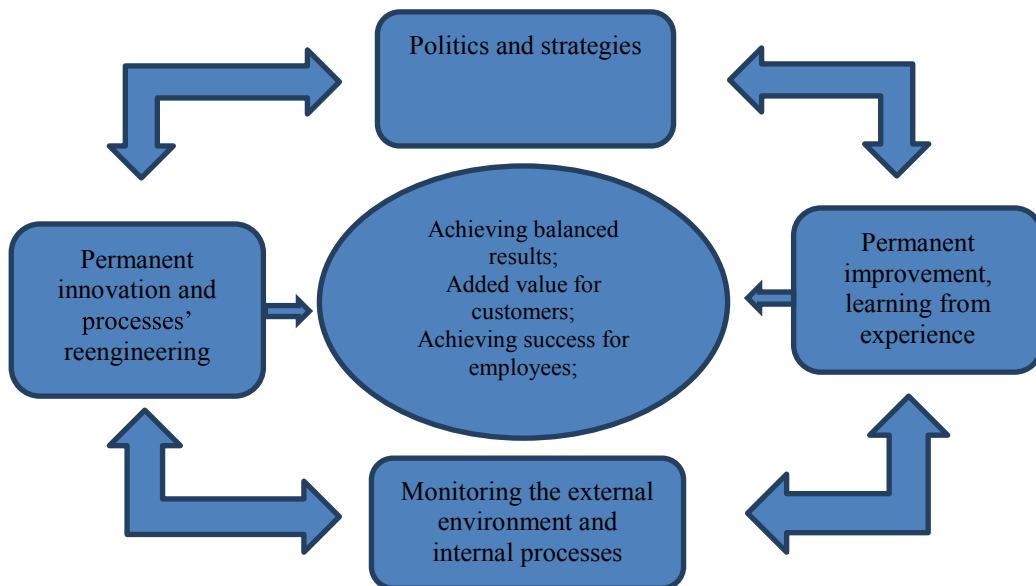


Figure nr. 2 – The model of the quality management system for a sustainable development

Each component of the model is an essential category of management processes that are important in connection with all other components of the model.

To point out the intrinsic relationship between the processes of strategic management and those referring to total quality management I have emphasized the importance of the component “monitoring the external environment and internal processes”, because this component highlights the need for a whole set of management processes in the strategic management area.

By “monitoring the external environment” information is collected, on which can be predicted: opportunities and threats of the general environment, critical factors for success in the competitive environment, requirements and

expectations of the stakeholders. Based on this information, goals are set and the options for organizational and competitive strategies are developed. (Constantinescu, D., Constantinescu, R., 2011)

By monitoring the internal processes, the evolution of their results is controlled, which reflects the assumptions to achieve the long-term objectives of the organization. For this purpose, it is necessary to monitor some groups of key indicators: “balanced scorecard”. “Balanced score” expressed in financial terms – that shows the results of the actions – with the results on customers’ satisfaction, internal processes and innovation and improvement activities of the organization, which are critical for the financial performances that will be achieved in the future.

Monitoring the organization’s results in the four mentioned areas implies that the management sets targets for the following areas:

- ✓ Financial: What relationships are targeted by the stakeholders?
- ✓ Customers: How do customers appreciate the organization?
- ✓ The internal processes’ perspective: What must the organization excel in?
- ✓ Innovation and learning: Can value be improved and created continuously?

Also, according to the results of the obtained information analysis by monitoring, top-management must make decisions regarding:

- ✓ Maintain or change policy and / or strategies;
- ✓ Need to carry out some organizational changes;
- ✓ Need to reconsider decisions related to resources;
- ✓ Need to develop and implement some improvement processes.

The exemplification of the results obtained by internal and external monitoring on the other groups of managerial processes is because the external environmental assessment and the organization’s capability in an environment such as the predicted one provides key information to make decisions on strategies and policies.

Also, for the implementation of some organizational or competitive strategies the following are necessary:

- ✓ The improvement of the managerial and operational processes;
- ✓ The innovation of the operating processes;
- ✓ The improvement of the monitoring process in terms of the directions to which the research of the external environment is oriented or of the methods used for internal monitoring;
- ✓ The reconsideration of indicators and / or frequency to achieve the self-assessment of the organization.

As shown in the presented examples related to the connections between the groups of managerial processes, the proposed model highlights the need to develop and implement a management system which ensures long-term results in all the departments of the organization, to meet the stakeholders’ requirements. It is therefore required a system that, based on the principles of Total Quality Management (TQM), guides the organization management to adopt the decisions which are necessary in a strategic management process.

#### 4. Conclusions

Low-quality scans are not acceptable. Figures must be embedded into the text and not supplied separately. This paper has presented some of the management processes specific to the model of sustainable development and the interferences between them and pursued the need for a complex management system based on TQM principles that favours excellence in the sustainable development approach.

The conceptual model presented, based on the four components, is mainly the result of TQM development using the principles and processes specific to the strategic management.

In the knowledge-based society, the sustainable organization is an always learning organization that constantly adapts to environmental changes, which adopts a modern leadership and tends to be a priority for present and future.

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