

POSSIBILITIES AND LIMITS OF THE QUALITY INTEGRATED MANAGEMENT WITHIN THE ROMANIAN COMPANIES

Daniela SARPE*
Mihaela NECULITA**
Vasile MAZILESCU***

"Dunarea de Jos" University, Galati

**dsarpe@ugal.ro*

***neculitam@yahoo.fr*

****vmazilescu@ugal.ro*

The authors of the paper try to identify the main approaches in the field of the Quality Integrated Management on the Romanian companies' level, starting with the discussion about the theoretical frame of the topic. The paper speaks about the taylorist and Japanese systems as the most important backgrounds for the quality management improvement. The opportunities and the strong points are analyzed and the main hindrances are identified in order to offer a general view of the complexity of the quality system.

***Keywords:** formal organization/ informal organization, satisfying behaviour, bounded rationality, transfunctional factory, cultural revolution*

1. Theoretical approaches from *taylorism* to *toyotism* and other open systems

The approach of the quality management shows particular aspects that are specific to every system of organization developed in the industrial practice during the last century. Thus, we are speaking about some particular ways of quality approaching presented by the taylorist model or by the Japanese or toyotist one. Not accidentally, the taylorism was born in the United States: the virtually unlimited capacity of expansion of a more sensible market regarding the aspects which concerned the expenses rather than the technological processes, has determined the mass production character, bringing up new organizational problems. The only variable that should have been controlled was the competition and the problems, which were brought up referred to a greater extent to the cost reduction rather than the innovation regarding the products' quality. This situation

was perpetuating an increasing rigidity of the productive processes, for the companies being more cost-effective to install thoroughly programmed production lines, concerning all details, thus economizing considerably regarding the short-term depreciation of the additional costs generated by the process of investing.

The classical theory of the industrial organization was born therefore from the tentative to work out practical problems that the industry should overcome. It thus becomes the *science of management*, using empirical data and real situations directly known by those who settled its bases. It also means the tentative of individualizing a series of scientific principles and, therefore, universally valid, which can be applied to any type of company. Nevertheless, as many critics of the classical theory have repeatedly underlined, not always an empirical base of

many axioms and principles is solid and rigorous enough. On the other hand, the continuous search for the general principles often prevents the emphasizing of the specific conditions when these principles are considered valid.

However, it must be emphasized that classical theory has dealt exclusively with the so-called *formal organization* of the company, namely with the structures that are officially stable. It concentrates its attention not only on the company itself and on its management, but also states that the company is autonomous regarding the environment and can therefore be isolated and studied separately. The firm - society relations are perceived in terms that are exclusively economic: an *input* of capital and work force and an *output* of final product.

The classical theory describes therefore an organization which works in a relatively stable environment and which does not focus its attention on the change; thus it creates a rigid organization, unable to interact promptly with the changes of the competitive level in which it runs. In reality, running in a market economy, the company faces a series of variables which makes the control more difficult, thus generating a certain degree of *aleatory*; becoming thus difficult to apply the concept of economic rationality, as long as the elements and variables which describe the states cannot be known accurately enough in due time. The company management could make it work according to some economic criteria. The concept of *organization* encompasses the scheduling of different stages of the collective work, the previous defining of the collaboration reports, of authority and dependence relations among these.

In order to reduce to the minimum the unforeseen events, the formal organization operates with a whole range of written documents (organization chart, rules and regulations, instructions) used to minimize up to the elimination the number of arbitrary

decisions, unpredictable within the system. In reality, however, the running of a company relies also on a series of unplanned inter-human reports and even reports that cannot be planned. The conceptualization corresponding to the classical theory does not however take into account the psychological and social variables that form an organizational reality at least as important as the formal organization. This drawback of the classical theory will be made up for by the emergence of the Japanese model, according to which the *informal organization* variable acquires certain valences.

An important corollary of the formal organization as well as of the thorough scheduling foreseen by it, is, according to the classical theory, the strict division of the work. However, priority is granted to the task that must be accomplished to the person's prejudice which accomplishes it: he/she must adapt themselves to the requirements of that particular task without being able to determine it in any way.

However, when the importance of the entire series of motivations and behaviors is made obvious, which are impossible to shape after the requirements of the economic rationality, the classical theory has not yet faced the crisis. Its serious deficiency is due to the excessive simplification of the ordinary people's problems working in the organization, surpassing the psychological and social components which are however essential in the shaping of the individuals' behavior who form an organization.

H.A. Simon, in his works "*Administrative Behaviour*" and "*Theories of Decision in Economics and Behavioural Sciences*" disputes the classical approach of the concept of rationality. The novelty in Simon's approach materialises in the refusal of the classical theory statements, which considered the enterprising as being *all-knowing*, rational oriented towards the maximising of the company's profit. The traditional type of *the economic man* cannot be placed,

according to Simon, in the organisational theory. If the classical enterprise worked in a world of the perfect information, without needing complex organisational structures, the modern company that runs in a context dominated by uncertainty cannot pay a particular attention to the organisational characteristic. To be more accurate, the core of the problem analysed by Simon constitutes the idea that the modern company is not an *individual entity* but an *organisation*, an assembly of individuals and power centres.

Due to these reasons it was born the idea according to which the fundamental objective of a company, as an organization, is that of *surviving*. On the operative level, this can be translated by the attempt to find a *satisfactory* solution, corresponding to each and every internal groups of the company. And since the company's survival is directly linked with the profit, the idea of maximisation is substituting with the idea of reaching a *satisfactory* level of it. It is the situation which Simon calls *satisfying behaviour* and which can be justified by the fact that companies above all, act on the bases of *bounded rationality*.

Within a complex system, as a industrial enterprise can be considered, the decisional rationality is expressed therefore through the possibility of activating of a variety of decision taking processes, in that of applying more interpretative codes to the decision. The concept of *open system* itself emphasizes the *global* nature of the decision. If the interaction with environment, essential to the system vitality, is the one which creates the decision premises, then the decision taking process seems to be spread in the medium and issues the problem of delimitation between the system and environment, namely of the system identity. The Japanese management system corresponds entirely to this category of open systems, its emergence being associated to the *critical reference* process to the tayloristic traditional model, without aiming at any cost, the denial of the latter, taking over and judging its principles from a different point of view.

2. The concept of "integration" in quality approach and its applicability in the Romanian companies management

2.1. Opportunities and strong points

The implementations of the quality integrate management on Romanian companies levels correspond nowadays to the process of creation of the so-called *transfunctional factory*. Its building is a brave attempt to overcome the taylorism, of abandoning the conception on which it was organized the work and run the industrial system over the last decades.

The reorganization of the productive activities on the level of each enterprise will imply a double change:

a. The rationalization of the management and control system of the quality improvement objectives. This change aims at defining at all levels the objectives of imperfection and inefficiency risk reduction. It will contain two main innovative elements:

- the assigning of a single post to the specific objectives and their quantification (through the means of some parameters); it facilitates the control of the results of the activity performed by a single employee and of the correspondence between the objectives and means used for its accomplishment. Thus increases the degree of **social quantification** of the employees' behavior and of the instrumental rationality of the company - system;

- the elimination of bureaucracy of the productive behaviors implies the assigning of accurate responsibilities to different productive positions, thus ensuring the dissemination of the discretionality spaces in the entire productive system and the development of the result oriented action logic and not oriented towards the accurate performance of the procedures.

b. The **institutional** changes of the organizational structures as well as of work

organization by transforming the companies' traditional organizational chart into one whose macrostructure is given to the general manager, also providing to him a huge initiative power, since it gives him the responsibility of the manufacturing product.

The manager is considered the **owner** of the product and the hierarchic coordinator of all directing entities of the different productive activities.

Therefore, every employee who is involved in production should be able to manage and to govern partially a multitude of productive variables from a systemic optical perspective of the productive cycle. Due to this aspect, the principle of rigid separation of the functions as well as of the tasks is not important any more, identifying here the nucleus of the development not only of the polyvalent and multifunctional professional competence but also of a systemic professions (understood as the worker's ability to analyze the technological and organizational structure corresponding to his own work environment, to grasp the significance of the productive processes which are performed in various work domains, to shape his own behavior in such a manner that to accomplish a dynamic adaptation to the production cycle segment which constitutes his responsibility).

Another important aspect is represented by the changes from the informational system on the team level.

The first type of change concerns the quality as well as the consistency of the volume of information made available to the worker. In this respect, there will be disclosed directly to the workers, information regarding the work performance which were kept by the employers in the past and which were made available to the workers only on their explicit request. The supplying of the elementary operational list will have a double impact upon the worker. On one hand it will allow the worker to maintain constant control over

the work methods and the afferent duration. On the other hand, it will encourage the emergence of a mechanism of permanent formal work adaptability to real work performed by the workers, meaning of tayloristic rationalization of informal work.

The second type of change concerns the worker's role in the company's decision-making system. In the taylorist model, the worker is a person who passively receives information already decided, which constitutes a condition and, at the same time a prescription of the performed work. In the formal scheme of the current work organization, the worker does not take into consideration all information to make decisions, but to allow *others* to make them. The negative informational fluxes are oriented on vertical directions and the hierarchic level represents the convergence points and of selection of information spread on the horizontal level. The negative consequences of the running of this type of hierarchic mode, of bureaucratic type are very important: different compartment work stand-alone; the decision taking process runs slowly, the longer the hierarchic chain is, the slower the decision taking process works. Moreover the decisions which were taken are not always adapted to the problems, as the information can undergo changes due to the multiple transactions from one level to another.

2.2. Hindrances

In every enterprise system, the implementation of a new organizational model will bring about two types of oppositions. On one hand, a **social level opposition**, manifested by those sectors of the enterprise which consider that their professional or power positions and in danger, which believe that their work conditions could get worse or that their existence will be reconsidered. On the other hand, a **cultural level opposition**, connected with the difficulty of abandoning an entire system of knowledge, information on whose bases the behaviors within the company are

defined, the difficulty to adopt new priority directions, new inter human relation styles, etc.

Both types of oppositions have a common root, which is defined by the organizational frame specific to the old model. Thus, new types of behaviors can emerge which coexist with the old ones and which can determine the contradiction and inefficiency elements or even of paralyzing the new organizational model.

All these elements should be controlled by the team that runs the process of change in the company, the team has also the role of explaining the aspects which belong to a real *cultural revolution* of the working change.

These oppositions are expected to manifest themselves conspicuously in the Romanian industry, because, on one hand the new organizational model will substitute a model which has already existed for decades and has been consolidated in time, and on the other hand due to the characteristics of the old model which define it as rigid and less adaptable.

The problem will be not only that of transition from a *culture of quantity* to a *culture of quality* but especially from a *culture of stability, conformity and obedience* to one of *transformation, initiative and criticism*. If so far a person who has issued a problem was regarded as a perturbing factor, the developing of the new system would allow him/her to have a propulsive position.

On the organizational and informational level, the difficulties will be always connected with the elimination of the type of behavior which lacks transparency aiming at hiding or *forgetting* the information or problems, of the strict delimitation for the different sectors of the enterprise, of the tendency *to hand* responsibilities and especially the practicing of informal

arrangements which the Romanian industrial environment has developed in time.

As far as these opposition factors (objective and subjective) are concerned, the fact that the organizational change is imposed by the difficult situation in which the majority of Romanian companies are situated, which see their positions endangered on the market due to an acute lack of competitiveness, has double implications. First, of course, the difficult situation can determine a larger consensus regarding the hypothesis of change, as a condition that is required to overcome the crisis. However, on the other hand, a significant difference may arise between the expectations and results, between the pressing need of improving the enterprise performance and the intervals, which are inevitably longer, in which the change can have its effects, which can later support the skeptical attitudes and the oppositions.

The *intermediary hierarchy* implies being one of the main factors of change opposition. However, its re-dimensioning foreseen by the new organizational model (reduction of the number of hierarchical levels) does not necessarily mean the diminishing of its role. On the contrary, the role of intermediary superior, starting from the foreman which seems to be the most important. This aspect nevertheless generates difficulties and problems in the selection of the corresponding person will take in on.

However, it is not productive to consider that the entire intermediary hierarchy would be hostile to the change or that its degree of professionalism leaves always much to be desired. It is certain that in time, the intermediary superiors have developed at least two abilities of important management:

1. *personnel management*: meaning that the intermediary superior is not just the controller of the workers, the one who transmits dispositions from the other higher superiors but the administrator of a complex

system of change on which relies the efficiency of the social control system; a system through which the worker performs different activities as a result of different incentives (not always adequate), but their management has been taken from the unions' jurisdiction and given to the intermediary superiors.

2. **production management**: meaning that the intermediary superiors decide over the opportunities of one or the other productive variants, even when they accept a certain difference between scheduling and reality. Their behavior has a strong informal character, thus they frequently do not make the best of working overtime, do not see some imperfections or malfunctions and they make use of an emergency management instead of a scheduled one. This **informal patrimony** contradicts the requirements of the new model.

The problem that urgently arises will aim at the professional reorientation of this category of employees, despite the opposition attitude that they may promote.

The problem of intermediary hierarchy is only one of the difficulties that risk if not to block, at least to empty the content of the new project, making it undergo a **facade**

change, behind which a lot of organizational elements remain unchanged. The major risks are either those of not finding any professional positions corresponding to the new roles or that of creating new roles that in reality copy the old ones.

Nevertheless there is a more important risk and with consequences that can affect on a long term the efficiency of the new system, namely that in the lack of a **real professional and cultural reorientation**, the integration of the functions means actually the emphasizing of the production function, its manifestation under new forms. Thus the predomination of logic of quantity over the logic of quality has been renewed, instead of a harmonization of the two orientations aiming at the accomplishment of the **total quality**.

References

- *Rehder, R., Ralston.I. "Why some companies fail in quality management" International Management Journal, no.1, 1985*
- *Bollinger, D., Hofstede, G. "Les differences culturelles dans le management", Les Editions d'organismes, paris,1987*
- *Pentecost, D. « Quality Mangement ; The Human Factor », European Participation Monitor, no. 1991*