

CHAPTER 1: INTRODUCTION

1.1 BACKGROUND

1.1.1 Interests in TQM

When the term "Total Quality Management" first appeared, many managers hoped it would be just another programme they could go through the motions of supporting, like so many other "fads" before it. But the concept persists. Interest in Total Quality Management (TQM) has been growing since the early 80's and has continued today in both industrialise and newly industrialise countries. Many business strategies of the past ten years have attempted to make companies more competitive.

In the global economics war of the 1990s, companies realize that today's customer won't settle for a product that's just "pretty good". Improving quality is the ultimate long-term winning strategy in today's highly competitive business world. Most people are aware of the impact of a national quality strategy on Japan since World War II. The Japanese were prime in switching commercial interest from competition in productivity to competitiveness in quality. By the 1970s, the Japanese had become masters at achieving quality in their manufacturing sector. Many American and European firms loss its competitiveness in market share and profit to their Japanese competitors. This has fuelled the surge

in interests in quality management. People have recognized that Japanese success was not only due to national, cultural and societal differences, but also reflected strongly a new attitude and desire of Japanese management to ensure that consumers receive what is promised.

National institutions in many countries are promoting this interest following the success of Japanese companies. Quality has to keep pace with global demands. Quality is nothing new to companies in Malaysia as it is essential for the successful marketing of products and services at home as well as overseas. In Malaysia, the Standard and Industrial Research Institute of Malaysia (SIRIM) is active in conferring awards and certification to local companies in achieving and conforming to quality standard in line with international standards. In Malaysia, over 534 companies have been certified to International Standard Organisation (ISO) 9000 requirements, yet there is no official record of companies that practises TQM.

1.1.2

Literature Proliferation

There are many literature prescribing the effective quality management. Famous academicians and practitioners including Deming (1986), Juran (1986), Crosby (1979), Feigenbaum (1983), Ishikawa (1985) and others have described a variety of technical and

requirements that comprise a basic, common sense management system which, when implemented, gives the means to manage quality. It also provides the opportunity for considerable reductions in operating costs, improvements in management control and overall efficiency of an organisation. Therefore, attaining ISO 9002 registration is definitely an important step towards total quality management.

1.3

SIGNIFICANCE OF THE STUDY

This report serves as a useful self-analysis of DMIB on its TQM effort by examining the key problems that will enable the company to further consolidate its effort towards establishing a total quality culture.

To other practitioners or would-be practitioners of TQM, it is hoped that this study would provide an insight into the implementation difficulties of TQM within the local context.

Finally, to all others interested parties in the subject area, it is hoped that the literature review and findings would stimulate further examination of topics pertaining to total quality management.

1.4

SCOPE AND ORGANISATION OF REPORT

This report is organised into 6 chapters. Chapter 1 introduce the subject of TQM and presents the purpose behind the study. Chapter 2 attempts to summarise the recent literature on quality management, ISO 9000 and TQM.

Chapter 3 introducing the industry and company in for this case. Chapter 4 presents the case detail, covering the company's quality system, ISO 9002 practices, TQM practices and implementation status.

Chapter 5 presents the analysis and findings of the company's approach towards TQM practice. Chapter 6 provides conclusions and recommendations for the company, and suggestions for further research.

1.5

METHODOLOGY

This is a case study on how a local manufacturing company who attained ISO 9000 Certification can actually achieve Total Quality Management system which reveals real and practical issues. All data are mainly secondary data taken from DMIB Berhad's Works Division. Other relevant data are provided by Human Resource Department, Quality Assurance Department, Works Technical Department, Production Department and

Communication Department of DMIB Berhad.

The reasons for using DMIB for the case study are because product quality is of paramount importance in DMIB and the writer's knowledge and experience in the industry and company facilitate analysis and application of ISO 9002 and TQM in the industry.