

Unit 32: Quality Management in Business

Unit code: R/601/1100

QCF level: 5

Credit value: 15 credits

Aim

The aim of this unit is to enable learners to understand the concept of quality and quality management and define it in the context of business and service operations.

Unit abstract

Quality has a wide range of meanings and is a term that can be used in a variety of contexts, as a result it is hard to define. 'Total Quality Management' seeks to ensure that all processes relating to the production of goods and services are of the highest quality. Quality control is concerned with maintaining quality standards by monitoring and taking action when quality falls below those standards. 'Quality assurance' is a term used where a supplier guarantees the quality of goods and allows the customer access during the production period.

Customer satisfaction is at the heart of quality management, but this, in itself, implies a different concept of quality. Customers are becoming more sophisticated and more demanding, requiring superior performance from goods or services and quicker responses from suppliers. Quality has been defined as 'fitness for purpose' but needs to be aimed at the needs of the consumer, driven by what the consumer wants and will pay for.

Learning outcomes

On successful completion of this unit a learner will:

- 1 Understand the different approaches to quality management appropriate to commercial operations
- 2 Understand the benefits of quality management in a business and services context
- 3 Understand a range of quality controls and how service to the customer can be improved
- 4 Be able to apply the principles of quality management to improve the performance of an organisation.

Unit content

1 Understand the different approaches to quality management appropriate to commercial operations

Define quality: identifying customer needs and providing systems to meet/exceed expectations, notion of self-assessment to establish the current position of an organisation

Inspection and assurance: mass production and mass inspection, the early years of quality control, quality systems and accreditation, the race for awards eg BS 5750, ISO 9002, EN 29000, EFQM, Qest, Chartermark, Citizen's Charter, Investors in People, the middle years of quality assurance

Approaches: the works of Deming, Juran, Feigenbaum, Crosby, Ishikawa, etc, quality planning, quality control and continuous quality improvement through teams and facilitators, measurements as an aid to rational decision making, self-assessment, costs and benefits of quality, communication channels, macro issues of theory and prescription

Similarities and differences: structure of schemes, applications, costs, implementation periods, use of documentation, application of standards, identification of actions required, assessment methodology, orientation towards customer/staff or organisation, effectiveness as a means to improve service quality

2 Understand the benefits of quality management in a business and services context

Customer satisfaction: the voice of the customer, customer needs and expectations, understanding the customer, responding to customer demand, meeting or exceeding expectations, value for money, added value and repeat custom

Continuous improvement: from customer needs to customer needs and expectations, quality gaps, internal and external customers, moving quality into the service sector and its associated problems, the mature years of continuous quality improvement.

Added values: lower costs, reduced waste, saving time, reducing need for support activities, customer loyalty

Improved customer information: opening times, location, price lists, promotional material, raising awareness, creating true image, targeting all groups, value for money?

3 Understand a range of quality controls and how service to the customer can be improved

Measurement of quality: systems documentation, procedures for all operations, evaluating own procedures, comparisons with past performance/future plans (business aims and objectives), competitors, industry standards, priorities for action, benchmarking, emphasis of approach eg statistical quality control, quality circles, TQM, Six-sigma

User and non-user surveys: profile of users and non-users, visit regularity, facilities used, likes, dislikes, preferences, suggestions, expectations/perceptions of service, barriers to access, action required, encouraging and converting non-users

Consultation: questionnaires (distributed internally/externally), suggestion schemes, complaints procedures, focus groups, open meetings, direct approach to group leaders and groups

Complaints: distribution of forms (send out/collect), internal/external, framing questions, customer friendly/IT friendly, easy to analyse, areas for improvement, response time, period for remedial action, communication with complainants, measurement of customer satisfaction

4 Be able to apply the principles of quality management to improve the performance of an organisation

Self-assessment: validity of self-assessment, eg subjective, bias, one dimensional; judgement based on current practice, comparison, eg with past performance of organisation, against competition, against benchmarks for future; comparisons with similar organisations/industry standards

Communication and record keeping: importance of communication across whole organisation (vertical/horizontal), establishing agreement through consultation, notifying actions required, currency, accuracy and relevance of records kept, comparison with historical data, similar organisations elsewhere, industry standards, record keeping

Staff consultation: setting the scene, explaining rationale (objective of quality scheme), processes involved, requirements and commitment from staff, communication and reporting mechanisms, keeping team updated and engaged, implementation, feedback and review

Service improvements: application of concepts, documentation, administrative processes for communication, applying standards, monitoring, action on improvements, performance indicators, response times, feedback and review

Learning outcomes and assessment criteria

Learning outcomes On successful completion of this unit a learner will:	Assessment criteria for pass The learner can:
LO1 Understand the different approaches to quality management appropriate to commercial operations	1.1 discuss definitions of quality in terms of business and services provision 1.2 illustrate the processes of inspection and assurance 1.3 discuss a range of approaches to quality management 1.4 explain the similarities and differences between the different methods
LO2 Understand the benefits of quality management in a business and services context	2.1 discuss what is meant by customer satisfaction 2.2 explain the meaning of continuous improvement 2.3 illustrate the type of added values to be gained. 2.4 describe the types of information made available to customers and the importance given to effective marketing
LO3 Understand a range of quality controls and how service to the customer can be improved	3.1 explain how quality management can be measured 3.2 evaluate the benefit of user and non-user surveys in determining customer needs 3.3 list the methods of consultation employed in one quality scheme to encourage participation by under-represented groups 3.4 identify the value of complaints procedures and analyse how they may be used to improve quality
LO4 Be able to apply the principles of quality management to improve the performance of an organisation	4.1 report on the role of self assessment in order to determine an organisation's current 'state of health' 4.2 evaluate the importance of communication and record keeping 4.3 follow guidelines on the stages of staff consultation necessary for effective implementation of a quality scheme 4.3 propose new systems or modifications to existing systems that could improve service quality.

Guidance

Links

This unit links with the management pathway units, especially: *Unit 15: Managing Activities to Achieve Results*; *Unit 16: Managing Communications, Knowledge and Information*; and it also links to *Unit 34: Operations Management in Business*.

Essential requirements

Quality management manuals, policies and strategies will be needed to support learners' work.

The use of case studies at this level will need careful preparation and management. There are numerous examples of case studies focusing on business excellence in the public domain, often in appropriate journals.

Learners must read the trade and specialist press and associated websites regularly.

Employer engagement and vocational contexts

Centres should try to develop links with local businesses. Many businesses and chambers of commerce are keen to promote local business and are often willing to provide visit opportunities, guest speakers, and information about business and the local business context.

