

Investigating the Practice of Total Quality Management as Competitive Advantage in the Pharmaceutical Industry. A Case Study of Tobinco Pharmaceuticals

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Abstract

The objective of this study is to investigate the Practice of Total Quality Management in the Pharmaceutical Industry. The data collected from the field was analysed using Statistical Package for Social Sciences (SPSS) and Microsoft Excel. The demographic profile of respondents was analysed, followed by an analysis of responses provided to investigate the Practice of Total Quality Management in the Pharmaceutical Industry using Tobinco Pharmaceuticals as a case study. Tables, graphs, charts and percentages were used in data presentation and analysis. It was therefore concluded that a company that can produce goods at reduced costs than their competitors, while delivering quality products that satisfy customers will have an advantage over those companies that do not duplicate those feats. The Total Quality Management (TQM) business philosophy of satisfying the customer with quality goods and services reducing waste and empowering workers and suppliers is a method to achieve those goals as well as usage of the six (6) sigma approach which seek to eliminate errors to a significant magnitude.

Keywords: *Total Quality Management, Competitive Advantage, Pharmaceutical Industry.*

Introduction

Total Quality Management (TQM) refers to managing methods used to enhance quality and productivity in organizations, particularly businesses. TQM is a comprehensive system approach that works horizontally across an organization, involving all departments and employees and extending backward and forward to include both suppliers and clients (customers).

TQM is only one of several terminologies used to label management system that focus on quality. Other jargons that have been used extensively to qualify similar quality management paradigms and programs include CQI (Continuous Quality Improvement), SQC (Statistical Quality Control), QFD (Quality Function Deployment), QIDW (Quality in Daily Work) and TQC (Total Quality Control).

Irrespective of the discrepancy, surrounding the popularized term “TQM”, that acronym is less significant than the substance of the management ideology that underlies it. TQM provides a framework for implementing effective quality and productivity initiatives that increase the profitability and competitiveness.

Although TQM techniques were adopted prior to the Second World War by a sizeable numbers of organizations, the creation of the TQM philosophy is generally attributed to Dr. Edwards (1990-1993) when he was discovered that workers motivation system was degrading and economically unproductive and the fact that incentives were tied directly to output quantity and inefficient post production inspection were used to detect contraband goods.

TQM icons and experts market it as the best change regimes that provide organizations with a competitive advantage. They also assert that it is a panacea for all situations confronting any organizational framework.

This research will provide intellectual and factual data depicting that this is not always the case. There are areas where TQM provides a requisite change directive in connection with others. More so, since in corporate entities treat improving this process as a priority; TQM ceases to give a competitive advantage since it becomes a basic entry point into the competition. The first critical factor of TQM is customer centeredness. Elite companies have developed activities that identify today’s customer needs and try to predict the future perspective.

The second aspect of TQM is the planning process. At a strategic pedestal, the inability of management to plan for the future and to envisage sticky situation has given rise to manpower wastage, materials and machine-time all of which are geared towards raising the manufacturer’s cost and price that the purchaser

must pay thereby militating against its ability to compete favorably with other radical players in the same industry.

The third and fourth critical attributes of TQM are process management and improvement. Renowned companies do managed their vital processes to consistently deliver high quality products and services at a price the customer is willing to pay, delivered when the customer wants it and at a cost that allows the company to remain lucrative. A key factor in improvement is to reduce functional divisions and emotional pitfalls that set hindrance to synergies. The aim of this research paper is to investigate the practice of Total Quality Management (TQM) as a competitive advantage at Tobinco Pharmaceuticals. As a leading brand in Quality health care, Tobinco Pharmaceuticals ensures that every product leaving the factory for customer distribution will conform to Quality assurance policies, Good Manufacturing Practices, Quality Control and standard recommended by the Food and Drugs Board of Ghana so as to maintain product identity, purity, potency and not placing the customer at risk.

On the basis of this policy on quality management and in recognition to current trends in quality and awareness, Tobinco Pharmaceuticals is committed to Total Quality Management through:

- a. Commitment to produce and market products that consistently satisfy customer's expectations.
- b. The usage of manufacturing facilities which are designed to provide products to a consistent standard of quality.
- c. The utilization of internal processes and systems that measure and monitor product quality to ensure conformance to requirements.
- d. Sourcing of products components from audited suppliers who can meet predetermined specifications.
- e. The commitment to continuous improvement so as to train and educate themselves to deliver quality using the best available techniques.
- f. Change implementation that prevents defects rather than only detect them and lastly
- g. Employing an organizational structure within the business that supports the delivery of quality products.

Literature review

The main ideology of TQM is prevention rather than getting rid of the situation as and when they occur. Total Quality Management (TQM) is a way of doing business that fosters a congenial atmosphere thereby responding quickly to customer's changing requirements.

TQM highlights on continuous improvement of processes in order to improve every facets of an organizational framework. Each process whether it is operational, administrative, interdepartmental, or interpersonal or is continually refined and improved (Bates, 1993).

In my estimation and analysis, since TQM focuses on improving the process, output from these processes usually meet or exceed a customer's specification. This is diametrically opposed to quality control as the latter seeks to inspect for mistakes and defects at the end of the process rather than building quality into the process during design and quality implementation. That is to say that TQM is process-focused rather than customer-focused.

Dean and Evans (1994) also asserted that Total Quality is a comprehensive organization – wide effort to improve the quality of products and services. That is to say that both small or large manufacturing and service, profit and not-for-profit organization can be also gain an advantage by the application of the principles of Total Quality.

Peter Senge quoted in Gibson (Eds. 1997) proposed three (3) key driving forces in organization i.e. technology, globalization and the increasing complexity and interdependence.

TQM has moved from being what some are of the notion to be the only answer to competitive advantage in the early 1980's to what other call fashion and fad at the end of the 1990's.

Countless number professors including Flood (1993), Reshef (1997) and Anderson et al (1994) is optimistic that part of the myth and perplexity has been its lack of enough academic theory.

Watson et al (1995) asserted that it is "proceeding purely on the basis of success stories and a hodge podge of the methods, exhortations and rhetoric".

A lot of managers attribute skepticism with respect to TQM duration of implementation. There is no clear-cut definition for TQM due to lack of enough theory to support it.

Below are some definitions propounded by some experts?

- i. Correcting and preventing loss, not living with loss – Hoshin

- ii. In its essence a way of managing the organization- Feigenbaum
- iii. Quality means meeting customer's (agreed) requirement, formal and informal, at lower costs, first time, every time- Flood and lastly
- iv. Conformance to requirements. – Crosby.

According to American Society for Quality, Total Quality Management (TQM) is a term initially coined by the Naval Air Systems Command to describe its Japanese-Style management approach to quality improvement. Afterwards TQM has taken on diverse interpretations. In the nitty- gritty perspective, TQM is a management approach to long term success through customer satisfaction.

TQM is centered on the involvement of all members in an organization in improving processes, products, services and the culture they work in. TQM benefits all organization members and society. The methods for implementing this approach are found in the doctrine of such quality leaders as Philip B. Crosby, W.Edwards Deming, Armand V. Feigenbaum, Kaoru Ishikawa and J.M Juran.

Total Quality Management (TQM) is a participative management style that accentuates on optimum staff commitment to client's satisfaction. It is a holistic approach to handling difficult organization framework and replaces top-down management with decentralized customer driven decision making. Total Quality Management (TQM) is an integrated management system for creating and implementing a continuous improvement process which produces results that exceed customer satisfactions. It is based on the assumption that ninety percent (90%) of the problems are as a result of process, not employees.

A famous tool of TQM is W. Edwards Deming's Plan-Do-Act (PDSA) problem solving cycle, which according to Marta Mooney, has become the hallmark of the TQM. Mooney also reiterated categorically that Deming's formula is deeply entrenched in tested management a principle that traces their roots Frederick Taylor's ideology and assertion.

Discussion and conclusion

As a leading branding in Quality Healthcare, Tobinco Pharmaceuticals ensures that each product leaving the factory premises for customer distribution conforms to Quality Control and Standard recommended by the Food and Drugs Board of Ghana to maintain product identity, purity, potency and not place the consumers at risk.

On the basis of this policy on quality management and in consonance with the current trends in quality awareness, Tobinco Pharmaceuticals is committed to maintaining a high-quality management system (key attributes of quality goods and services) by first and foremost.

- a. Monitoring and verifying that products are manufactured, sampled, tested and released according to established procedures
- b. Ensures compliance to Good Manufacturing Practice (GMP) handling difficulties framework and replaces top-down management with decentralized customer driven decision making.
- c. Where there are lapses /deficiencies initiating action to correct them.
- d. Ensures that all incoming raw, packaging materials and finished products released meet the appropriate requirements. Any batch failing to meet a given test specification will be subjected to review and retest. i.e. only batches that pass will be released.
- e. The writing and approving Standard Operating Procedures (SOP's) that indicate steps by step procedures to guarantee that all activities in the extended supply chain are in accordance with the policy stated earlier.
- f. Maintaining knowledge of current regulatory requirements in Ghana and in the West Africa Sub-region.

The management tools and or techniques use for total quality management at Tobinco Pharmaceuticals are quite vast some of which are listed as below.

- a. Good Manufacturing Practices (GMP) including Products Development and Purchasing.
- b. Quality Control can be defined as the operational techniques and activities used to assess, test or measure whether the product or service has fulfilled the defined requirements for quality. Quality Control (QC) is a part of GMP which in turn is a part of Quality Assurance (QA). A good quality management system will combine QC and QA in the most economical way capable of providing the necessary level of confidence that ail production will meet the required standards.
- c. Organizational and reporting structure of the quality management function is clearly defined.
- d. The company possesses suitable and adequate resources with regards to staff, premises, equipment, materials and management.

- e. Organization culture is healthy and conducive.
- f. Adequate number of personnel with the necessary qualification and practical experience.
- g. High standards of personal cleanliness are observed by all those concerned with production processes especially where the products concerned are pharmaceuticals foods or cosmetics.
- h. Availability of handwashing facilities to manufacturing personnel (Good sanitary practices).
- i. Wearing of perfumes, jewelry and other potential physical contaminants such as nails- polish, pens, identity badges etc are strictly controlled and prohibited at the production sites.
- j. Direct contact are avoided between an operator's hand and starting material,
- k. intermediaries and product, other than when they are in closed containers.
- l. Eating, drinking, chewing, smoking or the storage of food, drinks, smoking, materials or personal medication in manufacturing areas or any other locality which might adversely affect product quality are strictly prohibited.
- m. Adherence to Customer Satisfaction Management (CSM) practices.
- n. Accentuation on open and corporate culture as well as constant communication feedback.
- o. Continuously monitoring of IT performance and also be abreast with state-of-the-art advancement in the IT industry as well as the effective utilization of blind e-mail bulletin boards to capture employee suggestion.
- p. Elimination of Non-Value Added expenses.
- q. Usage of Ishikawa's basic tools of quality such as Pareto charts/analysis, Run charts, Force-field analysis, Fish bone diagrams etc as a means of evaluating the efficacy of the company's products.
- r. Effective utilization of the Balance Scorecard to achieve strategic objectives, quality proven and align customers' priorities and their expectations as well as performance management process improvement of a product or services and lastly
- s. Strict adherence to quality auditing.

A quality audit simply refers to the systematic and independent examination to determine whether quality activities and related results comply with planned arrangements, implemented effectively and are suitable to achieve the organization's goals and tenets.

However, in dealing with the infinitesimal ineffectiveness, lags and pitfalls confronting the company in contention as far as abridging its total quality gap is concerned, it will be probable and congruous that these listed parameters or attributes are given the requisite priority.

- i. It is very significant that at the Senior Management of the company gives their full support to the implementation of Good Manufacturing Practice throughout the operation and should be clearly understood to be doing so, by all employees.
- ii. Key personnel include head of production and quality control. These should independent, neither one reporting to the other. According to the industry and country concerned, the minimum qualification required for holder of this position may be specified by law.
- iii. Steps should be taken to ensure, as far as practicable, that no person affected by an infectious disease, or having open lesions on the exposed body surface, is involved in a manufacturing process.
- iv. Staff must have access to the working documentation relevant to their particular part of the production operation. During initial training, a check should be made to ensure that a recruit's linguistic and numeracy abilities are appropriate to future tasks intended.
- v. Training should be in accordance with written plans and records must be kept.
- vi. In addition to GMP, employees should be given initial indication training in general company procedures and specific training appropriate to the duties allocated to them.
- vii. Periodic assessments of the effectiveness of training Programs should be made, and checks should be carried out to confirm that designated procedures are being followed by staff at all levels.
- viii. The lay-out and design of premises must aim at minimizing the risk of errors and permit effective cleaning and maintenance to avoid cross-contamination, build up of dust or dirt and in general, any adverse effect on product quality. Premises should be designed and maintained so as to protect against the entrance and harboring of insects, birds, rodents or other pests.
- ix. Materials to be used for production should be purchased only from approved suppliers.
- x. Total Customer Satisfaction Management practices should be considered an ultimate priority.
- xi. Reward systems and performance appraisals, equity distribution should be accorded the needed precedence and lastly
- xii. Total adherence to Human relation, System, Contingency Theory, Murphy's Law, Elton Mayer's

principle and Maslow need hierarchy.

The findings through my unrelenting and indefatigable research suggest beyond reasonable doubt that most TQM such as quality training, process improvement, benchmarking, usage of Ishikawa's tools of quality just to mention a few do not generally produce an advantage, but that certain tacit, behavioral, imperfect imitable features such as open culture, employee relation management and executive commitment can produce the much-sought- after competitive advantage.

In conclusion, I will emphatically reverberate that the aforementioned tacit resources drive and not TQM tools and techniques drive TQM success but rather organizations that acquire them can outperform competitors with or without the accompanying TQM ideology. Customer satisfaction is their ultimate advantage a company has over competitors.

A company that can produce goods at reduced costs than their competitors, while delivering quality products that satisfy customers will have an advantage over those companies that do not duplicate those feats. The Total Quality Management (TQM) business philosophy of satisfying the customer with quality goods and services reducing waste and empowering workers and suppliers is a method to achieve those goals as well as usage of the six (6) sigma approach which seek to eliminate errors to a significant magnitude (Kurtus, 2007).

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