SELF-EVALUATION IN THE IMPLEMENTATION OF TQM STRATEGY WITHIN MACEDONIAN COMPANIES

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ABSTRACT

Assessment of business performance within Macedonian companies comes with the purpose to derive a feedback for how well things are done, what is lacking according the planned actions. The evaluation into companies needs to be done in each stadium and the outcomes gained should be used as a powerful weapon in order to continue the follow-up cycle towards continuous improvement.

The analyses in this paper are under the influence of the perception from our practice, manner of self-assessment and the issues that Macedonian companies experience with European and world market, as well as the measures that are undertaken from the managers in terms of improvement of products/ services and business processes.

Keywords: TQM (Total Quality Management) strategy, evaluation, continuous quality improvement.

INTRODUCTION

The core of the house of quality in a company lies in the defined measurement, the collected data to business processes, in order to understand and control, and to gather important information about products and services to improve their quality and optimization of business processes. Monitoring (Dumke, et al., 2006) does not only go in the quality of products/ services, but also the adequacy of the TQM (Total Quality Management) system in the implementation of the functions of quality. Measurement is necessary for:

- understanding of the process, products/ services, resources. It can serve as a basis for future comparison;
- controlling of processes, product/ services, resources, including corrective and preventive measures, which means, by analyzing the measurements can identify opportunities for improvement and defective processes, products/ services, resources;
- improving of processes and products. Measurements can be used to predict the future behavior of processes, products.

Self-evaluation as a basic approach in the implementation of the TQM strategy is of crucial importance in order to perform a correct application of it. Self-evaluation is realized through a multitude of documented procedures to compare the model realized in terms of projections. The results of the measurement should indicate what the company has accomplished, while the features show how these results are achieved.

Analysis of external environment includes the following activities (Cepujnoska, 2009):

- collecting and processing information for the market power of customers / users based on defined standards of quality in the company;

- participation in the qualitative and quantitative transformation of information, standards and indicators, which must be accurately measured and expressed;
- determining the distribution channels for products meeting the relevant requirements of customers and achieving policy JIT (Just in Time).

The information should relate primarily to:

- the scope and characteristics of the needs of customers/ users, the opportunities the company to meet them at the required level of quality as well as limitations and problems of that time;
- what the competition offers, what is their competitive advantage, what are their capabilities and weaknesses;
- streamlining the system of information and making proposals in order to maximize the advantage over competitors or revitalize the flows.

Designing measurement system provides a systematic approach to the results of the analysis of external environment analysis and detection of critical points, determination of the losses, application of solutions to problems and their successful implementation. To close the circle PDCA (Plan - Do - Control - Act), is necessary to check the results and implement corrective measures in order to achieve a spiral, continuous improvement that will lead to new opportunities for improvement. The improvement process is the process of solving problems (Shiba, Walden, 2002). One of the key criteria for receiving the Malcolm Baldrige Award (National Institute of Standards & Technology, 1999) and European Quality Award (EFQM, 2000), is the satisfaction of customers/ users and measurement of business results.

METHODS AND DATA

The research is designed as an attempt to depict the existing condition within 151 Macedonian companies regarding quality system design and implementation, analyzed through 4 polls in the "house of quality" who's top is the ultimate management, and as its base measurement, evaluation, analyzing and comparison of the quality are used.

This paper presents an analysis regarding the condition of Macedonian companies through one of the criteria for receiving a European Quality Award in the direction of the activities undertaken in relation to achieve the planned satisfaction of all those who have financial interest in it (Mitreva, 2010).

A special attention has been given to the gathering of the entering data included in the research. As an instrument, there was a questionnaire used that was designed to give an accurate analysis in a manner of complete and correct fulfilling.

At the same time, there were some direct contacts made with the top management and the employees in order to depict the authenticity of the questionnaire and to present the realistic condition of the companies.

The data received from the research are processed with an adequate mathematical - statistical methods. In this regard, the Pareto analysis was used for frequency as well as for analysis in order to calculate the involvement of certain answers in percentages. The structure of the examined companies (151) – the participants in the research according the economic activity that it belongs to (National qualification of activities – NKD Rev. 2 – "Official Gazette of R. of Macedonia" no. 147, 26th of November 2008) is given in Figure 1.
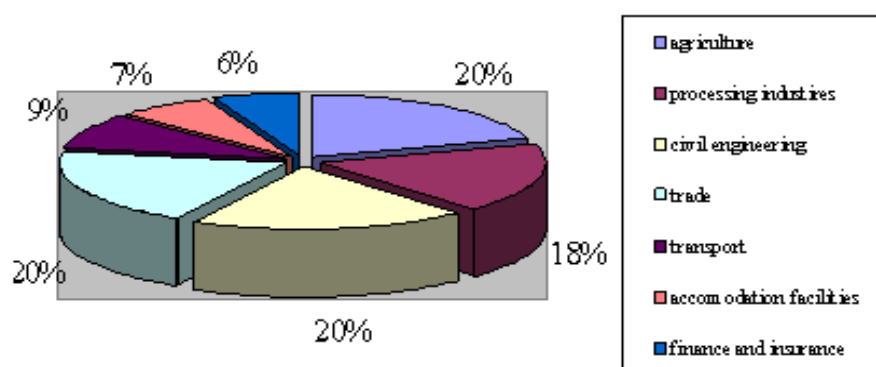
Fig.1: Companies' participation divided according their economic activities

Listening to the wishes, the needs of customers/ users and companies and the effort to meet their needs will increase customer's satisfaction and provide competitive advantage.

Collecting data on customer's satisfaction for the quality of products/ services should show what measures companies should take to improve their satisfaction. Sources of measurement may be objections, complaints, surveys, debates and more (Nakata, 2002).

As to the question in what way do they get informed what their customers/ users require, the following data is obtained:

- 60% of the examined have answered that they have *found out about the wises* and needs of customers *by analyzing the consumption/ supply*;
- 20% of them *by analyzing the questionnaire*;
- 3% of them *did not deal with that issue*;
- 17% of the examined have answered with "*other*" (*and have listed direct contact with customers/ users and finding common optimal and acceptable solutions*).

The fact that is concerning is that there is a relatively weak interaction between customers/ users and manufacturers, indicating poor functioning of marketing services. Missing or poorly developed marketing services to Macedonian companies deprive them of knowledge and provision of market needs, thus adapting them to meet those needs.

As for the question whether they had requests from customers/ users which cannot be met, the following results are obtained:

- 59% of the examined have answered that they are fully able to meet the needs of customers/ users;
- 41% of them are not possible.

The reasons relate to the lack of technological capabilities, unrealistic demands of customers/ users as well as requirements for delivery deadlines appearing as shorter than optimal. Our companies use the questionnaires to measure satisfaction or dissatisfaction of customers of their products in a small measure, in order to realize the way in which their products/ services do not meet the expectations of users. Hence, the following responses are received:

- 35.7% of the examined have answered that have find out for the low quality of its products/ services from complaints by customers;
- 23.8% of them have find out for the low quality of its products/ services from the realized sales (whether increased or decreased);
- 16.7% of them have find out for the low quality of its products/ services by analyzing the questionnaire to customers / users;
- 14% of them have find out for the low quality of its products/ services by the reports from service quality control;
- 4.7% of them have find out for the low quality of its products/ services from monitoring the competition and
- 4.7% of them reported other indicators (they have find out that direct contacts with customers is much of a help in discovering whether their services meet their expectations or not).

In order to promote company's products/ services, it is important not to interpret located objections or complaints of customers incorrectly and to practice continuously monitoring their satisfaction, which will give a priceless information source for business analysis, and their management.

For the company to reach successfully the condition of its position and position of their products on the market, it is necessary to adequately collect and evaluate data and parameters of users in terms of the product, their experiences and expectations regarding products, their degree of satisfaction with the usage of those products.

Measurement of performance should be financial and additional. When asked what problems are encountered with the performance of the market (domestic and foreign), the following survey results show that the biggest problem facing the Macedonian companies are:

- 35% of the examined have answered that *unfair competition is* the biggest problem;
- 29% of them point out the *high-priced products/ services;*
- 19% of them point out the *strong competition*;
- 11% are reported under "*other*".

Under "other" is stated: *illiquidity of firms, lacking of distribution networks, the frozen rate of the Euro, fake brands, protectionist in terms of government procurement resulting in poor distribution of capital and concentration of capital only in certain structures, reduction of customs formalities as well as electronic approval of licenses and permits.* None of the examined companies have put forward the quality of their products/ services (non - quality) as a problem faced by the participation of domestic and foreign markets.

In measuring business results, the trend of performance results and comparison with competitors in key business areas is being followed. Self - assessment of the company by comparing its practices with best practice using benchmarking strategy should help the organization by encourage internal creation.

The question whether competition is a threat to them and whether they see the benefits of competition, provided the following data:

- 76% of the examined have answered that the *competition is a threat to them*;
- 24% of them *see no threat of competition*.

Again, 86% of them cited reasons that the danger of competition can be seen as: improvement of quality; design; competitive prices; more efficient distribution networks; quality input supplies, etc.

Advantages of competitors as a threat for companies

- 26% of the examined have answered that the advantage of competition is find in the better quality of their products/ services;
- 26% of them reported that low prices are a major advantage of competition;
- 21% of them reported that well - developed distribution network is advantage of competition;
- 12% of them pointed out the importance of quality of incoming raw materials as advantage of competition;
- 5% of them reported that the design of products is key to the success of competitors;
- 10% of the examined have answered with "other" (they have find that the advantage of competitors is building the "favorite" brand - lovebrend).

Customers / users should love the brand in Macedonian companies. Creating Macedonian brands that identify with the Macedonian identity is a necessity. For example, if you want to promote Macedonian wine you need to compete on all wine festivals and will probably win. And then you say that the Macedonian wine had just beaten the German one and would be proud of it. People in Macedonia are very sensitive to the pride, identity and nationality, so it should be used. The fact that Macedonians are avoiding Macedonian products does not mean that they are substandard, but it is necessary to strengthen the brand. Here there are some

brands that produce a sense of pride, as a "Skopsko" because everyone will say it best. Tikves winery which is the largest winery in the Balkans has "Tga za jug" as a symbol of the Macedonian beauty and love for motherland and Macedonian be loved brend.

CONCLUSION

Our research showed that 68% of the examined companies perform consistently in comparison with the competition which are the best in their field and take measures to improve business processes and products. Based on these measurements the competitive advantages of competitors are revealed, and 26% of the examined companies have said that the advantage of competitors has improved the quality of their products/ services. In this way, benchmarking is a useful method in the management of quality, especially for observation and continuous measurement of the gap between internal (own) best practice and external practice in establishing dynamic measurable standards, and based on these measurements policy and strategy organizations are being built. Turning all these information into measurable indicators and standards is necessary in order to meet the demands of customers, but a platform for understanding and cooperation with internal departments and services within the organization to meet those requirements is needed. Thus, the development of these indicators and standards enabling the measurement and monitoring of quality, achieving an acceptable level of quality in all sectors, elimination of defects and waste, thus avoiding the presence of a separate control of each workplace and costs are reduced. Measurement should not encourage imitation, direct copying of a competitor, as mass movements and trends in our country, but it is also a kind of manipulation of customers/ users.

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