

# Investigate the Benefit Practice of Total Quality Management as Competitive Advantage in Corporate Institution : A Case Study of Cocoa-Cola Bottling Company Ghana Ltd.

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## Abstract

As the world around us change fast, new technologies and strategies must be adopted to face the ever-changing marketing environment. With the evolution of marketing concept comes where consumers were seen as kings if businesses and organizations are to survive and grow in never before competitive environment. The way forward was a marketing strategy that seeks to satisfy customers by providing them with quality products. By responding to needs of this contemporary marketing environment it is believed that it will give that company a comparative advantage over its competitors. A marketing strategy that is seen by contemporary businessmen / women as the best option for survival or to enjoy comparative advantage is Total Quality Management (TQM), since it addresses most of the concerns of this contemporary marketing environment. In view of this Coca-Cola Bottling Company Ghana Ltd in 1998 embarked on Coca-Cola Quality System (CCQS) seriously. The performance of the company was perfect and that they even won the Presidential Award for Excellent (Africa Group) from Coca-Cola International. This excellent performance of the company strengthen its market share and also gave them more comparative advantage over its competitors despite the fact that trend of cost management was not as expected. In the nutshell, the position advantage over it competitors in spite of the fact that Control Chart showed a lot of values or points outside the control zones. This is because other indicators like production volumes, sales volumes etc. showed a favourable trend. The secret to their success is their ability to satisfy customers more than any of its competitors and also the ever-increasing desire to continuously be in the position to serve their customers to their wishes. The main analytical tool for this work was correlation Analysis, Time Series and Control Chart.

## Introduction

Total Quality Management (TQM) is a philosophy aimed at improving business as whole. Some of the benefits lie in the continuous improvement of processes and products, and enhanced efficiency of people and machines leading to improved quality.

The application of Total Quality Management helps in streamlining processes, and ensures a proactive work system ready to counter deviations from the ideal state. What are some of the major benefits of Total Quality Management in Coca-Cola Bottling Company Ghana Ltd?.

The major thrust of Total Quality Management (TQM) is to achieve productivity and process efficiency by identifying and eliminating problems in work processes and system. TQM addresses key problem areas such as mistakes in work processes, redundant processes, unnecessary tasks, and duplicate efforts. TQM interventions also help with predicting and preempting such mistakes and unproductive activities.

## Looking at the Benefits of TQM in Coca-Cola Bottling Company Ghana Ltd. as study revealed

The study revealed that Improving process efficiency brings about many benefits to the organization in terms of costs and time.

The major benefits of TQM in terms of cost saving include:

- \* elimination of non-confirmation and repetitive work.
- \* elimination of waste cost and reject products.
- \* elimination of repairs and reworks
- \* reduced warranty and customer support costs
- \* process efficiency leading to improved profit per product or service
- \* fiscal discipline through elimination of unnecessary steps and wasteful expenditure.

TQM frees up management time from redressing problems and directs management time and effort in:

- \* increase production
- \* extend the range of products
- \* improve existing products

## TQM and Customer Satisfaction

A major long-term benefit of Total Quality Management relates to customer satisfaction. TQM aims at

improving quality, and identifies the best measure of quality as matching customer expectations in terms of service, product, and experience. TQM interventions quantify problems and aim to achieve the best state defined in terms of such customer expectations.

Some examples of the application of Total Quality Management to improve customer satisfaction include:

- \* Reduction of waiting time by changing the method of appointment scheduling or client handling.
- \* Making changes to the delivery process so that the product reaches the customers faster.
- \* Better quality products requiring no repairs improving customer loyalty.

### **TQM and Organizational Development**

Among the major benefits of Total Quality Management is improvement in Organizational Development. TQM heralds a change in the work culture by educating all employees on quality and making quality the concern of everybody, not just the Quality Control Department. The focus on quality leads to a proactive work culture aimed at preventing mistakes rather than correcting mistakes.

Total Quality Management's focus on team work leads to the formation of cross-departmental teams and cross-functional knowledge sharing. Such interventions lead to many benefits such as:

- \* Improvement in communication skills of individual employees and overall organizational communication.
- \* Knowledge sharing, resulting in deepening and broadening of knowledge and skill-set of team members and the making of a Learning Organization.
- \* Flexibility for the organization in deploying personnel, contributing to rightsizing and ensuring cost competitiveness.

Another benefit of Total Quality Management is that TQM promotes the concept of internal customer/supplier satisfaction. For instance, the HR department considers employees as internal customers and processes their queries or requests within the specified time limit. The lab technician in a hospital processes the clinical tests required by the doctor, an internal customer in a timely and efficient manner, according to the laid down customer satisfaction norms.

### **TQM and Human Resources**

A major application of benefits of Total Quality Management relate to Human Resource Management. Application of TQM in an organization brings about the following benefits to the Human Resources of an organization:

1. TQM extends the ownership of the business process to each employee involved in the process by empowering them to rectify mistakes on the spot without supervisor review or action. This generates intrinsic motivation and creates an atmosphere of enthusiasm and satisfaction among the work force
2. TQM's thrust on eliminating mistakes and improving productivity contributes to accomplishment of targets faster. The resultant free time allows employees to enhance their knowledge and apply their creativity to improve existing products and develop new products.
3. TQM's thrust on quality leads to identifying skill-deficiencies in employees and providing training and other interventions to bridge such deficiencies. Cross-functional and cross-department teams allow employees to share their experience and solve issues jointly, leading to benefits such as broadening skill sets, and improvement of existing skills.
4. TQM's focus on eliminating mistakes and bringing about process efficiency heralds a direct approach such as counseling and other remedial actions to solve issues such as absenteeism.
5. The enhanced productivity brought about by TQM translates to better profits for the organization, and consequently better wages.

### **TQM and Competitive Advantage**

The application of Total Quality Management brings forth all-round benefits and makes the organization more competitive. In the new business environment marked by demolition of barriers and free flow of information and products, organizations retain their competitive advantage by reducing prices, improving existing products and innovating new products. TQM is a business strategy that allows organization to achieve all this and much more.

### **Conclusion**

The research found out that: Total Quality Management demolishes the myth that increased quality results in increased costs and decreased productivity. TQM proves that quality is actually the key to decreased costs, and better productivity and positions quality as a critical component of strategic business advantage.

The management of Coca-Cola Ghana Ltd took the following action measures and strategies which leads to the successes of the company since 1998 to today. They are

- \* You need to know where you are going
- \* You need to know how you will get there.
- \* You need to have a process and discipline to achieve what you want.
- \* There ain't no such thing as a free lunch.
- \* Everything is a function of everything else.
- \* You must know who has the plan by the handle.
  - \* Opportunity is bald and you must grab it by the hair.
  - \* In this betraying world: nothing is true or is lie.
  - \* It all depends on the collar of the glass you are looking by.
  - \* Even the best plans are worthless legs without actions.

The General tools for Analysis of this paper/research work are

- \* Statistical tools
- \* Quality relate tools: House of quality, other tools.
- \* Logical tools
- \* The S.W.O.T Analysis

The study revealed that in order to successes, TQM programs require managers to:

Assess customer requirements by:

- \* Understand present and future customer needs.
- \* Design products and services that cost effectively meet or exceed those needs.

Delivery quality by

- \* Identify the key problem areas in the process and work on them until they approach zero-defect levels.
- \* Train employee to use the new processes
- \* Develop effective measures of product and service quality.
- \* Create incentives linked to quality goods.
- \* Promote a zero-defect philosophy across all activities.
- \* Encourage management to lead by example
- \* Develop feedback mechanism to ensure continuous improvement.

In 1998 Coca-Cola Bottling Company Ghana Ltd embarked on Quality system seriously. The company use the Total Quality management to improves profitability by focusing on quality improvement and addressing associated challenges within an organization. The TQM was used to: Increase productivity, lower scrap and rework costs, improve product reliability, Decrease time-to-market cycles, Decrease customer service problems, increase competitive advantage etc.

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