



## Quality Day

### WORLD ALLIANCE FOR QUALITY COMMUNIQUÉ

On 13 November, 2008 the International Quality Community will celebrate World Quality Day (which is celebrated on Second Thursday of November each year). For many years on this day National Quality Organizations have conducted annual events worldwide. Quality Congresses, conferences, and seminars will take place in more than 70 countries. This is a day when the world quality community meets with Governments and citizens for discussions on the current status and future of quality.

The new aspect of World Quality Day is that for the first time in world quality history it is held under the auspices of a new International Organization called the World Alliance for Quality (WAQ). This Alliance of the American Society for Quality (ASQ), the European Organization for Quality (EOQ), the Asian Network on Quality (ANQ), the Asia Pacific Quality Organization (APQO), the International Academy for Quality (IAQ) and the Union of Japanese Scientists and Engineers (JUSE) was set up several years ago but its actual effectiveness started from the historical Global Quality Summit held in Houston, USA in May 2008.

Among the main objectives of WAQ are the following:

- ◆ To answer the needs for continuing developments and innovation that can affect the future growth and will support global quality improvement initiatives at both the individual member and organizational level
- ◆ To foster the use of quality philosophies, techniques and tools to benefit society at large - To be a leader in communicating quality related issues and work with the entire world, and with recognized Regional and National Quality societies to promote quality in the most broad applications
- ◆ To develop and support quality leaders within the global quality community

The motto for 2008 World Quality Day is: **QUALITY HAS NO BORDERS**

#### Message from Kush Kumar Joshi, President, FNCCI



FNCCI as an apex body of private sector creating a vital role on productivity and quality movement in Nepal. In the contemporary world, the aspect of quality has become an absolute necessity for survival not only in the international but also in our own national market. In this background, FNCCI in year 1999, for the first constituted Productivity & Quality Committee (PQC). At present, the PQC as an active committee aims to focus on enhancing the productivity & quality among Nepalese entrepreneurs.

PQC is committed to make continuous contributions to expand productivity and quality especially in private sector through various activities aimed at enhancing productivity. The first publication of this PQC Newsletter is an example in this direction.

This Newsletter would not have been possible without the efforts of all those involved in the process. Therefore, I express my gratitude to all those who have contributed news, reports & articles for the publication.

I would like to thank Mr. Bijay Bahadur Shrestha, Chairman, Productivity & Quality Committee, it's co-chairpersons, members, advisors and the editorial board of the Newsletter for their valuable contribution in the publication of this Newsletter.

#### Message from Bijay Bahadur Shrestha, Chairperson, PQC Committee, FNCCI



I would like to congratulate all the productivity and quality team especially, the editorial board for bringing out this newsletter which will be a tool and platform to promote quality.

The newsletter will also provide the platform to hear and discuss best practice to take you to the next level on the path to excellence, whether you are ISO certified, moving to Six Sigma or are looking for proven techniques (specific tools and Total Quality Management process improvements) to measure and improve business performance.

The another aim of the newsletter is to promote performance excellence and sustainable growth to create value through quality, to enhance competitiveness through sharing, learning and applying globally developed quality and productivity tools and techniques for social and economic development and the nation.

I hope this newsletter will create a new way for sharing and learning and applying quality.



Workshop on Hazard Analysis & Critical Control Point (HACCP)



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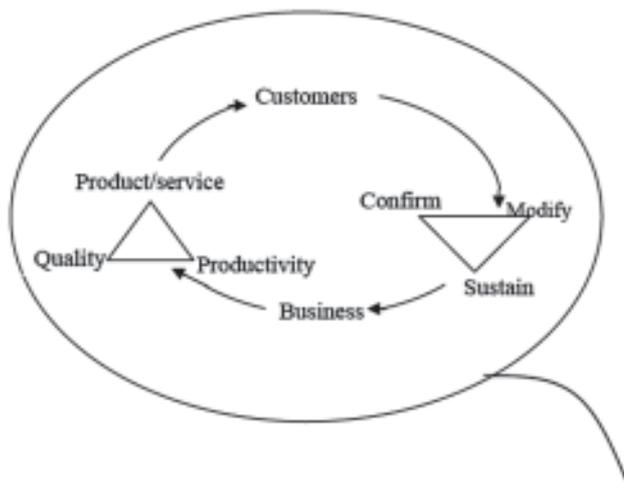
## Quality Considerations

Dileep K Adhikary

It is in every one's mindset that any thing has to be 'aha' or 'ramro'. This is just another name of quality that people so often talk about.

Quality begins from the perception of one's mind, the product or service will flourish on the impressions they create and the whole process will reenergize and sustain through the responses to and being one with the customers mind. As you notice it shifts gear from your end to the customers end.

Quality sets and rolls multi-dimensionally. The first dimension is dogmatic level which is time less as one tries to adhere to a certain standard set or prescribed (process orientation) The second dimension is pragmatic level which is dot time as one tries to putup with zero defect to have a greater outreach (market fixture) . The third dimension is charismatic which is time plus as one tries to add value in the eyes of customer and hold the brand following (relational). The following figure shows the system dynamics of quality.



Historically, the quality came of the being as a functional requirement that advanced to confirmation to standard and in the changing times rose to holistic and relational pursuits.

You have to seek quality and serve quality. It is essential that you do the quality check time and often.

1. Initial quality consciousness
2. Quality ensured along Input-Process-Output
3. Total Quality Management on the roll
4. Product/service in itself gain heights to hall mark of quality
5. Customers have brand following with business responding proactively and maintaining quality marksmanship

Products or services have to pass the test of the changing times in terms of the design, use and quality attributes. Commit to quality now and always. You will be surprised what it brings to you.

## QUALITY: A Dynamic and Continuously Changing Concept

Prof. Dinesh P. Chapagain  
Honorary Chairman, NQPCN, Kathmandu

The concept of quality existed even during the Stone Age, hundreds of thousand years back. Hunters even then strived to make their stone-arrow heads sharp enough to kill their prey. The concept of quality was only based on **functional use**. However, with the passage of time, as civilization became more and more competitive due to evolving socio-political structure and economic necessity, the concept of quality has been continuously changing in terms of its **definition, strategy and aims** it strives for.

The industrial revolution of the 20<sup>th</sup> century gave a very important impetus to quality. The development of mass production system, feeling of social power on economic development, technical innovations, and assortment of scientific and management educations have forced us to devise definition of quality in varied forms and dimensions. It started with a very technical definition like **conformance to specification**. In this, the quality strategy was inspection and control to ensure that defective products do not go to the market. The aim was to produce minimum percentage of defective products. For many decades, this concept worked perfectly for many organizations.

In the second half of the 20<sup>th</sup> century after the Second World War, specifically around the 1960s, the concept of quality changed from quality control to quality management. It changed radically as the world politico-economic structure changed. Quality became customer focused, and it became to be considered as everybody's job. The holistic view of quality was promoted by applying the strategy of **Total Quality Management**, that is, employee's involvement, supplier-customer relations building, continuous improvement in process as well as in product quality. Here, the aim was to enhance competitiveness and market share.

Since the last decade of the 20<sup>th</sup> century, due to rapid advancements made in information, communication and nano technology, globalization and free world trade breaking most barriers in trade and transit, and outsourcing and off-shoring business systems, the concept of quality management changed even more radically. The basic statistical quality control system and total companywide quality management of TQM were not sufficient to handle the challenges brought about by new business environment. Nor was it possible for an organization to be competitive enough by applying other quality management techniques like Six Sigma, Balanced Scorecard, and others advanced approaches. The third generation quality management concept appeared in business arena in the form of the **Stakeholder Model of Quality (third generation quality model)**.

The Stakeholder Model of Quality can be seen as fundamentally different from any previous quality models. Indeed, it is so different that it can be seen as representing an emerging third generation of quality that will gradually replace those that came earlier. No doubt, its focus is still on quality, but the way in which quality is addressed is different.

Prof. David Foster of Faculty of Business, RMIT University, Melbourne and Jan Jonker, Research Fellow at School of Management, University of Nijmegen, Hoolland have provided a preliminary list of the characteristics of this so-called third generation model as shown in Figure 1.

*more on page 4*

## Programme Calender

FNCCI- PQC is initiating "Clusters" approach in Nepalese private sector to enhance their competitiveness through Quality and Productivity. This aims at forming a "cluster" of companies, who will move together in a due course of time towards gaining competitiveness of the whole "cluster".

Most companies in manufacturing sector are very keen to become globally competitive. But to become and remain competitive, companies must develop strategies, skills and knowledge that will enable them and their suppliers to achieve continuous improvements that will drive costs down and enhance quality.

The conditions of forming a cluster:

- Sectoral group. eg. Food & Beverages, Pharma, etc.
- Geographical proximity.

The mode of action in the clusters:

- A group of 8-10 companies agree to participate in a cluster.
- PQC assigns a Counsellor to the cluster
- The Counsellor does a need survey and help each company to identify the baseline data on key indicators for competitiveness viz. Quality, Cost, Delivery, Safety, Morale and Environment.
- Every month all companies meet and share the progress they have made in the previous month and receive feedback for further improvement.
- In about two years, the roadmap is administered.

## MOI Programme

### Workshop on Productivity Improvement Programme 6-7 Nov 2008 ( 22-23 Kartik 2065)

An awareness workshop on productivity improvement was conducted by the Ministry of Industry in collaboration with Chamber of Commerce and Industry, Sunsari Dharan. 45 participants participated representing management and shop floor level of the manufacturing units. Mr Durgesh Kumar Shrestha, Economist from Ministry of Industry, was the coordinator of this programme. In the opening session of the programme, Chairman of the CCI, Sunsari Mr. Ashok Tamrakar emphasized on improving productivity in the manufacturing and sector through positive attitude and creative ideas of stakeholders.

## AOTS Programme

### Seminar on Promoting Quality for Economic Growth Oct 21, 2008

Nepal AOTS Alumni Society ( Nepal AOTS) is involved in promoting quality management concepts in Nepal. Nepal AOTS organized this seminar with the theme titled "Promoting Quality for Economic Growth". The overall objective of this seminar was to provide exposure to domestic as well as international trends and practices in contemporary quality management to Nepalese executive, managers and administrators of various organizations in the private and public sectors. International resource persons Dr. Naoto Sasaki, Professor of Global management, Hamamatsu University, Japan provided a keynote address.

### *Programme Calender*

#### Workshop on Quality Facilitators Development Programme

13th Nov - 21 st Nov 2008 ( 8days Programme)

Organized by: Ministry of Industry, GoN

In collaboration with: Federation of Nepalese Chamber of  
Commerce and Industry

Venue: FNCCI Building

## Books

1. Title : **Enhancing Competitiveness through Total Quality Management : Training Manual**  
Publisher : NQPCN, Kathmandu, Nepal  
Year : 2005  
Price : Rs. 100.00
2. Title : **Current Issues on Productivity**  
Publisher : NPEDC, Kathmandu, Nepal  
Year : 1999 July  
Price : Rs. 250.00
3. Title : **Productivity Management**  
Writer : Durgesh Kumar Shrestha  
Publisher : I-WID, Nepal  
Year : 2058 B.S.  
Price : Rs. 75.00
4. Title : **ILO Tool-kit on Enhancing Productivity & Competitiveness at the Employee Level**  
Publisher : FNCCI & ILO  
Year : 2062 B.S. (July 2005)
5. Title : **Survey Report on Productivity Awareness in Nepal**  
Publisher : FNCCI Employers' Council  
Year : 1996

## Convention Report

A three-day fourth National Convention on Students' Quality Circle 2008 (4th NCSQC'08) has just concluded after declaring 7 point resolutions at Kathmandu. The Convention was organized from 1st to 3rd November 2008 by QUEST-Nepal (Quality Circles in Education for Students' Personality Development in Nepal) in association with Nepal Jesuit Society and St. Xavier's School, Jawalakhel with the cooperation of Productivity and Quality Committee of FNCCI, PABSON, NPABSAN and NQPCN (Network for Quality, Productivity and Competitiveness - Nepal). The Convention was inaugurated by Hon. Prime Minister Mr. Pushpa Kamal Dahal (Prachanda) motivating a mass of students came from different parts of the country. This Convention is fourth in series conducted annually since 2005.

Theme of the Convention was "Students' Quality Circle for Cooperation, Coordination and Collaboration". More than 1000 students from 78 schools came as delegates from 15 different districts spreading from Jhapa in far east to Mahendra Nagar in far west to present their Quality Circle cases and mini-research papers, to discuss in a panel on the theme, and participate in debate, quiz, poster and slogan, and street play competition on quality issues.

Students' Quality Circle (SQC) is relatively a new approach applied in educational institutes to prepare total quality people. Total Quality People are those having GOOD as well as SMART characters. Quality people are not a matter of chance, but a constant and continuous effort is required to groom them. They have to be trained right from the beginning with the quality consciousness by adopting innovative ideas. Students' Quality Circle is one such innovative approach which helps the student to develop pro-social personality together with academic knowledge. It also helps them to make total quality people, total quality citizens and total human beings. Quality products and quality service deliveries is possible only when we have total quality people.

Young students and educationists who participated in the Convention decided to widely promote the practice of Students' Quality Circles throughout the country in private, community as well as government schools to prepare future quality citizens. The fifth national convention is decided to held in the month of November 2009 at Galaxy Public School.

# Programme

## NS Quality Award -2008

As yearly scheduler since 1999 AD, this year 2008 AD Nepal Bureau of Standards & Metrology (NBSM) has distributed NS Quality Award -2008. This year NS Quality Award -2008 has gone to Panchakanya Plastic Industries (P) Ltd (for NS N-40 product). The Appreciation letters are Pashupati Iron and Steel (P) Ltd (for NS N-191 product) and Bhagawati Steel Industries (P) Ltd (for NS N-199 product).

On the function of Award distribution programme chief guest Mrs. Asta Laxmi Shakya, Ministry for Industry, Mr. Janak Raj Joshi, Industry secretary, Dr. S.R. Joshi, DG of NBSM spoke the role and importance of quality to sustainable national economic growth.

The Award winner Mr. Pradeep Kumar Shrestha and other speakers said and committed to continue to produce and supply their quality products to market.

Mr. Kush Kumar Joshi, President of Federation of Nepalese Chambers of Commerce & Industry (FNCCI) from the chair, said its time for NBSM should take an action to monitoring to the continuity of quality product of NS certified products with availability of products of the company in the market as well as distribution of the NS certificate.

NBSM has announced that from this year FNCCI is also included as a member of screening working group and site visit group. It is continue in future.

Mr. Dharma Raj Rajkarnikar member of Productivity & Quality Committee (PQC)/FNCCI has participated in the NS Quality Award -2008 Distribution Program, as a member of NS Quality Award -2008 Organizing Committee and member of Screening Working Group for this year.

## National Level Workshop on HACCP

Productivity & Quality Committee of FNCCI organised the Workshop on Hazard Analysis & Critical Control Point (HACCP) for 20 participants from Food Processing, Dairy, Hotel & Restaurant, Hospitals, Pharmaceuticals and Airlines. The workshop held on 7 August 2008 at Hotel Himalaya deliberated on good manufacturing practice leading to food safety management. The programme was sponsored by IFB.

## Quality : A Dynamic and ....

Characteristics	First Generation	Second Generation	Third Generation
Perspective on Quality	Process	Holistic	Relational
Focus	Measurement	Assessment	Consensus
Type of Action	Reactive	Proactive	Engagement
Criterion for Success	Reliability	Efficiency & Effectiveness	Accountability
Orientation	Production	Policy and Planning	Relationships
Basic Assumptions	Control	Manageability	Inter-connectedness
Change	Improvement	Transformation	Transaction
Stakeholder Relationships	Non-existent	Peripheral/Emerging	Embedded

Figure 1: Characteristics of Three Generations of Quality Management

## NATIONAL COMPETITIVENESS: Growth through Quality and Productivity

Japan is the first country in the world to show that a sustainable national economic growth is possible through quality. The notion of *quality first, productivity follows and profit is its logical sequence* expressed by many business houses of Japan in the 1960s helped the country attain a continuous national economic growth of two digits for nearly three decades. Later, when the western countries, namely the USA and European countries, adopted this philosophy of 'Quality first', their economic growth also increased. The white-crane syndrome of the philosophy then began to evolve in Taiwan, Hong Kong and Singapore, and later, in the 1990s, in other newly industrialized countries of South-East Asian. From the turn of the century, China and India are exhibiting similar stupendous growth rates as those countries. They are also applying the same strong notion of 'Quality first' as the prime movers in all respect. We have to remember that the concept of Quality here is a little bit wider in dimension than in the previous ones explained earlier. The issues of quality strategy to cope with new environment and the aims and goals considered are derived from the Stakeholder Model of Quality.

At the micro level, an organization strives to develop its competitiveness by enhancing quality and productivity. Similarly, at the macro level, the national economic growth depends on the strategy the nation takes towards the direction of increasing competitiveness of all social and economic sectors through quality and productivity. Some western critics have written about the Japan Inc. and the Singapore Inc. They draw analogy of these countries operating as incorporated companies adopting the strategy of 'coopetitiveness' (Cooperation and Competition) and collaboration, that is, the government and private sector working together for their overall respective developments. The strategy is an extended version of the Stakeholder Model of Quality at the macro level. The nation accepting the concept of **building relationship among all stakeholders to take an overall win-win strategy for creating synergy for national development** will definitely achieve its economic developmental goals. It is difficult, but it is absolutely important to understand the concept of the stakeholder model and to accept the strategy of networking for building relationships between all social and economic stakeholders in the country for economic development.

### Edited by:

Dileep K. Adhikary  
Durgesh K. Shrestha  
Ajaya Pradhanang

### Co-edited by:

Jeevan Kansakar

### Published by:

Productivity & Quality Committee /Federation of Nepalese  
Chambers of Commerce & Industry (FNCCI)  
FNCCI Building, P.O. Box 269  
Teku, Kathmandu, Nepal  
Phone: 4262061, 4262218, 4266889  
Fax: 4261022, 4262007  
E-mail: productivity@fncci.org