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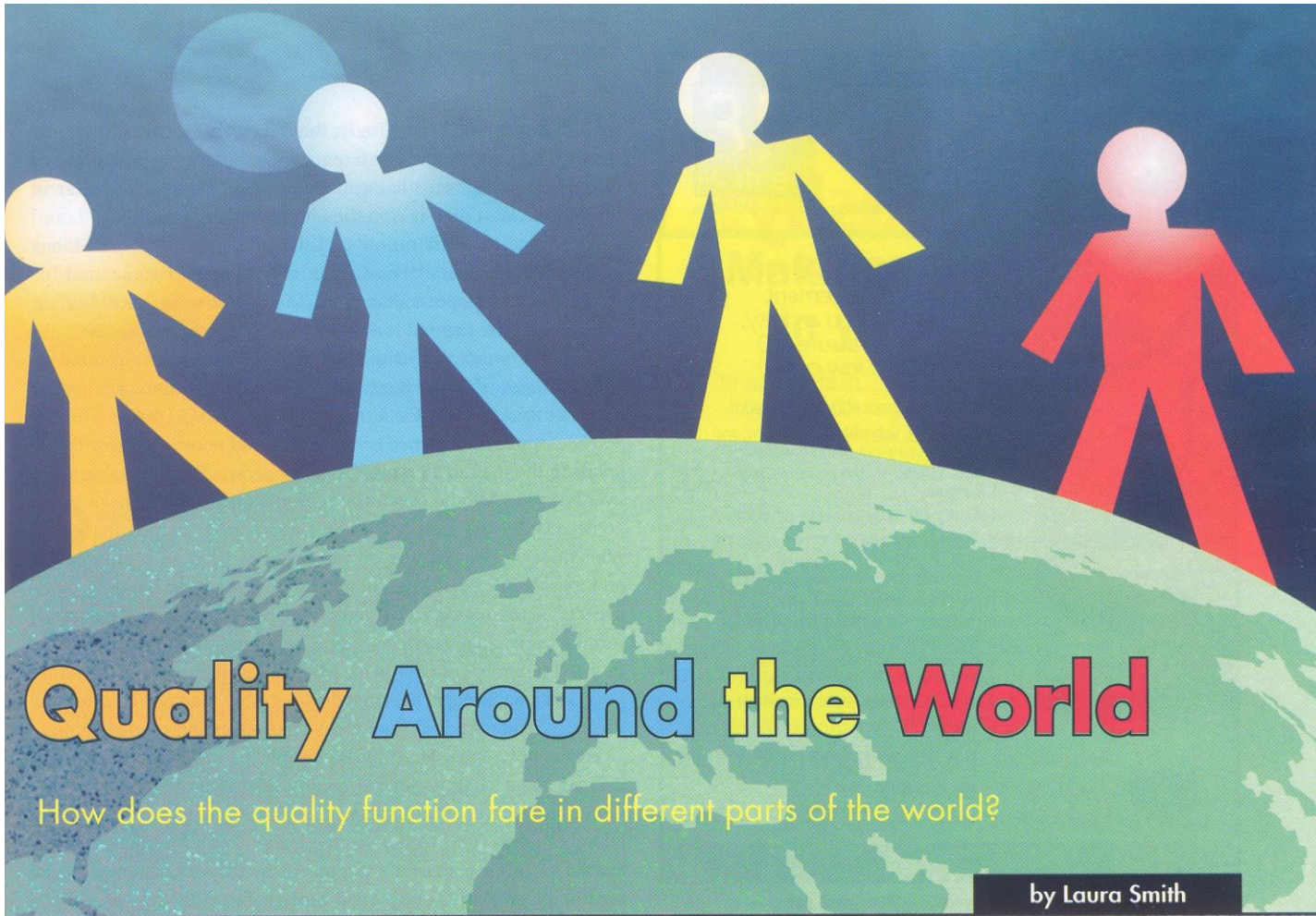
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Quality Around the World

How does the quality function fare in different parts of the world?

by Laura Smith

There are many factors that figure into how quality professionals perceive their jobs, and one of the biggest is location.

The importance and perception of quality has evolved in different ways in different parts of the world. A quality professional in India, for example, might perceive the importance of his or her job in terms of how it affects customer service. Those in China and South America would probably see quality's importance mainly in terms of manufacturing. European quality professionals, struggling with compliance to strict new environmental regulations—with directives such as restriction of hazardous substances (RoHS) and waste electrical and electronic equipment (WEEE)—often focus on the ways in which quality and environmental standards overlap. In the Middle East, quality's ability to build economic infrastructures—both public and private—are among the top issues.

Quality's ability to minimize costs and maximize efficiencies are important everywhere, but North American quality professionals are probably most preoccupied with this function, as overseas competition squeezes the bottom line. This is particularly true with the ever-extending automotive supply chain, with links that extend from Hungary to Toledo, Ohio, and from Kuala Lumpur to Puerto Rico. Many of the challenges facing quality professionals are the same, regardless of where one does business: how to afford appropriate training for nonquality-focused executives, the cost of registration to certain standards, and how (or whether) to choose a consultant to direct the compliance and registration processes.

What's it like to work as a quality professional in various parts of the world? How does the political, social, environmental and economic climate affect the way quality professionals work in various countries or regions? How do social customs affect

business relationships? As the world "flattens," as *New York Times* foreign affairs columnist Thomas L. Friedman succinctly describes it, these questions become increasingly important. We have to know how to act appropriately when doing business in unfamiliar parts of the world if we are to be successful in a global economy.

Quality Digest spoke to quality professionals from all over the world about their jobs, and what we learned was fascinating.

The Middle East

H. James Harrington has seen the role of quality evolve in the Middle East over a span of almost 20 years. Since 1988, he's consulted on quality matters with all manner of Middle Eastern businesses: oil companies, governments, educational organizations, and manufacturing and service organizations.

The Middle East, with its strategic position on the globe, has long been one of the world's major trading centers. As a natural result, the quality of goods produced there has always been important. However, the standardization of manufactured goods and services is

Know & Go

- Because some regions of the world are far more affluent than others, and because quality's deployment in the service sector is still relatively new, the quality function has evolved differently in different parts of the world.
- Quality is enjoying a high profile in the Middle East, as that region strives to expand its middle class through the growth of its manufacturing and service sectors.
- The Internet has helped level the playing field for quality professionals, regardless of their location, as it provides training and professional-education materials to people all over the world.

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new to the region. Accordingly, the area offers fertile ground for quality consultants and conferences. Case in point: The number of quality conferences being held per capita is much greater in the Middle East than it is in the United States or Europe.

Additionally, registration to ISO 14001 and ISO 9001 has exploded in the Middle East: The International Organization for Standardization reports that as of 2004, there were 3,000 Iranian organizations registered to ISO 9001, up from just 37 in 2001. In 2001, there were six Saudi Arabian organizations registered to ISO 9001; as of 2004, there were 394. These impressive figures correlate with Middle Eastern registration to ISO 14001.

The dramatic difference between rich and poor is a major factor spurring the interest in quality's ability to spread the wealth more evenly in the Middle East. The region's oil resources have made some people very rich but haven't appreciably helped the area's poor masses. Because the oil industry has been so profitable for so long, there's been little interest until recently in building other aspects of the region's economic potential, such as the manufacturing, tourism and service sectors. Improving the living standards of the vast number of poor in the Middle East requires that countries build sustainable capacities in industries other than oil. This need to diversify requires a laser-like focus on product and service quality.

Fortunately, says Harrington, people in the Middle East are excited about quality. Several quality-related professional groups united in March to form the Middle East Quality Association. In addition, the e-TQM College in the United Arab Emirates recently started offering a master's degree in quality management, and continuing-education classes and conferences in the region are full. Last year a quality conference in Iran drew more than 5,000 people—so many that it had to be held twice to accommodate everyone.

"In the United States we have been trying to improve quality since the 1970s," Harrington says. "It's an old story and most people have a hard time getting excited about quality because they've been through the cycle at least one or two times before. This isn't true of the people of the Middle East. The impact that quality can have on their products, services and lives is new to them, and they're excited about it. They're committed to it."

Across the pond

In Europe, strict new environmental rules prohibiting the presence of toxic materials such as lead and cadmium in all electronic products and components are a major focus of quality professionals and the quality movement. RoHS was passed by the European Commission in 2003 and prohibits the use of certain substances in electrical and electronic equipment—including components—made in Europe. It takes effect on July 1, 2006. Although it applies to European-based manufacturers, it also prohibits the banned substances in electronic components from being imported into Europe—a fact that has electronics manufacturers around the world revamping their soldering and other manufacturing techniques.

The hybridization of many European organizations' quality, social responsibility and environmental programs is a phenomenon that Esteve Garriga has seen first-hand. Garriga is a quality professional with a Spanish designer and manufacturer of hydraulic brake systems.

"In my opinion, a responsible quality management system should go beyond the traditional quality area," says Garriga. "Taking advantage of [a company's] experience when managing a

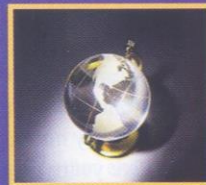
quality management system and all of its aspects is not exclusive to quality. It's advisable to integrate it with emerging management systems, such as environmental management systems, occupational health and safety management systems, and corporate social responsibility."

Many of the challenges facing European quality professionals are very similar to those in North America: chiefly, maximizing efficiencies and profitability in a global market. This is similar, as well, to the quality environment in South America. The increasing visibility of quality in outsourcing destinations and manufacturing hubs such as Brazil, Chile and Argentina have

Conducting Business in China

Doing business in China requires more than just business smarts. Rigid social codes that may seem strange to Westerners are important to Chinese businesspeople. Appearing rude is a deal breaker in many situations. Here, Mark Hehl, president of Hehl & Associates and former manager of worldwide quality for Timex Corp., who spends almost six months of every year in China, offers some sage advice.

- The Chinese usually don't like to do business with strangers and will make frequent use of go-betweens. Whenever possible, try to use established relationships or an intermediary known by both sides to make the first contact.
- They prefer to be formally introduced to someone new. This applies to both other Chinese and foreigners.
- The Chinese may seem unfriendly when first introduced; this is deceiving because social detachment is a cultural norm. They are taught not to show too much emotion.
- Always stand up and remain standing when being introduced. A handshake is the accepted form of greeting and is the appropriate time to present a business card.
- Use both hands when presenting business cards, and be sure the writing faces the person to whom you are presenting your card. Cards should be received with both hands, and do not immediately put the card in a pocket or bag, as this is considered rude.
- When seated at a table, place cards on the table. This shows respect and is also an excellent way to remember names.
- Business cards should be printed in English on one side and Chinese on the other.
- Do not be surprised when asked personal questions regarding age, marital status, children, family, income, job, etc. This is done to seek common ground.
- However, Chinese businesspeople will be uncomfortable with Western familiarity, particularly early in a relationship. The arm around the shoulder or pat on the back with a "Just call me Bob" approach should be avoided.
- Many Westerners will find that the Chinese idea of personal space and comfort zones are uncomfortable. Be ready for this. Westerners may back up, but don't be surprised if the Chinese person just steps closer.



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propelled an unprecedented number of registrations to ISO standards.

"The quality market has grown a lot in the last five years," says Fernando Banas, president of Espe, a Brazilian quality-publishing house. Currently Brazil can boast that it has 6,120 companies registered to ISO 9001 (up from just 182 in 2001); almost 2,000 are registered to ISO 14001 (up from just 165 in 2001).

Additionally, almost all companies that have more than 500 employees have a formal quality department—something that's very new to South American businesses.

Registration to ISO and other standards may improve the bottom line and efficiencies, but in South America, which has suffered from a reputation for producing poor-quality products and for using child

labor, it has another benefit: evidence that South American organizations follow the same business rules as their peers in other parts of the world.

"This scenario has pushed the Latin American countries to build their own versions of standards so they'd export more," explains Banas. "Therefore, the market has been greatly fueled by exports for about 10 years now."

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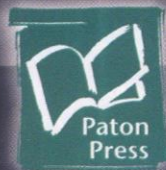
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Closing distances

Almost everyone interviewed reported that the Internet has revolutionized their jobs, the entire quality profession and the very ways that business is performed. Many of the issues quality professionals face are similar because, in many ways, they are working in the same market—regardless of their countries of origin. The difference, it seems, is the relative affluence of different regions and the effects that affluence has on an organization's ability to provide training.

Training spurs innovation, so it follows that some of the best-trained people will produce the best innovations. There are concrete examples of this: Motorola's development of Six Sigma and Toyota's

Figure 1: Top 10 Countries for ISO 9001 Certificates



Source: The ISO Survey of Certifications, 2004

development of lean through its well-known Toyota Production System. The recent formation of the Middle East Quality Association will make training and information gathering easier for professionals in that region.

But even without the money for formal on-site training, the Internet makes informal training possible—even easy. Thousands of quality books are available online, as are numerous courses and seminars. In addition, the online presence of quality-related publications in almost every language provides a host of informal education opportunities.

“There aren’t any differences among countries [because of the Internet],” says Banas. “The only difference is their marketing competency to sell a product or even an image. The Internet has neared distances and opened knowledge opportunities for everyone, whether in Paris, in the middle of the Amazon or in New York.”

The China factor

In China, quality improvement has become a source of national pride. An emphasis on Taguchi Methods-like defect prevention has evolved over the

years. Mark Hehl, a consultant and former manager of worldwide quality for Timex Corp., remembers that on his first trip to China in 1995, the sole quality function was post-manufacturing product inspection. Predictably, this produced astronomical rework and scrap—in some cases, the reject rate was as high as 26 percent—but even this didn’t faze Chinese executives.

“Labor was so cheap, they just chose to make everything over again,” Hehl recalls. “They accepted huge rework figures and scrap as if there was no other choice. This was the way they always had done it.”

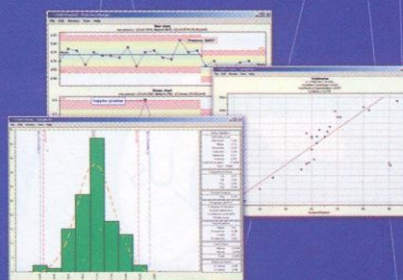
When he began to explain defect prevention, process optimization and Six Sigma, Hehl says, “It was like a light bulb went on in their heads.” He started measuring and charting total failure rates, and eventually

Figure 2: Top 10 Countries for ISO 14001 Certificates



Source: The ISO Survey of Certifications, 2004

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produced a five-year quality improvement plan for Timex plants in Asia. He also hired several quality engineers to perform inspections, and started training suppliers in corrective action, basic process control and SPC. The result: significant product-quality improvement, dramatically reduced scrap and rework, and more satisfied customers.

Hehl made his last trip to China in November, and he reports that quality has improved throughout the country. Six Sigma is very popular, which has led to an increased need for Six Sigma training. However, he observes that there is still a deficit in the number of Six Sigma experts that consult in China. One reason is China's unique and very structured social code, which baffles many Western consultants. For instance, Chinese trainees expect their trainers and managers to work alongside them, not direct them from afar. Additionally, when meeting foreigners, Chinese clients sometimes ask personal questions—about one's income, home and family—that would be taboo in the Western world. This can be off-putting to Westerners, but it's not meant to be offensive; instead, it's done to seek common ground.

China's focus on quality shows in the number of Chinese organizations registered to ISO standards. With 132,926 registrations to ISO 9001 (as of 2004), China has the most ISO 9001 registrations in the world. Italy, which comes in second on the list, is well below that figure, with 84,485 registrations. With 8,862 ISO 14001-registered organizations, China has the second-most registrations to this standard in the world. Japan, which is ranked first, has 19,584 ISO 14001-registered organizations.

Quality has an increasingly high profile in many Southeast Asian countries, too. Malaysia started implementing ISO 9001-compliant processes in many of its governmental administrations in 1995, as part of its Excellent Work Culture initiative. There are now upward of 4,300 ISO 9001-registered private organizations in Malaysia (mostly manufacturing concerns). Cambodian custodians of Angkor Watt, one of the man-made wonders of the world, implemented ISO 14001 last year to manage the strict environmental systems that maintain the famous site.

Conclusion

In many ways, quality is the same wherever you go. You can measure it using many different approaches: customer satisfaction, money saved or earned, or scrap and rework trends, to name just a few. But, depending on which area of the world a product is manufactured in or a service is delivered to, one component might be more important than the rest:

We are all products of our environments. Quality is no different.

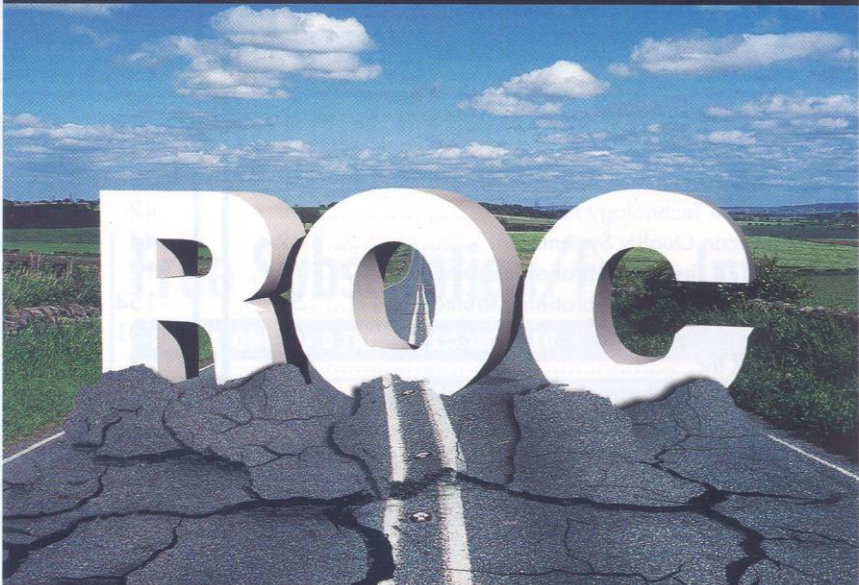
About the author

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