Master's thesis Master in Business Administration International Business Management 2015

Salonen Heli

QUALITY MANAGEMENT SYSTEM AND QUALITY HANDBOOK -CASE YTK



MASTER'S THESIS | ABSTRACT

TURKU UNIVERSITY OF APPLIED SCIENCES

Master in Business Administration | International Business Management

2015 | 66

Laura Heinonen

Salonen Heli

QUALITY MANAGEMENT SYSTEM AND QUALITY HANDBOOK -CASE YTK

The purpose of this thesis is to create a Quality Management system and a written document in the format of Quality handbook for Yleinen Työttömyyskassa YTK. YTK is the largest unemployment fund in Finland and constantly growing its membership count. Keeping the customer in the center and serving customers with good quality is seen as an important differentiating factor in YTK. The quality handbook is written based on the organization needs and it is not following any standards. The quality handbook and the chapters that are handling it in the thesis are company confidential.

Theoretical part concentrates mainly on different approaches towards quality programs. Also quality in general and service quality are gone through briefly. The thesis is concentrating more on the practical part of the work than the theory.

The study hase been done using activity analysis and observation as research methods. The author has led a quality project in the organisation which has given a lot of material for the actual Quality Handbook. The whole organisation participated to the project one way or another and everyone was given the opportunity to affect the outcome. Employees have formed their quality promise and the management have formulated the quality policy of YTK. The quality project also initiated activities that are used for developing the quality in YTK.

It can be concluded that the Quality system and the Quality handbook will give structure to the quality work in YTK. The formal handbook can be seen as a starting point for goal-directed quality development work even though there is already a lot of work done in that field in YTK. The quality project is ending by the end of this year but the quality work continues. I give suggestions on how to continue the quality work in YTK based on the thesis work done.

KEYWORDS:E

Quality, Quality management, Quality Handbook, Service quality, Quality Development

OPINNÄYTETYÖ (AMK) | TIIVISTELMÄ

TURUN AMMATTIKORKEAKOULU

Master in Business Administration | International Business Management

2015 | 66

Ohjaaja Laura Heinonen

Salonen Heli

QUALITY MANAGEMENT SYSTEM AND QUALITY HANDBOOK -CASE YTK

Tämän opinnäytetyön tarkoituksena on luoda Yleinen Työttömyyskassa YTK:lle oma laadunhallintajärjestelmä sekä laatukäsikirja jossa laadunhallintajärjestelmä kuvataan kirjallisessa muodossa. YTK on Suomen suurin työttömyyskassa ja jäsenistö kasvaa jatkuvasti. Asiakkaan pitäminen keskiössä sekä asiakkaiden palvelu hyvin ja laadukkaasti nähdään YTK:lla tärkeänä keinona erottautua kilpailijoista. Laatukäsikirja on kirjoitettu organisaation tarpeet huomioon ottaen, se ei seuraa erikseen mitään standardia. Laatukäsikirja ja sitä käsittelevät luvut ovat tässä opinnäytetyössä salaisia.

Teoriaosuus keskittyy pääosin erilaisten laatuohjelmien esittelyyn. Omat osionsa on myös laatukäsitteelle yleensä sekä palvelun laadulle. Keskityn työssäni käsittelemään enemmän käytännön työtä kuin teoriaa.

Opinnäytetyön tutkimusmenetelmänä on käytetty toiminnallista tutkimusta sekä osittain myös havainnointia. Olen vetänyt organisaatiossa laatuprojektia joka on antanut minulle paljon materiaalia itse laatukäsikirjaan, mutta myös opinnäytetyöhön. Koko organisaatio osallistui laatuprojektiin tavalla tai toisella ja kaikilla on ollut mahdollisuus vaikuttaa osaltaan lopputulokseen. Henkilöstö on osana laatuprojektia muodostanut laatulupauksen ja johto taas organisaation laatupolitiikan. Laatuprojektin tuloksena olemme myös aloittaneet erilaisia hankkeita laadun kehittämiseen ja parantamiseen.

Lopputuloksena voidaan sanoa, että muodostettu laadunhallintajärjestelmä sekä laatukäsikirja antavat puitteet laadunhallintatyöhön YTK:lla. Kirjallinen käsikirja voidaan nähdä tavoitteellisen laatutyöskentelyn alkupisteenä, vaikkakin laadun eteen on jo tehty YTK:lla paljon työtä. Laatuprojekti on loppumassa vuoden 2015 lopulla mutta laatutyöskentely jatkuu. Laatutyön jatkamiseen annan suosituksia opinnäytetyön pohjalta.

ASIASANAT:

Laatu, Laatujohtaminen, Laatukäsikirja, Palvelun laatu, Laadun kehitys

CONTENT

CONTENT	4
LIST OF ABBREVIATIONS	6
1 INTRODUCTION	7
1.1 Background	7
1.2 Objectives of the thesis	8
2 QUALITY IN GENERAL	10
2.1 Quality as a concept	10
2.2 Previous study	12
3 SERVICE QUALITY	13
4 TOTAL QUALITY MANAGEMENT	16
5 APPROACHES TO QUALITY PROGRAMS	18
5.1 Crosby's 14 steps	18
5.2 Deming	20
5.3 Juran	23
5.4 Quality program implementation	24
6 QUALITY MANAGEMENT SYSTEM	26
6.1 Quality handbook	27
7-12 COMPANY CONFIDENTIAL	28
REFERENCES	65

FIGURES

Figure 1. Quality expectation in service situation by Rissanen (2005)	14
Figure 2. Six good service quality criterias by Gronroos	15
Figure 3. Fourteen step quality program: Philip B. Crosby 1979	20
Figure 4. Seven point action plan from Deming (Beckford, 2011)	22
Figure 5. Deming circle	23

LIST OF ABBREVIATIONS

TQM	Total Quality Management
TQC	Total Quality Control
QMS	Quality management system
YTK	Yleinen Työttömyyskassa YTK

1 INTRODUCTION

1.1 Background

Historical development of quality thinking can be divided into four stages:

- 1. Quality control
- 2. Quality assurance
- 3. Total quality control
- 4. Total quality management

First stage includes inspecting the errors in the product that was manufactured. Different statistical methods were developed especially to the use of war industry. In the second phase concentration was on developing the manufacturing process based on analyzing the faults in the manufactured products. The third stage has the basic idea that all the processes and actions taken in the manufacturing affect the end product and have to be taken into account. Errors are prevented in all the phases of the process. Strategic quality management which emphasises the role of management is the fourth stage according to Garvin. (Hannukainen 1992, 18)

Quality management practices were first taken into use in Finland in the 1970's. In the 1980's and 1990's Finnish quality work has been very technology-based. Standards, certifications and quality awards were in the center and this is still affecting the quality discussion in Finland. (Silén 2001, 17-18)

Customer is in the center of the modern quality thinking. Customer satisfaction indicates the level of quality and even if the processes are in order and the end product flawless the customer opinion is what matters most. Focus should be put into understanding the customer and market needs and developing the organization to answering those needs. (Lecklin 2002, 18)

One aspect is that good quality indicates low amount of errors and thus low costs when correcting those errors. Good quality also fills the customer expec-

tations and improves customer satisfaction which strengthens the market position of the organization. When those aspects are combined profitability improves and organization will have better assets to survive the competition. This can be applied also to public sector organizations where low efficiency and customer dissatisfaction can lead to re-organizing the service. (Lecklin, 2002, 25-26)

Quality is seen as an important competitive advantage in many organizations. On one hand satisfying the customer needs and on the other hand via decreasing costs (Hannukainen 1992, 26). Unemployment funds are competing for customers and high quality is also in that environment seen as a way to differentiate from the competitors. In Yleinen Työttömyyskassa YTK (later YTK) this has been recognized and emphasis has been put to quality management work.

1.2 Objectives of the thesis

This thesis describes how quality management system has been done for YTK. The aim is to write down basic guidelines for YTK concerning everyday work in regards of the desired service quality level. With Quality management system I refer to a system that helps everyone in YTK to guide their actions so that the customer is satisfied with the service they receive. That system helps YTK to receive information about the quality level and also helps in making the right decisions and actions in regards of quality. Quality management system acts as a tool for controlling quality, it will not improve quality itself, but it will help the specialists to plan and make improvements based on the results and information.

Here in this thesis I will also present a Quality handbook for YTK. Quality handbook refers to a written description of the quality management system. It will include the organizations quality policy, how the quality management system works and also how quality management will be implemented. The manual will be available for the whole organization and help in order to fulfill the customers' expectations with high quality. The quality handbook will act as a guide for the whole organization. This thesis will consist of theoretical part describing quality in general, quality management and service quality. I will also present and discuss different approaches towards quality programs. I will also discuss leading a quality project in organization and present how it has been done in YTK. The quality manual will be as an attachment in this work.

2 QUALITY IN GENERAL

Quality in industrial manufacturing has become an important factor when competing for customers. Many of the goods that consumers are buying are replacing products that they have owned already earlier. This is called a replacement phase of a product lifecycle. In this situation it becomes more and more important for the customer to trust that the product will last and function properly. This affects the purchase decision substantially. Also in the public sector the importance of good quality has been noticed. Good quality leads reducing costs and improving productivity, which is very important in public sector, where the jobs cannot be transferred overseas. (Beckford 2011, 4-8) Also in today's economic environment it is important to do things as efficiently as possible as the funds received in the public sector are tight.

2.1 Quality as a concept

In the substance of quality management there are two most important specifications for the word quality according to Juran; "Those features of products which meet customer needs and thereby provide customer satisfaction" and "Freedom from deficiencies". Meeting the customer needs and providing customer satisfaction includes the wish and aim of increasing income. Higher quality is often achieved by investing in quality features and thus quality costs more. On the other hand, avoiding deficiencies result in minimising the need for corrective actions as there is no need for doing the work again. This error avoidance aspect means that quality costs less. (Juran 1998, 2.1-2.2).

Quality concept can be defined in several ways and from different points of view. It can be summarised as meeting the customer needs in as efficient and profitable way as possible. This means that customer satisfaction is not the main target and that it should be achieved no matter what it costs. Customer may be very satisfied with the service but if the process to provide it is too expensive it will undermine the company profitability. Seeking higher quality will thus lead to non-profitable organisation. (Lecklin 2002, 18-19).

Quality is tightly connected with continuous improvement in performance. Development needs rise from the quality work done in the organization and from the needs that rise outside the organization. These needs come from for example different innovations and competitive situation. (Leclin 2002, 20)

Quality can be evaluated from different points of view. The emphasis of these views depends on the organization in question. Paul Lillrank has listed six different views on quality:

- Production quality, with focus on developing the manufacturing process. This is very traditional approach.
- 2. Product quality, with emphasis on the product development.
- 3. Value quality, where quality is tied with high profit via low cost.
- 4. Competitive quality means that quality is at desired level when it meets the competitors' quality level.
- 5. Customer quality focuses on the customer and filling their needs.
- Environmental quality includes also environmental issues (Lecklin 2002, 20-21)

In reality all of these points of views are usually taken into account as they are related to different apartments in an organization. However the customer emphasis can be seen as the most important as it brings all of these aspects together. (Lecklin 2002, 21)

Customer centric view to quality means that the product or service meets the customer needs and is "fit for use". In other words the customer expectations are met. High quality usually meets this need. In this context knowing your customer is important as customer expectations are different. (Hannukainen 1992, 11)

Crosby (Crosby, P. 1979) says that "Quality is defined as conformance to requirements, neither as 'goodness' nor 'elegance'". It means that a product or service has to meet the requirements that the customers has towards it. It also leads to the fact that it you have to know and understand your customers to be able to fulfil their expectations. Meeting the customer's expectations or even succeeding them gives the customer the feeling of good quality. A lot of emphasis is now put to understanding the customer, measuring customer experience and listening to the voice of the customer. If the product or service satisfies the customer needs well it can be said that it is good quality.

Quality can also be seen as a wider concept including the view on managing it. It can be seen as a way of managing and developing an organization with targets on maintaining and growing a successful business with competitive advantage and keeping the customers happy. Developing quality is not only trying to find the flaws in the end product but it is also developing the processes or for example improving the employee satisfaction within the company. (Silén 2001, 15).

2.2 Previous study

Quite a few theses have been made about improving the quality of certain companies. Also quality handbooks can be found as an attachment from some theses. (Anias 2011, Ronkainen 2012, Hynynen 2011) However usually these manuals are company confidential and thus it is difficult to do any proper benchmarking there. This case also differs in the aspect that the organization in question is non-profit. It means basically that actions and improvements are not driven by gaining profit. Our main goals are keeping our existing members and giving them the best service in our field and acquiring new members with the help of our reputation as the best service provider in the field of unemployment funds. Our financing system gives us also the responsibility to do things as efficiently as we can.

A lot of research and literature is made about quality in general and service quality. I will present some of the major themes in this study but focus more on the actual content and the outcome.

3 SERVICE QUALITY

Service as a term is used quite widely. Often is doesn't necessarily mean that it is something that is offered personally but it can refer to a service that is given for example by a machine. Service is usually though something that is intangible, activity rather than thing, produced and used simultaneously and the customer is a part of the production process. These characteristics give more challenge to controlling the quality and thus it should happen at the same time as the service is used by the customer. (Grönroos, 1988)

Services being immaterial make it difficult to develop and study them. At the same time the service is produced it is also consumed so there might be no concrete proofs of it happening afterwards.

Customer experiences the service through their expectations. Their earlier experiences give them the background to which the service situation is compared to. (Rissanen 2005, 214) Here applies the same fact of earlier experiences affecting the perceived quality as in other fields of manufacturing. As Rissanen (2005) describes the service quality experienced by the customer is very subjective. The experienced quality is affected by expectations, earlier experiences, attitude and feelings (See Figure 1).



Figure 1. Quality expectation in service situation by Rissanen (2005)

The process of delivering service includes usually several interactions between the customer and the service provider. These interactions form the perception of quality to the customer. There are two dimensions, technical and functional dimension, how the quality of a service is perceived. Technical dimension focuses on what the customer actually receives when buying a service. The way how the service is experienced forms the functional dimension. Objective measuring is harder on the functional dimension than it is on the technical dimension. (Grönroos, 1988)

Grönroos (1988) lists six ways how the customer perceives the service quality in a good way (see Figure 2). These six points are the factors that cause the customer the feeling of quality in a service. The customer sees if his problem is solved professionally and how the company is treating him. He also can judge the service according to the opening hours or how he can access for example the self-help channels and also how he can trust them to work. Recovery by corrective actions is one factor and the last factor relates to the image of the service provider. These criteria can be used when trying to find the factors for good quality within organization. (Grönroos, 1988)



Figure 2. Six good service quality criterias by Gronroos

Also public sector has taken steps towards good service but it takes time as the history as an official authority is so long. (Rissanen 2005, 15) Some good examples can be found and one of them is Kela. Kela has put a lot of effort on developing their services in the past few years and it is setting a good example for other actors in the public sector.

4 TOTAL QUALITY MANAGEMENT

Quality management development reaches way back to the fifties when some of the quality gurus from USA were invited to Japan to bring their expertise. Deming brought there his expertise on statistical problem solving methods and Joseph Juran his views on quality being part of all functions in an organization. Juran also was one of the first in the field of quality to talk about customership. (Silen 2001, 39)

Customer is in the center of running a quality organization. Basis of all actions is recognising the customer needs and listening to the voice of the customer. Methods for listening can vary but they include for example measuring customer satisfaction. (Lecklin 2002, 70)

Total quality management consists of three words and three meanings. There is of course the word quality which has the meaning in itself but it refers also to customers setting the standards to the level of quality. Total quality refers to the fact that the whole organization has a part in improving the quality in all areas of the organization. Management emphasises the meaning of management setting the example and participation. (I. Lumijärvi & J. Jylhäsaari 1999, 27)

Total quality management has many definitions, some narrower and some broader. Common to them seems to be that it is seen as a way for receiving the best output from the resources available by constant development. The aspects in total quality management include:

- Quality is holistic
- Understanding quality in wider meaning
- Meeting the customer needs and expectations
- Management and employee cooperation and commitment
- Using quantitative measures
- Process orientation
- (I. Lumijärvi & J. Jylhäsaari 1999, 28-29)

Total Quality Management is a management philosophy where errors are avoided in all phases of the process. The end product or service is satisfying the customer needs but the process is done efficiently by low costs. (Hannukainen 1992, 41) The ultimate goal where all the quality gurus (Deming, Juran, Crosby etc.) agree is that TQM is a way to improve productivity by satisfying the customer (Rao et al. 1996, 51)

Total quality management is a wide concept including many aspects and the strategy of each organization effects execution. There are some principles that are aligned and they can be seen as the common ground for the TQM concept. Problem avoidance is one of them as well the view that quality is a matter for everyone. Quality should be taken into account in the whole organization and it is something that is achieved together with the support from the management. There should also be a cycle of continuous improvement regarding quality. (Hannukainen 1992, 54) It has been debated that TQM is not a management system as such but rather a philosophy that brings together everything that is done for quality and improving the quality. (I. Lumijärvi & J. Jylhäsaari 1999, 41)

5 APPROACHES TO QUALITY PROGRAMS

5.1 Crosby's 14 steps

One of the "gurus" in the area of quality Philip P. Crosby emphasizes that improving quality is a long-term objective and all the employees have to participate and understand the goals related to quality. One of his key ideas is a program of 14 steps for improving quality (see Figure 3). The program sets guidelines to the quality work that can be implemented within an organization.

First step includes getting the personal commitment from the company management. Getting the Management committed to improving quality is crucial as it will help getting also the staff committed and cooperative.

In second phase a quality improvement team including members from all areas of employees must be formed. It is good to have representatives from all departments as they can in turn spread the word and act as an example.

Measuring quality is listed next and it will give an idea of what the organization's state concerning quality is at this moment. By measuring the quality area by area it can be examined where improvement is needed. Measuring can be done in many ways throughout the organization and in service industry it usually includes calculating errors in a certain process. In manufacturing industry the errors are usually related to defects in the product.

Calculating the Cost of quality is step four. Raising the awareness within the staff of what bad quality means in term of costs will be an eye-opener in regards to the need for quality improvements.

Step for corrective action means giving the employees the opportunity to bring their problems to the light and thus having the opportunity to make corrective actions.

Crosby suggests also that a "Zero Defects Program" should be established. It means that effort should be done in order for everyone to understand that things

should be done right already the first time so no corrective actions are needed. In this sense it is clear that quality is "free". Efficiency and savings are achieved by doing good quality from the beginning and this means that there is no need to correct the errors.

He also suggests that a "Zero Defects Day" should be organized where the concept is explained to the staff so they would understand that it is the new standard for the organization's performance.

Management in all levels has to be trained before each of the steps to ensure their commitment and understanding. Without the management involvement it is hard to reach the quality targets.

Step 10 for goal setting gives the employees the possibility to set goals for their actions. This helps them to achieve more and gives the feeling of success.

Employees voice is heard also in error case removal where they are asked to list the problems they have that prevents them doing errorless work. This brings the employees the trust that they are listened to when they have problems and they can trust that the problems are taken care of. The problems should be recognized within 24 hours.

The step for Recognition means giving credit to the people that have achieved their goals or otherwise performed well. Non-monetary recognition is important as it will keep people motivated to perform good quality.

Quality councils should be established to together discuss the needed corrective actions and evaluate the performance of the quality program.

Last step tells that it should be done all over again. It means that the program is not an ending project but it will remain as one of the organization's ongoing processes for improving quality. (Crosby, 1979)

Step 1	Management Commitment
Step 2	Quality Improvement teams
Step 3	Quality Measurement
Step 4	Cost of Quality Evaluation
Step 5	Quality Awareness
Step 6	Corrective Action
Step 7	Establish an Ad Hoc Committee for the Zero Defects Program
Step 8	Supervisor Training
Step 9	Zero Defects Day
Step 10	Goal Setting
Step 11	Error Cause Removal
Step 12	Recognition
Step 13	Quality Councils
Step 14	Do it all over again

Figure 3. Fourteen step quality program: Philip B. Crosby 1979

5.2 Deming

Deming's quality improvement principles rely on statistical analysis and the idea that change has to happen in all the levels of an organization. Deming has written an action plan that has seven points (see Figure 4). He emphasizes strongly the role of management in the process.

Points one to three are all related to management and their responsibility within quality implementation. Deming suggests that top management should first

agree on the quality program in general, learn the new philosophy and then communicate the plan to the entire organization. Fourth point includes describing company activities as processes and identifying the customers of each stage of the process. Fifth point suggests that each of the stages in the process should continuously improve their activities and outcomes.

In order to improve communication and sharing of best practices, the sixth point is about team working. Deming sees teamwork to be an important tool in quality improvement because by doing teamwork everyone can learn from each other. The last point includes setting up an organization of quality and having the help of experts in statistical analysis. Deming's ideas are very systematic and rely strongly on quantitative approach to quality and the analysis of the results in a systematic way. (Beckford 2011, 79-81)

Point 1	Management must agree on the meaning of the quality program, its implications and the direction to take
Point 2	Top management must accept and adopt new philosophy
Point 3	Top management must communicate the plan and the necessity for it to the people in the organisation
Point 4	Every activity must be recognized as a step in a process and the customers of that process identified. The customers are responsible for the next stage of the process.
Point 5	Each stage must adopt the "Deming" or "Shewart" Cycle – Plan, Do, Check, Action – as the basis of quality improvement
Point 6	Team working must be engendered and encouraged to improve inputs and outputs. Everyone must be enabled to contribute to this process.
Point 7	Construct an organisation for quality with the support of knowledgeable statisticians

Figure 4. Seven point action plan from Deming (Beckford, 2011)

Deming emphasizes continuous improvement which means that the quality improvement initiative is planned and done and after it is done the results are checked and corrective actions done if needed.

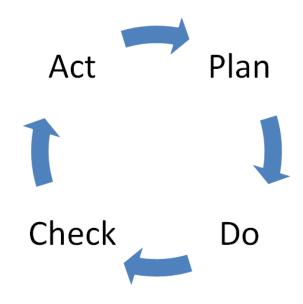


Figure 5. Deming circle

5.3 Juran

Juran emphasises the role of management. According to him 80% of quality problems can be only affected by management. He stated that most important quality problems are affecting the whole organization. Juran lists three stages to quality development which are quality planning, quality control and quality improvement. Quality planning by Juran means the process for developing products which meet the customer needs. This is something that is often failed to do and the reason for this is that there is no real understanding of who the customer is and what they need. It can be also that there is a misbelief that the customer needs are met but that is not really happening in reality. Quality planning is divided into steps as follows:

- Establish the project
- Identify the customers
- Discover the customer needs
- Develop the product
- Develop the process

- Develop the controls and transfer to operations

The process starts by defining clear objectives to tackle the quality gaps and identifying the customer carefully. The understanding of customer needs is grown next and the product is developed to meet the customer needs. Process development is the next step and by that is ensured that the process is working without flaws and the end product meets the design. The last step ensures that the process is controlled and it will work on full capacity and also that there is a well-executed transfer to operations. (Juran 1998, 3.2)

Quality control is described as the tool for ensuring stability in the operations. The process of quality control is used for evaluating actual performance comparing it to set goals and acting based on the differences. (Juran 1998, 4.2)

Quality improvement is defined by Juran to be "a form of beneficial change". There are two kinds of these changes, the ones affecting the features in the product and the ones that help minimizing the defects. The first one can increase the costs but the latter will help to minimize the costs.

Juran formulates the quality work through projects that are led by quality councils. These quality teams have participants mainly from the upper levels of management and they run the quality improvement projects that have substantial effect on quality. The Pareto-principle is used for evaluating the improvement projects, Pareto meaning the principle of relatively few contributors having the most effect on matters, and can also be referred to as the 80/20 principle. These "vital few" projects should be prioritized but the "useful many" as Juran names the 80% of the improvement projects should not be abandoned as they give the employees the opportunity to participate. (Juran 1998, 5.20-5.28)

5.4 Quality program implementation

Even if developing quality should be seen as an ongoing process in an organization, putting the practices first in action requires a successful project. There are several methods and tools for designing a quality program implementation from which each organization can choose the ones that are most suitable. (Beckford 2011, 322-323)

Every organization has to find its own path to achieving the culture of quality. There are no readymade instructions, there are only guidelines and the actions for each organization have to be selected so that they fit the need of that particular organization. The path for quality has to be built on top of the existing organizational culture which should emphasize continuous improvement and putting customer in the centre. (Silén 2001, 57)

In general the process for developing quality can be seen as a change process which includes four phases:

- 1. Diagnosing and preparation
- 2. Management commitment and involvement
- Methodical management and supervisors' participation and forming of development programs
- 4. Follow-up and setting of new targets

In the first phase information is gathered about the current state of the organization including finding out the customer opinion. The top management is setting the example for the whole organization. Third phase requires experts from all the areas to list the needed improvements in their processes. After these phases the results are evaluated. (Hannukainen 1992, 56-57)

6 QUALITY MANAGEMENT SYSTEM

Quality management system is a part of overall management of an organization. The targets differ according to the organization and its situation. QMS should give answers to the questions what, why, how, who, where and when. These questions are answered with process descriptions and working instructions which are included in the QMS. (Lecklin 2002, 31-33)

"A great quality system draws upon the best of many quality programs". An ideal quality system that focuses on continuous improvement should form the basis of all the operations in an organization and all the employees should participate. Basic training on quality matters should be arranged regularly to keep the knowledge up-to-date and to encourage personnel to utilize effectively the quality system. (Dalgleish. S. 2003)

There are standardized systems for quality management and quality assurance. These are included in the ISO 9000 series. ISO 9000 requires organization to describe its quality management system in a quality handbook. (Lecklin 2002, 31-33) ISO 9000 is seen as a very heavy process and not necessarily meeting the needs of a modern organization. It emphasizes the importance of process approach in quality management (Suomen Standardisoimisliitto SFS. 2008). Especially in smaller companies the standards are not used as the requirements are high and the benefits are hard to see. Some aspects from the standard are though useful when evaluating the quality in organization such as having clear documented descriptions of the quality management, keeping customer focus in mind and following the customer experience. The need for standard-izing quality is evaluated in the organization.

The quality management system is described in the Quality Handbook and it is implemented according to the instructions there.

6.1 Quality handbook

Quality handbook is a written document describing the quality assurance system of an organization. It helps the company to manage all the aspects of quality.

Quality handbook is a useful tool but not obligatory. In ISO standardised organizations there has to be a handbook that meets the standard's requirements. Documentation is a key element in these requirements, the quality management system needs to be documented and the quality handbook is a part of that documentation. (Lecklin 2002, 33-35) The new standard however doesn't anymore list the quality handbook as mandatory document. The problem with the manuals has been that they are very massive documents that are forgotten after they have been written. The document should be made short and simple, describing all the needed points but not be too massive to avoid it being put aside. (Stojanovic, 2015)

The handbook should fit the organization's needs as well as possible. It should be easy to read and give an overall view to the organization and act as tool for learning and performing the work in the organization. It describes the guidelines and not the details that tend to change more often. (Lecklin 2002, 34)

There are no clear instructions on making a quality handbook as it should be made so that it serves the organization needs. This means that the organization's needs have to be carefully recognized. It is a document that is constantly evolving as is the overall quality of the organization. 7-12 COMPANY CONFIDENTIAL

REFERENCES

Beckford, J. 2001. Quality – A critical introduction. Taylor & Francis e-Library.

Crosby. P.B. 2005. Crosby's 14 steps to improvement. Retrieved from:

http://www.agiledevelopment.org/download/qp1205crosby.pdf (referred to 4.11.2015)

Dalgleish. S. 2003. My ideal quality system. Quality, Retrieved from:

http://search.proquest.com.ezproxy.turkuamk.fi/docview/235211635?accountid=14446 (referred to 11.11.2015)

Gronroos, C. 1988. Service quality: The six criteria of good perceived service. Review of Business, Retrieved from <u>http://search.proquest.com.ezproxy.turkuamk.fi/docview/220949893?accountid=14446</u> (referred to 6.11.2015)

Hannukainen, T. 1992. Laatuyritykset – Laatujohtaminen maailman valioyrityksissä. Tampere: Tammer-Paino Oy.

Juran, J. 1998. Juran's quality handbook. R.R. United States of America: Donnelley & Sons Company.

Lumijärvi I. & Jylhäsaari.J. 1999. Laatujohtaminen ja julkinen sektori. Tampere: Tammer-Paino Oy.

Kananen, J. 2009. Toimintatutkimus yritysten kehittämisessä. Jyväskylän ammattikorkeakoulun julkaisuja –sarja. Tampereen yliopistopaino Oy, Juvenes Print 2009.

Lecklin, O. 2002. Laatu yrityksen menestystekijänä. 4. uudistettu painos. Jyväskylä: Gummerus.

Rao A.; Carr L.; Dambolena I.; Kopp R.; Martin J.; Rafii F. & Fineman Schlesinger P. 1996. Total quality management: A cross functional perspective. USA: John Wiley & Sons.

Rissanen, T. 2005. Hyvän palvelun kehittäminen. 1. painos. Vaasa: Pohjantähti.

Silen, T. 2001. Laatu, Brändi ja kilpailukyky. Helsinki: WSOY.

Stojanovic, S. (2015) RIP, Quality Manual - The revised ISO 9001 won't be a slave to formality, but the quality manual is still worth keeping. Retrieved from http://www.qualitydigest.com/inside/quality-insider-article/future-quality-manual-iso-90012015.html (referred to 21.10.2015)

Suomen standardisoimisliitto SFS 2008. SFS-EN ISO 9001. Laadunhallintajärjestelmät. Vaatimukset. Helsinki: Suomen standardisoimisliitto SFS