ROBLEMS OF REGIONAL SYSTEM OF QUALITY MANAGEMENT IN SLOVAKIA

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Abstract
Regional systems of quality management represent a modern quality assurance instrument and improvement of products. The main task goal is to help the development of SMEs and in thus way achieve their competitiveness. The topic of this lecture will focuse on deficiencies that these activities hamper and complicate.

Key words: *quality management, ISO standards, regional marketing, clusters, SMEs, regional systems*

1. INTRODUCTION

In the field of quality management the approaches preferred in our economic practice are the ones where the quality management systems are built according to ISO standards for the quality management systems or various modifications of these standards for other areas uch as industrial enterprises (e.g. CAF model for administration, etc.). These approaches are recommended by the relevant EU bodies, but also by our government bodies and the requirement for the application of these approaches was included also to the National Quality Programme of the Slovak Republic. However, it is stated in modern American literature in the field of company management (e.g. Prof. O. Hirari from the University of San Francisco) that one reason why EU lags behind the U.S., Japan and China is the application of ISO standards and TQM application in industrial enterprises, as these approaches focus only on internal processes and completely neglect the external processes which are crucial in terms of efficiency and profitability of industrial enterprises. Article propose the activities for quality assurance in those areas which are not dealt with by ISO standards and which are modern in terms of the development of company management and promising for the future. This particularly includes a quality assurance proposal (or a draft of the quality management system) in the following areas:

- Regional systems of the quality management
- Quality management systems in clusters or in networking
- Quality management systems in enterprises with a flat organizational structure
- Quality management systems in small businesses.

2. REGIONAL SYSTEMS OF THE QUALITY MANAGEMENT

In these areas the ISO standards are unusable in such a form as applied at present or they are not taken into account at all. With regard to regional quality management systems, their importance lies in the fact that these issues should be of the interest of respecitve authorities (self-governing regions) to influence asuring and increasing the quality of products in the companies operating in a respective region. In our conditions there are company systems and the National Quality Programme of the Slovak Republic but there is nothing in terms of the quality management between these two levels. Ensuring and increasing the quality in regions should lead to increasing the competitiveness of companies operating in them and this also should be of the interest of regional authorities. With regards to our local authorities, in the best case, they focus their support on research, but they do not apply an active policy of quality assurance in the region. Such policy should not be only gathering data of the number of certified companies. At present regional marketing systems are being promoted. But these are not as important for the region as the regional quality management system should be.

3. QUALITY MANAGEMENT SYSTEMS IN CLUSTERS OR IN NETWORKING

With regard to quality management systems in clusters, it must be said that the cluster theory focuses primarily on the organizational area and the area of quality assurance in cluster enterprises is left only to copanies that are members of the cluster. However, especially in the case of industrial clusters, where the cluster is headed by the head of the company and member companies are suppliers to it, building a system that would address the problem of quality assurance is a necessity. Development of specifications for the quality of supplied inputs is in no way an active policy of the quality assurence. Through Seventh Framework Programme for Research and Technology Development was designed the project Emergence of Research Driven Clusters in Central Europe. The project aims at supéporting regional authorities and governments in convergence regions with konw-how, methods and financial instruments necessary to create capacities for stimulation and emergence of research-driven clusters. This will lead to clustering research institutions, universities, R and D companies, SMEs, large companies and financial institutions (if appropriate) in the region. The R and D sector will provide research and development for manufacturing companies in selected industrial sectors, will increase their innovation capacities and subsequently, their competitiveness.

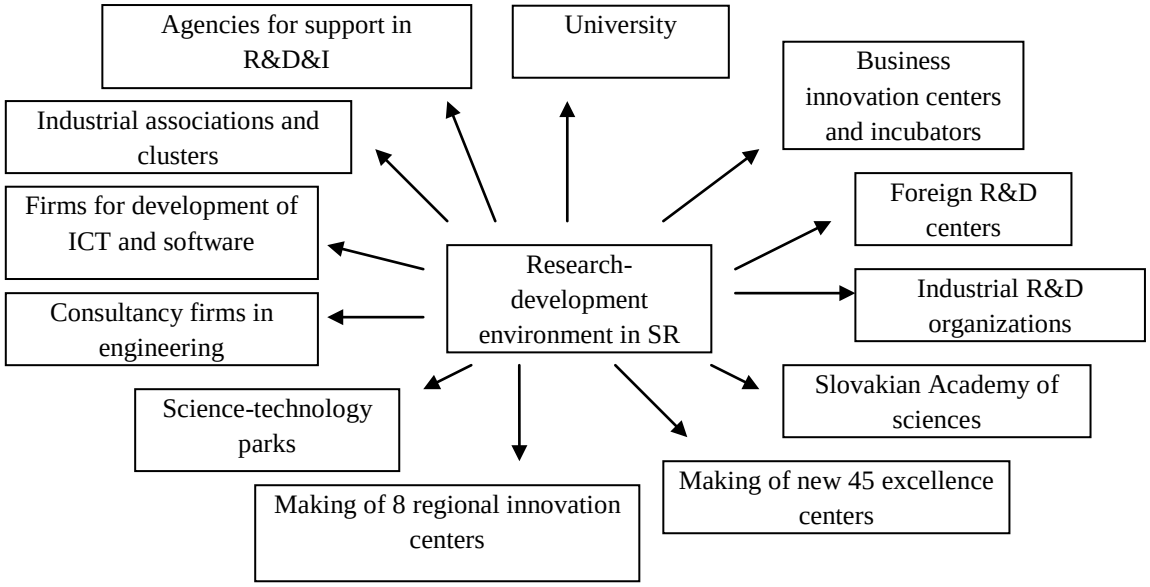

Fig.1. Structure of Slovakian research-development environment. Source: Kováč, Švač: Charakteristika vývoja priemyslu z roku 2010

Another goal of the project is linking of regional authorities and governments, research stakeholders and local business community in EU convergence regions at European level withaim to bring the benefits of research to SMEs, thus increasing their competitiveness in European and global economy. In connection with the establishment of such Rand D cluster, it is necessary for its creation to fulfil the following sequence of basic tasks:

- Formulate a cluster mission
- Determine its organizational and legal model
- Define the method of acquiring resources for the cluster operation
- Define the relationship with research organizations and researchers
- Define the relationship with industry
- Define the relationship with government organiztions
- Define the relationship with regional organizations in the area of the cluster acting.

Cluster mission – in formulating the cluster mission we must determine the cluster fundamental role and its additional tasks. The basic role of the RDC can be defined as follows:

Create the conditions and ensure the implementation of the transfer of knowledge and the results of scientific research activity from the area of the research funded by public sources, as well as sources of economic profit organizations and own resources of R and D centres into the economic practice and thereby contribute to increasing the competitiveness of economic organisations. The target beneficiaries of such knowledge should mostly be small and medium-sized enterprises which do not have the resources for both basic as well as extensive applied research.

Additional tasks and functions of RDC shall include:

- Assisting in the planning of research tasks of scientific research organizations,
- Ensuring that the results of scientific research tasks are placed to the international databases,
- Creating the conditions for participation in the marketing survey in the area of ascertaining requirements of industrial practice for solving the urgent requirements and for the transfer of these requirements to R and D centres,
- Assisting in placing the results of scientific research activities into the implementation phase.
- Co-participating in the transfer of knowledge to the economic practice and social development of a respective region,
- Co-participating in the protection and exploitation of intellectual and industrial property by consulting and teaching activities, especially for small and medium-sized enterprises,
- Advisory activities by which they will co-act in building spin-out businesses, incubators and scientific and technological parks in a respective region.

Organization and legal model of the R and D cluster

A R and D cluster should be an economically and legally independent non-profit organization focusing on the tasks referred to in the RDC mission. Organizational structure of the RDC will be flexible. However, in principal, the RDC should be an organisation with few employees, whose organizational structure should be tailored to the tasks in 3 key areas:

a) Cluster management area – which would be necessary to solve the issues of the management of the cluster activity, economic problems of the cluster, the area of marketing and relationships with government and regional authorities, assistance in solving the problems of protection and exploitation of industrial and intellectual property in research organizations.
b) The area of relations to scientific-reserach organizations – in this field this should refer primarily to the assistance for scientific research organizations in the planning of task, providing information on obtaining grant, placement of the results of research to international and national databases, ensuring that the results of scientific research activity will be transferred to the industrial practice.
c) The area of industrial relatins practice (small and medium-sized enterprises and big companies) - as the main beneficiaries of the knowledge transfer. In this area the main activities of the RDC would be aimed primarily at identifying and influencing prospective plans of small and medium-sized enterprises with regard to the possibility of using the results of scientific research tasks solved by the scientific research base of a respective region.

Relations with government authorities and public administration bodies

As it was mentioned in the introductory part, expecially in the first phase of activity of R and D cluster it is needed to organize the operation of this cluster by providing the funds whether from the structural fonds or from the state budget as well as from the funds of public administration bodies. On the other hand, it should be emphasized that the successful opertion of the cluster brings an effect in increasing the competitiveness of industrial organizations in a respecitve region, as well as in the whole national economy what will be reflected also in the growth of taxes nad levies. For these reasons, the establishment of close and mutually beneficial relations between the cluster and the state and public administration bodies is one of the proconditions for the successful operation of the cluster. Specific realtionship to the state authorities is the relationship with the Industrial Property Office of the Slovak Republic, which covers the whole area of intellectual property protection form the protection of inventions, substantive patent law, utility models, industrial designs and protection of commercial symbols. In this context, it is necessary for the functioning of the cluster to achieve such position that:

- At least in the first 5 years, the cluster operation is covered also by the resources of these bodies,
- Such conditions are created that the respective public administration departments (departments of government and regional bodies) could be actively involved in the activities of the cluster as well as in the cluster bodies,
- Operation of the cluster is transparent, both in the area of intentions as well as achievements,
- A regular and effective dialogue is maintained with public administration authorities on the operation of the cluster, the results of operations of the cluster, as well as the problems of implementingt the cluster mission.

Networking

R and D cluster in the Slovak Republic is based on the model for creating such clusters in Central Europe. As such, it will unlikely be able to solve the problems of networking. On the other hand, in advanced industrialized countries there are organizations that are not designed to operate R and D clusters, but they are focused on more general opertions of knowledge transfer offices. It is obvious that after establishing the cluster it willbe very beneficial to contact these organizations. (1)

4. QUALITY MANAGEMENT SYSTEMS IN ENTERPRISES WITH A FLAT ORGANIZATIONAL STRUCTURE AND QUALITY MANAGEMENT SYSTEMS IN SMALL BUSINESSES

The introduction of flat organizational structures in large companies is considered a modern approach of building an organizational structure. The application of such an organizational structure, howver, means the decentralization of activities of the most headquarters bodies to executive organizational units what gradually leads to disappearance of the headquarters or to weakening of thier position. As a classic example of such developments w mention just a quality management body. However, if such body ceases to exist or its position is weakened, the application of ISO standards will be ineffecftive in this case and other approaches should be chosen respecting this situation. Building the modern quality management systems in companies means that the heads of executive organizational units will need to have a high awareness of quality, they will have to be able to ensure the quality economy within their organizational structure and others. The issue of quality management systems needs to be addressed also at the level of small businesses. Small businesses are promising for the future in term of developing and increasing the effectiveness of industry in the national economy. E.g. the U.S. export is more than 50 % provided by businesses with fewer than 19 employees. It should be noted that the issue of quality assurance in small businesses are mentioned in some literature and even a few years ago the ISO standard for quality systems in small businesses wasapproved. The problem is that these are the approaches that were automatically transferred from medium-sized businesses to small businesses.

5. CONCLUSIONS

Regional quality management systems are still an unfamiliar concept. Only regional marketing systems are mentioned, but in terms of the impact on revenues of the self-governing regional units, they do not have such impact as the regional management quality systems would have. It should be noted for a more detailed characterization that the regional system shall not mean the system operating within the self-governing regional units, but the system to support the quality improvement in copanies operating in the region. As far as clusters and flat organizational structures are concerned, the literary sources provide different opinions of the authors of their existence and activities, but the area of quality management as a system, which should be interconnected with all entities participating within the cluster, practically does not exist. With regard to the quality management in small businesses, it should be noted that the available literature states the most often that it is possible to use the same approaches as for medium-sized or large companies. This leads to formal solutions, resulting in efforts to obtain a certificate of quality, but this does not solve the issues of assuring and increasing the quality in small businesses. Topic mentioned in the article is addressed by the project VEGA No.

1/0107/11 Quality management in the areas not covered by ISO Standards for Quality management systems.

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