

## **CHAPTER FIVE: Summary and Conclusions**

Saudi Aramco is one of the leading national companies in Saudi Arabia. Its experience in implementing TQM is an example of successful implementation. Interest in establishing a quality management program appeared as an avenue for reducing costs. Capital projects have always been considered to be a potential area for saving. The pressure to reduce costs and enhance the efficiency of capital projects led the Company to adopt TQM.

A fact-finding mission was conducted to review TQM implementation with several companies in different fields. Several benefits were gained from the benchmarking visits. All employees were made aware of the quality journey. The experience of the Company in introducing the quality management has been successful. This success is attributed to the high commitment of senior management. The visions of the Company are:

1. to ensure a mindset of excellence and continuous improvement within every employee, implemented through strong leadership at every organizational level;
2. to develop a management culture which treats customers and employees equally and sets their satisfaction as the highest organizational objective;
3. to provide a process for employee participation in identifying problems and implementing solutions to enhance personal and organizational performance.

The training process took a top-down approach from manager level to unit head and through division head level. The Company invested a lot of time and money in the TQM education programs, especially for senior management. The education programs having been very effective.

The steering committee consists of three committees at different levels. The objectives and the tasks of these committees (councils) differ from one to another. The Business Line Quality Council (BLQC) is the leader in the hierarchy. The BLQC is responsible for setting up the business line quality strategy and long-term plans. The second council is the Administrative Area Quality Council (AAQC). The task of this council is to set up the objectives of the administrative areas and to review the progress and difficulties in quality management implementation. It coordinates implementation efforts among the different departments within the administrative area. The third council is the Department Quality Council.

Several benefits and results have been received at all Company levels. These benefits include the following :

- ❑ Establishing a good foundation for planning and executing future studies
- ❑ Developing a greater understanding of expenditure processes and improving the quality of these processes
- ❑ Achieving Labor savings due to streamlining (reengineering) project review processes
- ❑ Improving efficiencies and increasing some unit outputs by 50%
- ❑ Reducing the cycle time of some processes by 25%
- ❑ Eliminating many positions as a result of implementing of reengineered design processes (better utilization of resources)
- ❑ Creating a paperless office environment through the implementation of electronic document imaging systems (reengineering effort), thus cutting paperwork and reducing employee search time for a document
- ❑ Developing departmental quality manuals
- ❑ Increasing awareness of quality through the company

- ❑ Improving communications
- ❑ Improving standard contracts
- ❑ Eliminating internal duplications and inefficiencies
- ❑ Focusing on departmental core functions and eliminating overlaps
- ❑ Eliminating unnecessary management levels, expanding the span of control and balancing the workload
- ❑ Achieving customer satisfaction

The experience of this company with TQM is still at the beginning, but the results so far are very encouraging. The commitment from senior management might be one of the most important reasons for these fruitful results.

The case study illustrates the fact that the interest and enthusiasm to adopt TQM increases during difficult times. The genuine interest and enthusiasm help to achieve successful implementation. TQM implementation is a lengthy process and requires lengthy investment of time. Implementation of TQM is difficult in large organizations and it is important to co-ordinate the efforts and the strategies of TQM implementation among different departments.

The case illustrates the importance of training and management commitment towards TQM. Skepticism is one of the major challenges in the TQM implementation process. The fear of TQM implementation's impact (i.e. job security), and score keeping are other challenges in TQM implementation.