

Blast менеджмент

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Blast менеджмент є комбінацією принципів та понять зі сфери управління людськими ресурсами і різних методів управління якістю з фінансовим підходом. Blast менеджмент складається з трьох аспектів: жорсткого, м'якого та концептуального. BLAST означає різку зміну в способі мислення та ідеях організації та швидку протидію. Перший аспект – жорсткий – включає набір управлінських рішень й підходів на покращення якості та продуктивності з фінансовим підходом. Вони відображені літерами у слові BLAST наступним чином:

BSC (збалансована система показників): засоби та методи стратегічного менеджменту для розробки та проектування організаційних стратегій та оцінки діяльності.

Lean (ощадливе виробництво): простий метод для покращення продуктивності через низькі інвестиції та вирішення нескладних проблем.

ABC/M (роздільний облік): метод для аналізу калькуляції коштів та менеджменту на основі діяльності організації.

Six Sigma (шоста сігма): метод для швидкого вирішення складних проблем та мінімізації помилок в діяльності.

TQM (загальне управління якістю): принцип та система менеджменту націлені на розвиток культури з метою постійного підвищення якості, задоволення залучених учасників та якісної організації, що розвивається.

Склавши перші літери компонентів «жорсткого» аспекту, отримуємо слово «BLAST».

Другий аспект, який ми називаємо «м'яким», складається з наступних компонентів:

Belief (погляди): формування поглядів у персоналу, менеджерів та у всіх учасників процесу в радикальний спосіб та швидке просування по якісному шляху.

Learning (навчання): проведення навчання на рівні персоналу, організації та за межами організації.

Adaptability (адаптивність): адаптивність та сумісність персоналу та менеджерів шляхом щоденних змін і досягнення рівноваги серед всіх визначених внутрішніх та зовнішніх параметрів і характеристик в організаціях, включно з цілями, ресурсами, спілкуванням, культурою, потребами клієнтів, правилами, спільнотою й середовищем.

Staff (працівники): включає ефективну роль повного залучення працівника до підвищення якості та зміни процесу.

Top management (топ менеджмент): Важлива роль вищої ланки менеджменту у зміні лідерства через формування поглядів, навчання та адаптивність на організаційному та між-організаційному рівнях. Автори вважають, що окрім застосування комбінації рішень управління якістю та підходами, слід спочатку сформувати віру в досягнення таких цілей в організації, щоб досягнути успіху в якості, а тоді проводити навчання на індивідуальному, колективному, організаційному рівнях та навіть за межами організації. Нам потрібна цілкова адаптивність та сумісність, оскільки вони уможливають навчання у непостійному середовищі. Для досягнення цієї важливої мети потрібні підтримка всього персоналу і лідерські якості вищої ланки менеджменту.

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Blast management

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Blast Management (BM) is composed of the combination of human resources management (HRM) principles and concepts and various methods of quality management (QM) with a financial approach. BM is made up of three aspects: hard, soft and concept and BLAST means an explosive shift in organization's mindset and thought and rapid action against it. The first aspect, hard, includes a set of managerial tools and philosophies to improve the quality and productivity with a financial approach.

Keywords – BSC (Balanced Scorecard), Lean Manufacturing, ABC/M (Activity-Based Costing/ Management), Six Sigma and TQM (Total Quality Management), HRM (Human Resource Management).

I. Introduction

In many organizations, everyone knows that in order to succeed, customers should be satisfied, costs should be kept to its minimum level, wastes and malfunctions should be kept near zero and productivity and quality should be sustained. There are many managerial tools and methods in this regard. The first difficulty is to know: which one to utilize, with which priority, when, where and how (hard approach) and the second one is the need of a decisive will regardless of full awareness of their utilization aspect which is dealt with in soft aspect.

In hard perspective, we need to utilize right managerial philosophies and systems at the right time and place. In soft perspective, we need a huge blast (radical shift) in spirit, mind and thought of organizations for shaping a modern thinking.

One can consider organizations like humans. As humans have unique physical and spiritual traits, so are organizations. Their "hard" structure has some similarities and are easily assessable but their "soft" structure is highly diversified and complex and is not easily recognizable, measurable and controllable.

In recent decades, experienced psychologists have focused on humans' mindsets to help individuals succeed or resolve their difficulties. They believe that individuals can more or less improve their behaviors and capabilities if they develop their mindsets. Such vision is applicable for the success of organizations, too. It seems that we need broad and rapid mental changes in organizations for shaping a modern thinking inside these organizations prior to any effort.

In today's world that we are witnessing cruel competition and only a wrong decision can cause organization lose market to their rivalries, it is no longer possible for them to easily survive and operate. They need to act better, or else failure is such an inevitable outcome awaiting them. So, how should we think? And how should we act?

- 1) What are the main reasons of Managerial methods and systems failure?
- 2) Do organizations need a managerial tool, method or system or a combination of them in order to succeed and undergo rapid changes?
- 3) Is it necessary to have the total support of human resource management or pay attention to financial side in order to undergo rapid changes and move towards creating Total Quality Organizations?

II. Why do we need a combination of various managerial tools and methods?

By studying many published articles in recent years about applying managerial tools, one can find out that each tool has been able to establish a rational relationship between various managerial tools and systems. The combination of two or three tools acts better. Implementing one of the tools alone has resulted in failure of many companies. On one hand, it is too difficult and even impossible for failed companies to redeploy them and on the other hand, the inefficiency of utilizing one managerial tool make many organizations try to use a newer managerial tool or a combination of them to prevent their elimination from competitive markets. Unfortunately, many organizations try to blindly and incorrectly imitate the managerial tools deployed by successful organizations. They have not understood this undeniable reality that companies have not succeeded by only one certain managerial tool. They have neglected the fact that they have only seen external and extended outcomes of one tool. As mentioned earlier, organizations have different spirits and thoughts. It would be pointless to deploy only utilized tools by others (successful organizations) if such facts are not fully comprehended.

According to the process vision, the results of a process are obtained through two following ways:

1. A coherency of internal relations between all processes that create the results of business performance.
2. Each separate process has its own output performance. (Margaret May, 2003) [1]

All managerial and philosophies mentioned in BLAST and the subsets of existed tools are effective for every organization if they are correctly applied and by considering the nature of processes, culture, leaders, personnel, technology, distribution and structure at the right time.

Thus, by correct utilization of all provided managerial tools and philosophies based on BLAST, one can decrease their weaknesses and strengths. Hence, BSC is a strategic management tool to devise performance strategy and assessment –Lean is to achieve the suitable productivity, resolving the simple problems rapidly –ABC/M is to efficiently manage financial activities –Six Sigma is to reduce mistakes in products, services and resolve complicated problems –TQM is to satisfy all selected beneficiaries as imperishable philosophy to devise a strategy and move toward establishing a learning quality organization. If we consider organizational success as a process and Business Excellence as its output and organization’s vision as its input, then we need an appropriate feedback to measure our organization. The

best feedback is quality awards like EFQM and MBNQA. (Henrik Eriksson, 2002) [2]

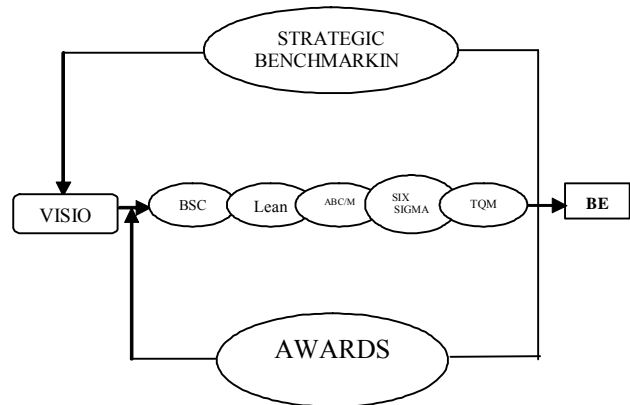


Fig. 1

Does participating in quality award matches and even winning the awards, guarantee this success in coming years? Certainly the answer is negative. Many companies with high ranks in such matches have faced with serious problems because they are national and annual matches but the competition is transnational and permanent. Therefore, we can compare our organization and products via benchmarking the best in the global level not in a national level and use suitable feedbacks to change organizational vision rather than implementing others' strategies. (Henrik Eriksson, 2002) [2] & (Zhihai Zhang, 1996) [19]

Why is the combination of TQM and BSC effective?

BSC enables managers to transform quality improvement into higher revenue, more assets, less workforce and costs. "BSC methods have supported and confirmed TQM efforts. We had various teams that performed lots of work. However, their efforts were dispersed. TQM experience helped us emphasize on team working and collecting information as well as measuring the performance. BSC brought all efforts in an integrated systematic approach" says UWSNE head. (Kaplan and Norton, 2001) [3]

So, one can assert that: "BSC is a strategic management tool and TQM is a tool for implementing it". This viewpoint involves the belief that business starts by a strategic process. Strategic process is led by management to define an attitude, aims and issues for company and to select methods for achieving them. BSC collects the results of this strategic process in various perspectives and puts the cause-and-effect relationships in their own places as they are understood clearly in the company. According to selected strategies, a company may decide to implement TQM or any other method to achieve its aims and all subjects linked with CSFs (Critical Success Factor). Therefore, TQM is a method to achieve improvement as other scales related with customer's perspective in BSC. (Mika Hannula, 1999) [4] & (Dr. Robert s. Kaplan, 2002) [7].

BSC helps the combination of separated actions and single efforts on a strategy and focuses well on maintaining learning process. BSC supports the focus on TQM and involves daily managerial decision-makings. There are also organizations that develop BSC at first and then are informed of needs to introduce TQM process. (Armin Barandun) [5]

Employees' awareness about TQM, Six Sigma, ABM and JIT (Just In Time) will lead to equipping themselves with the capability and knowledge of continuous reduction of costs, reduction of process cycles and quality improvement. (Kaplan and Norton, 2004) [6]

2.2. Why is the combination of TQM and Six Sigma effective?

One of the most important problems of managers in implementing total quality management is to show the effects of this managerial method. It should be in an understandable manner for individuals and beneficiaries and to be provided through values that people believe. In recent years, large companies have used Six Sigma in implementing TQM which brought about remarkable financial savings, rapid action in operational cycles, increase in customers' satisfaction, efficiency enhancement and developing employees' morale in order to enforce new TQM model and better measurement of actions and processes. Although standard deviation is a statistical concept, today managers utilize Six Sigma standard deviation as a way to examine and resolve their problems and have been able to achieve a great deal of success by combining it with TQM. This revolution in ideal utilization of TQM has caused a re-change in the culture of customers' satisfaction degree, enhancing employees' capability and achieving financial aims and has highly helped the better implementation of TQM. (Reza Mehraban, 2002) [8]

Six Sigma is complementary to TQM because it can help to prioritize issues within a broader TQM program and provides the DMAIC framework which can be used to meet TQM objectives. Both Six Sigma and TQM emphasize the importance of top-down support and leadership. Both approaches make it clear that continuous quality improvement is critical to long term business success. And the plan-do-study-act cycle used in TQM is not fundamentally different than the Six Sigma define-measure-analyze-improve-control cycle. (Mekong Capital's Introduction to Six Sigma, 2004) [9] & (Thomas Pyzdek, 2001) [14]

2.3. Why is the combination of Lean and Six Sigma effective?

Both Six Sigma and Lean Manufacturing have unique strengths and they integrate well. Lean is more broad in nature since it sets the broad objective of eliminating all waste, and recommends certain processes for achieving that. Six Sigma is more focused in nature since it is a set of tools for achieving clearly defined improvements, which are likely to help make the company more lean. Six Sigma tries to resolve procedural problems by relying upon statistical tools and arithmetic scales and lean Manufacturing also looks for simple initiatives and facilitating the process flow to remove barriers, each one cannot alone guarantee organizational success. It is quite common for companies to combine Lean Manufacturing with Six Sigma in what sometimes called Lean Six Sigma. When Lean is added to Six Sigma, slow processes are challenged and replaced with more streamlined workflows. Lean Six Sigma is the application of lean techniques to increase speed and reduce waste and process complexity, while employing processes to improve quality and focus on the voice of the customer. (Charles Brett, Patrick Queen, 2005) [10]

Therefore, both Six Sigma and Lean Manufacturing emphasize on improving price, quality and time to focus on process performance. Although Six Sigma emphasizes on decreasing the deviation and improving the process by following problem-solving attitude and utilizing statistical tools, Lean Manufacturing tries to eliminate wastes and improve process flows with the help of its principles and defined attitude in implementation. (Mekong Capital's Introduction to Six Sigma, 2004) [9] & (Tongwa Ivo Atem, Gilbert Ncheh Yella, 2007) [20]

The admirable outcomes of companies like Toyota, General Electrics, Motorola and other successful companies lie in skilful deployment of them. However, using only one of the Lean or Six Sigma tools is faced with some limitations. For example, although Six Sigma tries to omit malfunctions, it takes no action to optimize the process trend or flow. Whereas, Lean principles require statistical tools for correct implementation and are not able to resolve complicated problems. (Thomas Bertels) [11]

2.4. Why is the combination of BSC and Six Sigma effective?

Since implementing Six Sigma projects is usually expensive and incorrect selections decrease its efficiency, BSC could be a prerequisite to choose and assess the performance and to determine appropriate criteria for such projects. In this case, BSC shows the direction to achieve preset organizational goals as a strategic management tool in areas of finance, customer, internal processes, growth and learning and Six Sigma provides necessary driving force to sustain the process by continuous performance improvement of products and processes. (Six Forum, 2004) [18]

Combining BSC with Six Sigma can deliver breakthrough business performance. This success is achievable through a link between performance management and process excellence through a combination of following five elements of BSC and Six Sigma: (Alastair Horn, 2003) [24]

1. Voice of the Customer- "Know Your Customer Requirements".
2. Managing and improving key operational processes (process excellence)
3. Awareness of the aims to be pursued (performance management)
4. Project/Initiative Selection and Execution.
5. Defining, analyzing and controlling the implementation of selected projects (ready, aim, fire) (Alastair Horn, 2003) [24]

2.5. Why is it effective to use ABC/M with a financial approach?

Activity-Based Costing (ABC) analyzes that how a certain customer or product benefits from different provided services. At first, ABC attributes the costs of supplied resources to activities and processes. Allocation of resource costs to activities shows a strong link between ABC and BSC. Usually, cost, quality and time show the performance of process. Measuring quality and time is relatively easy because it relies upon physical assessments. But, cost has an analytical structure and it is not so obvious to be measured by simple tools. Only ABC method could pursue cost in preliminary process of manufacturing, distribution and delivery. Therefore, ABC is too important for measuring cost in BSC. (Ferydoon Rahnamay Roodposhti, 2007) [12]

Managers and employees should improve process performance. ABM encourages the activities that increase the productivity, decrease the costs and lead to appropriate application of assets. ABM is used to increase the capacity or decrease the resource consumption in order to minimize working capital, human capital and physical capital for manufacturing products or services. The financial advantages of ABM can be measured by decreasing the costs, increasing the incomes, using the resources better and cost-effectiveness. (CIMA Journal References, 2001) [13]

In the meantime, cost information in ABC, requirements as well as internal, external standards to measure the performance and costs by ABM would provide a platform for internal, external benchmarking and a facilitator for TQM and BSC. (Dr Armand St-Pierre, 2005) [16] & (Kaplan and Norton, 2004) [6]

ABM is a kind of supplement for TQM which gives a smart assessment of the way of procedural changes and remedies by providing cost information regarding existed processes and activities. It is possible to use ABM effectively to design and measure the costs and savings in process improvement costs resulted from TQM implementation. Three important dimensions of ABM include identifying process improvement opportunities, determining the priorities of such opportunities and committed resources to achieve them through defining process improvement projects like TQM, Six Sigma, JIT, BPR (Business Process Reengineering) and FMS (Flexible Manufacturing Systems). (Douglass Cagwin, Marinus J. Bouwman, 2000) [17] & (Steve Player, David E. Keys, 1999) [22]

III. "Soft attitude": why are hrm concepts and principles important?

Using all managerial tools, systems and philosophies does not alone guarantee organizational success. We need a soft structure and suitable atmosphere to utilize right tools as well as seriousness and decisiveness. John Cater says: "Employees' hearts and minds won't be dominated without honest relations." Many organizations do not comprehend this valuable point so they fail in their efforts on change road.

There are three important factors in the concept of sustainable competitive advantage: creativity, quality and costs reduction. All these factors depend on the quality of an organization's manpower. Quality is achieved through employees and the main principle of HR management namely investing on employees is a prerequisite to achieve quality high standards. Total quality strategy is a real HR management strategy controlled and executed by managers. (Armstrong, Michael, 2001) [23]

So, we need a quality-based leadership which emphasizes on human performance (human quality) rather than products which we call it Total Quality Leadership. (Archeater Houston, 2002) [15] & (Howard M. Guttman) [21]

IV. Conclusion

Managerial methods and principles are changing based on the latest environmental needs and shifts. Organizations pursue moving from vertical management to horizontal one. So, it seems that today organizations need modern psychological methods to change organization's mindset and spirit in addition to selection and utilization of right managerial tools based on their own conditions and positions in order to

achieve success. Blast Management (BM) is a combination of managerial tools, views and philosophies of quality with a financial approach accompanied with human resource management with organizational behavior tendency. Organizations need various managerial tools and sciences to gain success. You cannot find two identical organizations especially when such differences are fully obvious in their soft aspects. To use hard aspect of quality management tools and principles well, we must consider their soft aspect first otherwise we will waste our time, capital and credit.

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