The 21st Century quality challenges for top management: Interim report October 2018

This interim report provides CEOs and top management teams with key findings from a study “The 21st Century quality challenges for top management” based on an initial on-line survey of over 140 global companies in 2018. It was carried out by the Leeds University Business School, Oakland Institute for Business Research and Education and Valueneer in Germany.

Companies from 39 different countries across 5 continents participated

Quality as a competitive advantage

A significant competitive advantage is the sustained delivery of “stand-out” quality products and services. Yet we still live in a world where poor quality in the public and private sectors is reported and, more recently it appears, with increasing frequency. Serious product failures and recalls continue to appear in news frequently. Such news, covering all major sectors e.g., food, medicine, energy, airlines, cars, mobile devices, toys and social media, have ruined the reputations of major brands and corporations.

Failure to manage quality in this fast-moving world is clearly damaging the reputations and financial returns of some major global brands and corporations. The procurement, quality and supply chain professions report increasing concern at the risks to the quality of products and services sourced. Failure is not just restricted to the delivery of products and services either - the way that some major change is being mismanaged is also damaging the reputations of some high-quality brands. So, what can CEOs and top management do differently?

Findings: Quality management for the top management in the 21st Century

The on-line survey produced statistically significant results which showed that:

- CEOs and executive teams are better at demonstrating leadership, commitment and setting strategy than ensuring the implementation of quality management.
• To reduce high-profile failures and recalls of products, CEOs and executive teams need to demonstrate leadership, commitment and set strategy AND be good at implementing quality management.
• Leadership, commitment, clear quality vision, quality aligned in strategy and continuous improvement are shown, with statistical significance, to help reduce the number of major failures or recalls and the costs of poor quality.
• Vigilance in promoting risk-based approaches is not enough without effective quality planning and a culture of fact-based decision-making.
• There is a need to prioritise improvement on standardisation of quality/risk management processes and interfaces with supply chains and procurement.
• There is better governance of supply chain risk and higher standing of quality, procurement and supply chain management in companies that have quality and supply chain management functions represented in the Boardroom.
• Interfaces between the CEO, Supply Chain Management and Quality Management at board level are crucial for maintaining quality and reducing supply chain risks.

While some top managers may have lost sight of the importance of good quality, reliability, supply chain and procurement practices, the online survey has identified some exemplar companies. In the second phase, this study will investigate a sample of exemplar companies with the aim of jointly developing existing new frameworks that will address the whole set of requirements to assist top management regarding quality and supply chains. Companies or organizations that are interested knowing more may contact Professor Chee Yew Wong via email c.y.wong@leeds.ac.uk