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TOTAL QUALITY MANAGEMENT IN FAST-FOOD SECTOR·

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Nuran Öze: Total Quality Management in Fast-Food Sector

Approval of Director of the Institute of Applied and Social Sciences-

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First, gratitude is extended also to my supervisor Asst. Prof Dr. Okan ŞAFAKLI who gives me a chance to select my thesis subject.

Second, very special thanks and special mention are extended to my asst. supervisor Mr.Ahmet ERTUGAN whom assistance and support has given in this book greater vibrancy and clarity and, therefore, "value added" to reader.

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"TQM now permeates all areas of society from business and industry to commerce and education, health and welfare, public life and professional organizations. Unlike management fads of the past, total quality management has staying power as a unifying business philosophy in the run-up to the new millennium. The quality is a potent sense of purpose that can capture the imagination of managers and employees alike and truly motivate them to excel.

This study is focused on the total quality management in the fast food sector. The main reason in selection of this subject is; I will be involved in the fast food sector. That's why I want to learn the deeps of the fast food sector.

The fast food sector effectiveness is depended upon the customer satisfaction. As their speeds of services, quality in products and services, and value for money given to customers increases, the happiness of the customers grows up and it turning up to the business as a good reputation with high profits. This leads for need to examine the role of the total quality management in the fast food sector".

CONTENTS

CHAPTER ONE

Introduction

TQM and Its Emphasizes

In the 1950s, the Japanese asked W. Edwards Deming, an American statistician and management theorist, to help them improve their war tom economy. By implementing Deming's principles of total quality management (TQM), Japan experienced dramatic economic growth. In the 1980s, when the United States began to see a reduction in its own world market share in relation to Japan, American business rediscovered Deming. Quality management experts, Joseph Juran and Philip Crosby, also contributed to the development of TQM theories, models, and tools. TQM is now practiced in business as well as in government, the military, education, and in non-profit organizations including libraries.

TQM is "a system of continuous improvement employing participative management and centered on the needs of customers'". Key components of TQM are employee involvement and training problem solving teams, statistical methods, long-term goals and thinking, and recognition that the system, not people, produces inefficiencies.

Quality improvement concepts have developed over several decades. They began simply as a method for sorting out defective products from good products by inspection at the end of the production line.

The Primary and secondary researchs have used to collect information. Primary research includes face to face interviews with Ms.Mukaddes Çalık and secondary reseachs includes library research and uses of internet.

[1] Jurow & Bernard, 1993

CHAPTER TWO

Theory ofTQM

Before the Second World War; pioneer work by a number of statisticians led to the development of techniques for improving the control of production processes so that the number of defective products could be reduced. This change in emphasis, from inspection to prevention, was quite revolutionary. It was done by using sampling methods to monitor processes and keep them under control. Initially, they were applied in a very limited way in the United States, mainly in telecommunications and munitions.

After the war W. Edwards Deming, then an obscure statistician was invited to serve as a consultant to the Japanese industry. He introduced these new quality control concepts to the Japanese. The central idea was to improve the production system to prevent defects instead of inspecting and throwing out the defective products.

Quality is defined as meeting or exceeding the needs and expectations of the customer. Thus, the goal of a business should be to find out what the customer wants and then fine tune the process to ensure that they get it. The term 'customer' is used to include internal customers as well as external customers. Thus every work group has a customer - the person who receives their output.

Deming's teachings embraced a number of techniques and methodologies for process control. They also embraced the philosophy that quality should be the responsibility of everyone in the organization.

The Japanese adopted his ideas, and over time they developed them further. They extended the application of process improvement from manufacturing to administrative functions and service industries so that the quality concept affected the whole

organization. Japanese industry succeeded in taking over many markets because they were able to drive down their costs while at the same time improving the quality of their products.

During the eighties a number of North American manufacturers woke up and realized that the Japanese were on to something new. They in turn began to implement quality concepts and added other management techniques in the area of employee motivation, measurement and rewards. This blend of quality management techniques and philosophies is generally referred to as Total Quality Management.

The core concepts are:

- Continuous process improvement
- Customer focus
- Defect prevention
- Universal responsibility

Continuous Process Improvement

Most people tend to think of their own work in terms of a task carried out in relative isolation from other work in the organization. The first step in quality improvement is for people to look at their work in terms of being part of a continuous process.

A process is simply a sequence of tasks, which together produce a product or service. The best way to understand a process is to draw a flow chart showing all the steps. When you do this it is possible to visualize one's own work in terms of being a step in a process. A whole set of new insights opens up. For instance, every workgroup has a supplier and a customer. People take the output from another work group, do work that ads value, and then pass it on to another work group.

Quality is defined, as meeting customer needs. Therefore the way to improve quality is to figure out who is the customer and what they need, and then improve the process to

fully meet this need. There are various techniques for doing this. They involve setting up teams to analyze problems with the process and implement solutions. Because the supplier is part of the process some techniques involve teaming with the supplier to improve the quality of incoming products.

Continuous Improvement is the term used to describe the fact that process improvement takes place in incremental steps. It never stops. However good things may be, they can always be better. Continuous improvement is a relentless effort to add value for the customer.

The steps in the Continuous Improvement process are to:

- Select an improvement project with a specific goal
- Assign a team to improve it
- Define the process using a flow chart
- Define variability and problems in the process
- Find the root causes of the problems
- Recommend improvements
- Implement the improvements as a pilot project
- Measure the results
- Proceed to a final implementation
- Move on to the next problem.

The continuous improvement process should be driven from the top, but implemented from the bottom. The selection of improvement projects needs a sharp focus. The problem areas must be prioritized, critical processes selected for improvement, and improvement goals set for the project team. This is a top down process.

The problem solving and implementation is done by teams, which include staff at the working level. This is a bottom up process, which requires the involvement and commitment of the staff

There are various techniques, which teams can use for their quality improvement work. Training must be provided so that the teams know how to use these techniques:

- Processes are described using flow charts
- Problem solving is done using system failure analysis, cause/effect analysis and brainstorming
- Customer needs may be defined using a Quality Function Deployment Matrix
- Processes are monitored using statistical process control techniques
- Inventory control and supplier management techniques are used to improve the inputs

Staffs who are assigned to project improvement teams need to understand how to use these techniques. Managers and supervisors need to understand these techniques too, because it is their job to facilitate and drive the quality improvement effort.

Customer focus

Everyone has a customer. The external customer is the person who purchases the product or service. We also have to think of the internal customers. Internal customers are those who use what another group provides.

This has quite profound implications. It means that every work group has to think about providing value to the people who use their product. This involves finding out exactly what the user needs and wants, and ensuring that the process provides it. For instance, the internal customers of a supplier inspection group will want to receive timely reports on supplier performance, early warning of potential delivery delays and helpful assistance in resolving problems with suppliers. They will also want to-betreated with courtesy.

The starting point for quality improvement is to determine the customer needs. When the needs are fairly simple, this can be done merely by talking to them.

When one is dealing with an external customer and the product is very complex, the determination of the customer needs can be quite time consuming and. requires a detailed analysis. A useful tool for determining the customer needs and ensuring that these needs are incorporated into the product design is the Quality Function Deployment Matrix.

Determining customer needs accurately is an important aspect of quality control. Obviously, it is less costly to rectify a mistake in defining customer requirements before a product is produced than it is afterwards. So spending the time and effort to figure out the requirements correctly at the start is time well spent.

Defect Prevention

Quality management is a philosophy that seeks to prevent defects in products or services rather than relying on inspection to sort out defects after they occur. Statistical process control, the Taguchi method for designing experiments, problem solving and System Failure Analysis are all techniques that seek to prevent defects from occurring.

Defect prevention saves money. Imagine a process for manufacturing a product. It begins with a specification. Drawings are produced, parts are made and assembled, and the product is delivered to the customer. The cost of rectifying a defect increases by at least a factor of ten as the product moves through each of these stages. Defect prevention is concerned with catching the errors as early in the game as possible or preventing them from occurring at all.

Universal Responsibility

This concept deals with the fact that quality is not only the responsibility of the inspection department but is everyone's responsibility. Quality should be totally

pervasive. Every work group in the business should be concerned with seeking ways to improve the quality of their own product or service.

Techniques and Methodologies

There are a number of management approaches and techniques, which have been developed to support these four core concepts. These are:

a. Statistics for process control.

Quality control is based on using statistical analysis to measure and predict the performance of processes. One must have a rudimentary understanding of statistics to appreciate the thinking that goes in to process control.

Statistics is a fairly intimidating branch of mathematics that deals with variability. It is quite complex and very few people have training in the subject. However some of the ideas that apply to process control can be explained easily enough without resorting to the mathematics.

Statistics deals with variability. It is used to predict and control the performance of a system based on measurements of the output from the system.

For example, if you were to measure the diameter of shafts coming off a lathe in a production shop, you would find that they varied in size. You could plot a bar chart showing the distribution of measurements. The measurements would vary about a mean value. Most would be clustered near to the mean value and there would be a few measurements scattered further away.

If, instead of taking a few measurements you were to take thousands of measurements, you would finish up with a smooth bell shaped curve. This is referred to as a normal distribution curve. It has a mean value, and it has values that are scattered about the mean value. The property that defines the amount of scatter about the mean value is referred to as *tpe* standard distribution.

The point about variability is that whenever you take a group of measurements you will almost always get a bell shaped, normal distribution curve. Any group of measurements exhibits variability, which can be described in statistical terms. Because of this characteristic we are able use statistical methods to monitor and control processes. We do this by taking samples from the output of a process, measuring them, plotting them and interpreting the resulting graph. This allows us to see whether the process is under control. It provides indications about how it can be fixed, if necessary.

The crux of the approach is to keep the process under control so that defects do not occur.

Although statistical process control is usually applied to production processes it can also be applied to non-production processes. The key is to measure the critical variables in the process and then to monitor them for signs of impending problems. For instance, with a procurement process, a product design and development process, or a process to approve insurance policies it is possible to select a key variable such as cycle time or customer satisfaction, and to use it to track the health of the process.

Tracking is done using a process control chart. Samples are taken from the output and plotted on the chart. The chart shows how the output varies over time. What the chart tells you is whether the variability in output is due to normal variation or whether there are special causes present.

To improve the process one first attempts to eliminate the special causes, so that the variations are only due to the normal random factors.

Once the process is under control and the special causes have been eliminated, one can only make further improvements by improving the process.

The improvement goals will either be to reduce the variation or to reduce the absolute value of the factor being measured. Typically, for a production process the goal will be to tighten up on the tolerances so no defects are produced. For an administrative function or service process, the improvement goal will likely be to cut down the cycle time or to reduce the cost of the process.

b. Employee Involvement and Empowerment.

The success of the quality management approach is dependent on having well-trained and motivated staff and ensuring that their efforts are focused towards improving the systems that produce the products. Staff must be involved and empowered.

Involvement means that management actively encourages involvement in running the operation and improving the processes. Empowerment is something more. It means that management recognizes that when staffs are given training and provided with the right information, they are in the best position to control their own work processes. This being the case, they should be empowered to do it.

There are various techniques to solicit employee involvement. Suggestion schemes work well when they are well publicized and when worthwhile rewards are provided. The job design can be improved to be more satisfying. Continuous Improvement teams should include staff at the working level so that they become involved in the quality improvement effort.

Empowerment means delegating control to the working level. This needs to be done gradually, as people get used to the idea and as they acquire the skills. Training is needed to provide staff with the skills to control their production processes, and to investigate and solve problems.

c. Quality measurement systems.

Measuring quality costs is important. There is an old adage that if you can't measure it you can't manage it. Measures of quality costs provide the information needed to analyze where the excess costs are occurring. You can then target improvement projects to reduce them.

What is quality? Quality is an abstract concept. Most people know what it is when they see it, but it is difficult to define. When you go to buy a new car you look for certain features in the car, but you also want to be treated with respect. You want good service after the car has been delivered, and you certainly don't want the car to have defects.

If all of your needs are satisfied you judge that you have received quality. Quality is more than meeting a product specification because a specification only provides a minimum set of requirements. Quality is being delighted that your expectations have been met and exceeded.

How do you measure the cost of quality? Companies need to develop a range of measures that get a handle on various categories of quality costs. These include quality costs that show up in the factory and quality costs that show up when the product has reached the customer.

Various studies have estimated that the costs of poor quality account for anything from 15% to 50% of all business costs. Most businesses do not know what their quality costs are because they do not keep reliable statistics.

Quality costs include the costs of scrapping material during production, the cost of reworking defective material, the cost of repairing products, and warranty costs.

Typically businesses rely on inspection to weed out defects and when defects are found products are either scrapped or reworked.

This is rather like having two factories under one roof. There is one factory turning out good quality products that comply with customer requirements. Then there is another hidden factory which turns out defective products for the scrap metal merchants and rework products that were defective in the first place. This hidden factory is maybe half or a quarter the size of the real factory.

Quality costs are enormous and they must be measured if there is to be any hope of improvement. The information provided by a well-designed cost tracking system enables management to focus their efforts on the high cost areas and to track how well the improvement efforts are going.

Quality costs can be broken down into failure costs, appraisal costs and preventive costs.

Failure costs usually account for the major proportion of quality costs in companies that do not have an effective quality program. They include costs associated with scrap, rework, and repair and warranty actions.

Appraisal costs are associated with inspection and testing activities to sort out good products from the bad. Prevention costs are the costs of the quality management program, for instance design reviews, failure analysis, quality function deployment matrix and quality training.

Prevention costs are typically quite low. When Quality Management is introduced one would expect prevention costs to increase and failure costs and appraisal costs to go down.

Quality measurement should begin'with a system for documenting non-conformances. Every time an item fails a test, a purchased item is rejected, a statistically controlled process exceeds its limits, a product is returned from a customer, the non-conformance must be documented.

A computerized database should be used to enter and store this information because the volume of data is too great for a manual system to be effective.

The information should be recorded in a way that allows easy analysis. The idea is not to produce piles of paper but to collect data that can be analyzed to provide direction to the quality improvement program. A computer is necessary because one needs to be able to sort failure costs into categories, for instance by product type, supplier, or type of failure. There are many off the shelf network database programs that can be used. The information should be displayed using graphs, which show trends, bar charts, and pie charts that indicate rankings.

- Here is a list of quality summary reports that are useful:
- Pareto charts allow you to focus on the critical few rather than the trivial many
- Pie charts showing categories of failure by work group and product line
- Bar charts showing comparative supplier performance
- Graphs showing trends in quality costs for failure costs, appraisal costs and preventative costs

d. Problem solving.

Quality management depends on people having good problem solving skills. It is through the continuous process of identifying problems, and solving and implementing solutions that the business is improved. Problem solving consists of identifying the root causes of a problem and implementing actions to correct the situation.

There is a simple four-step approach to problem solving which can be applied to many situations:

1. The first step is to define the problem

2. The next step is to seek the root causes of the problem. There is a tendency to jump to the first cause that comes to mind. This is hazardous as it can focus on the wrong cause or simply correct a symptom. In many situations the root cause can be found by brainstorming. More complex problems require more sophisticated techniques, such as cause/effect diagrams or system failure analysis.

3. Once the likely causes of the problem have been found one should identify a variety of potential solutions and select the best to implement.

There is a ranking order for selecting solutions:

- The best solutions is one that eliminates the problem altogether, making the system foolproof
- In some cases the problem cannot be eliminated so one may relax the requirements
- When these solutions are not feasible the problem may be resolved by training personnel to control the circumstances that contribute to the problem
- A least preferred solutions is to resort to inspection and testing to sort good products from bad
- The worst solution is to use cautions or warnings of possible hazards

4. The final step in the problem solving sequence is to evaluate the effectiveness of the solution. This is done afterit has been implemented to ensure that the solution really

does work. It is also a learning experience for the organization so that people can learn from the successes and pitfalls experienced by others.

e. System Failure Analysis.

The system failure analysis is a sophisticated approach to finding the root cause of failures in complex systems. A system may be a production system that is malfunctioning or it may be a product that has failed in service.

The analysis begins by identifying the failure symptoms.

The next step is to evaluate the failure causes by using a fault tree analysis'technique. This is simply a method of systematically determining all the potential causes of the failure and depicting them graphically. When the fault tree has been compiled it is possible to see how the possible causes relate to each other and how they can contribute to the failure.

The next step is to study each possible failure mode to investigate the likelihood that it may have contributed to the problem. Compiling a failure mode assessment and assignment matrix does this. Team members are then assigned to investigate each potential cause more closely.

There are various techniques that can be used:

- A "what's different" analysis identifies the factors that have been changed and may have contributed to the failure
- A pedigree analysis examines the documents (including test data, inspection data, supplier material information) related to the components and sub assemblies identified in the fault tree.
- Hypothetical failure modes can be investigated by making special tests on components to induce failures
- Various diagnostic tests can be done on hardware components as the failed equipment is stripped down for inspection.

The beauty of the-failure mode analysis is that it offers a systematic method of determining all the possible modes of failure and investigating them to determine the most likely causes.

f. Teams.

Teams are to be used for problem solving. Teams have a number of advantages over individuals. A properly constituted team has a much richer mix of skills to bring to bear on a problem. Most work processes cut across functional boundaries, so a cooperative effort is required to solve process problems.

Management needs to have a structured approach to problem solving. While it is important to encourage everyone to suggest areas for improvement, especially at the working level where staff are in a good position to see the problems and the improvement opportunities, one must avoid a scattergun approach.

The improvement effort must focus on improving the most critical problems. Without control and direction it is possible to have dozens of teams, some studying the same problem and some working on problems that are not important.

There must be a high level Steering Team that approves improvement projects, tracks their progress, monitors the results and verifies the benefits. Project team leaders should report to the Steering Team right up to the time of implementation and after an evaluation of the results has been made.

g. Quality Function Deployment

Process improvement begins by defining what it is that the customer wants and needs. In many cases talking to the customer or doing a survey can do this.

In many cases the product is very complex and some of the customer 'wants' conflict. For instance on a car, the customer wants a door that does not leak. This may conflict for the 'want' that the door should be easy to open.

The Mitsubishi company developed a method for analyzing customer needs, resolving those needs that conflict and then driving the needs into the product development and design stage.

They were faced with the problem of defining in great detail the customer needs for their shipbuilding company. The problem was that when customer needs were not clearly defined it was possible for the design to proceed and production to begin on the basis of an incorrect assessment.

When the correct needs are defined late in the project, the required changes are prohibitively expensive and cause delays. Spending the extra time at the front end of the project to systematically evaluate the needs enables the design, procurement and manufacture to proceed more smoothly. This avoids disruption, saves money and time.

Quality Function Deployment provides a systematic method for unearthing the customers' needs and expectations, making trade-offs when these needs are in conflict, and ensuring that the needs are effectively incorporated into the final product.

When used effectively, this method enables a business to bring a new product to market faster. The product will be more likely to hit the requirements of the target market, making it easier to build market share and stay ahead of the competition.

Quality Function Deployment is a multi-disciplinary tool that requires marketing, design, production and sales to work together to ensure that the needs of the customer are deployed into the product design.

The analysis uses a graphic method to portray the information in the form of a matrix. The resulting matrix has a shape that looks like a house with a peaked roof For this reason it is sometimes called the 'house of quality' .

While it provides a method for showing where trade offs must be made, it does not take away the need for exercising technical and commercial judgment to make the trade offs.

h. Taguchi Analysis.

After Deming came to Japan to lecture on quality improvement, the Japanese themselves developed the quality concepts and made significant contributions to the

state of the art. The most important contributor was Dr. Genichi Taguchi. Heheaded Japan's communications research and development activities and was responsible for upgrading the country's telecommunications facilities.

Taguchi developed a blend of engineering and statistical methodologies, which emerged as a quality engineering philosophy. He recognized the need for an experimental approach that could extract the maximum amount of information from the minimum number of tests.

One of the precepts of quality management is that decisions should be based on facts rather than on gut feeling. This applies especially to failure investigations. When a team is trying to find the root cause of a failure it is sometimes necessary to perform tests to determine which factors contribute to the failure.

Most people are familiar with the scientific method of performing experiments. When the investigation involves several variables, it is the practice to change only one variable at a time and to keep all the other variables constant. If more than one variable is changed one would not know which of the variables is responsible for the change in outcome.

One of the problems with this approach is that if the problem is affected by several variables it is necessary to perform a huge number of tests to determine which variable is the most critical and to find the optimum conditions. There is a need for an experimental approach that minimizes the number of tests and provides statistical information on the effect of normal variation on the outcome. Taguchi's method allows fewer tests to be made and also gives information about the relative importance of each variable. This is very helpful information because it allows one to produce a robust design.

i: *Inventory management*

In the conventional approach towards inventory management the inventory levels are maintained by considering the delivery times of suppliers, the projected quantities and safety stocks to cover variations in demand, and reject rates. The Economic Ordering

Quantity is the term used to describe the ideal amount and frequency of inventory ordering.

Inventories carry huge costs. The warehouse to store the inventory costs money, inventory costs money, stocks of partly finished goods along the production line costs money, and the amount of money to pay for these is increased by way of interest charges.

Inventory costs are considered a necessary evil to provide a cushion against unforeseen demands.

The Japanese adopted a different approach. They tackled the inventory issue head on by getting at the underlying causes, which require high levels of inventory to be maintained. Their concept of Just-in-Time inventory management is based on supplying inventory on demand.

They do this in two ways, by working closely. with their suppliers to develop responsive methods of supply and by improving their internal process. The two critical factors that need to be improved for Just-in-Time inventory control to work are set up time and defect rates.

When one can change the set up on machines quickly it is possible to manufacture precise quantities on demand. In the case of Toyota, for instance they were able to reduce the set up time for body panel presses from several days down to several minutes.

Defect rates are important too. If the products have no defects one can manufacture the exact quantities with any need for a cushion.

j. Value Improvement

Value improvement differs from cost reduction. Cost reduction usually results in cheapening the product. Value improvement is aimed at cutting costs while at the same time continuing to surpass customer expectations. It requires that one analyze the cost structui'e of the product, relate this to the customer requirements, and eliminate or reduce those costs that are unnecessary.

There are two approaches to value improvement. The first is a simple one, which is aimed at eliminating all the costs, which,are obviously unnecessary. The second is to make a systematic analysis of the entire cost structure with the objective of identifying and reducing those cost drivers that are not necessary.

The first step is to go after the easy and the obvious. Quite frequently the cost elements are easy to spot if one makes the effort to get the employees involved.

Employee suggestion schemes are a useful source cif ideas. For suggestion schemes to work effectively they need to be well publicized and it must be easy to put the suggestions in. There should be generous financial incentives provided for those suggestions that are accepted. Minuscule rewards are sometimes seen as insulting. Organizing brainstorming sessions can also develop cost saving ideas. Another way is to systematically interview employees and ask them to suggest ideas for value improvement.

The second way is to make a systematic onslaught on costs. This is more dif~cult. Difficult or not, it must be done. It is necessary to identify the cost structure of the product. Costs can be analyzed on a component-by-component basis, or one can analyze the organizational contribution to the cost structure. If the information is presented in the form of a pie chart it is easy to see where the main costs occur.

When the cost structure has been identified, the next step is to analyze the high cost items, and to use a Quality Functional Deployment analysis to balance costs against customer requirements and whittle away at needless costs.

Costs can be cut and quality enhanced by setting up Continuous Improvement teams to improve the internal manufacturing processes. One should also work with suppliers to reduce the costs of purchased items. These frequently make up a large proportion of the total costs.

k. Supplier Teaming.

For many products the purchased items make up a large portion of their cost structure. It follows that suppliers must be brought into the quality improvement effort.

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improvement of product and service, maintenance of equipment, furniture and fixtures, and new aids to production.

2. Adopt the new philosophy. Management must undergo a transformation and begin to believe in quality products and services.

3. Cease dependence on mass inspection. Inspect products and services only enough to be able to identify ways to improve the process.

4. End the practice of awarding business on price tag alone. The lowest priced goods are not always the highest quality; choose a supplier based on its record of improvement and then make a long-term commitment to it.

5. Improve constantly and forever the system of product and service. Improvement is not a one-time effort; management is responsible for leading the organization into the practice of continual improvement in quality and productivity.

6. Institute training and retraining. Workers need to know how to do their jobs correctly even if they need to learn new skills.

7. Institute leadership. Leadership is the job of management. Managers have the responsibility to discover the barriers that prevent staff from taking pride in what they do. The staff will know what those barriers are.

8. Drive out fear. People often fear reprisal if they "make waves" at work. Managers need to create an environment where workers can express concerns with confidence.

9. Break down barriers between staff areas. Managers should promote teamwork by helping staff in different areas/departments work together. Fostering interrelationships among departments encourages higher quality decision-making.

10. Eliminate slogans, exhortations, and targets for the workforce. Using slogans alone, without an investigation into the processes of the workplace, can be offensive to workers because they imply that a better job could be done. Managers need to learn real ways of motivating people in their organizations.

11. Eliminate numerical quotas. Quotas impede quality more than any other working condition; they leave no room for improvement. Workers need the flexibility to give customers the level of service they need.

12. Remove barriers to pride of workmanship. Give workers respect and feedback about how they are doing their jobs.

13. Institute a vigorous program of education and retraining. With continuous improvement, job descriptions will change. As a result, employees need to be educated and retrained so they will be successful at new job responsibilities.

14. Take action to accomplish the transformation. Management must work as a team to carry out the previous 13 steps.

CHAPTER THREE

American Burger - the case company

The fast changing technology of our time has increased competition and created an atmosphere where people and firms need to improve themselves continuously for survival. There is no time to rest and no time to wait for meal. That's why; the fast food markets became so popular for billions of people around the world. The most popular is the hamburger sector in the fast food sector. Approximately 145 countries consumes hamburger around the world and the USA takes the lead in this consumption rate. The winner company of this race is the one that provides quality in cheap prices with fast service in friendly atmosphere.

The American Burger's is a company, which enters to the fast food market from the point of hamburger and pizza sector. The hamburger sector is the one, which has 74 percent share of the fast food market. This research has proved that the hamburger sector is the most profitable one in the fast food sector. The share of American Burger's in the fast food market becomes enormous when the pizza sector added to its menus.

Origin of the hamburger is the America and the American Burger begun to market the hamburger to Turkey by its own broad possibilities. The American Burger formulates the ingredients of the patties in order to increase the healthiness of its hamburgers. For example; the patties of the hamburgers are 100 per cent veal and the fat ratio is 4 per cent. In addition to that, the sauces are specially produced with natural ingredients and the rate of unnatural ingredients has been reduced.

The American Burger's try to increase its shares in the fast food market by providing total quality management in all aspects of the service and production, in order to

maximize the customer satisfaction with cheap prices, and offers high profits for its franchisees. The American Burger is a new fast food company with different approaches from its competitors. American Burger's has worked hard to be more than a restaurant chain. American Burger operates 4 franchisee and American Burger plans· to open 30 new restaurants in Turkey and North Cyprus by the end of the year 2001.

American Burger's has a high speed-growing trend in its number of franchisees. It has planning to stops it's growing when the carrying capacity of the selected locations filled up.

Short History of the Company

Since its incorporation in 1999, American Burger's has not only become the Turkey's largest quick-service restaurant organization, it has changed Turkey's eating habits. American Burger converted their drive-in carhop into a self-serve operation and they also have pocket service to the homes. In doing so, they joined to the fast-food restaurant industry. The original restaurant had offered only a limited menu. The American Burger's carefully streamlined their kitchens to ensure maximum efficiency. The reduction in preparation time increased volume and lowered costs. American Burger's formula could be even more successful if it could be expanded through franchising. American Burger's now operates only about 15 percent of all American Burger's restaurants; franchisees control the rest. American Burger's approach was to first establish the restaurants and then franchise them. This enabled them to expand while controlling the uniformity of the stores. The company's growing its success during the 2000s was due largely to excellent marketing and the willingness to adapt to customer demand. American Burger's attempted to carve a new market niche by producing healthy foods with low calories and different menus from other fast food sectors. American Burger's is in the growth phase of its life cycle. It has not only provided a service the customer needs, it has contributed to a lifestyle on which the public relies. Consistency is such an integral part of the American Burger's experience that many customers no longer just expect it but demand it. So far, American Burger's

has met this daunting challenge. The central issue is how to maintain the integrity in all units no matter how far:

American Burger's is succeeding abroad because of the tight systems it has implemented over the franchisees, and because of controlled growth. They are reaping the rewards of the infrastructure they began 1 year ago. None of the others are anywhere close to the size, scale, scope and sophistication of American Burger's.

Industry and Market Analysis

American Burger's mostly operated in the western sites of the Turkey. Because they believe that the hamburgers and pizzas have much more appropriate tastes for these people. The market situation for co-branding is regional. As it known, each region has its own food and kitchen culture, which create risk to unacceptability of the western style of eating habits. The selection is on market basis, especially when franchisees are involved. That's why it has selected Cyprus as a franchisee. The life style of the Cypriots likes to westerns and they have western style of eating habits.

American Burger's has focused on the needs of families with children. This has been one of the main marketing strategies for American Burger's. It is widely acknowledged in the fast-food industry that children heavily influence where the family will go to eat. For fast-food giants, families account for approximately one-third of the business to attract families, American Burger's has provided "child-friendly" atmospheres. These include child-sized portions sold at a reduced cost, tableside activities, and American Burger's Play world, special children's meals that include premium toys.

American Burger's adopted an expanded marketing strategy. The Company is focusing on the huge population of aging boomers who no longer have kids at home. American Burger's views this adult market as largely untapped.

Attracting adults has proven to be a difficult task. When these individuals do go out to eat, they are not going to restaurants that serve cheap, fattening. To lure these adults into the restaurants on a more consistent basis, American Burger's produced products which have winning approval from the adults.

Although there are many advantages to co-branding, there are some risks when franchisees are involved. The store operator must be willing to upgrade the store image. Otherwise it can damage both companies. You must maintain high standards to be successful in this business; be prepared to back up the national brand image with the best food quality, customer service, and affordable price. A national brand identity is very important. So be careful of whom you work with. You must share the same philosophy.

What has set American Burger's apart from the average hamburger restaurant is its ability to recognize customers' needs and desires. It seems customers want fast, cheap, friendly service in a clean and orderly environment. American Burger's sees this as its main objective and addresses it as its primary business function. One of American Burger's most important critical success factors has been the ability to apply manufacturing functions to service activities.

The design of the restaurant itself controls the actions of the franchisees. The building is intended to handle only the predetermined product line. Work areas are arranged to prepare only the American Burger's limited menu. There is no room for discretion. The franchisee does not have a choice on what food to sell nor how to prepare it. Thus, American Burger's controls its "agents in the field" by both contractual and facility limitations.

Typically, service and manufacturing are considered to be on opposite sides of business spectrum. Service is perceived as being offered on an individual basis: one individual helping other individual. Providing good service requires maintaining a relationship with customer. This means forging some type of emotional bond, such as trust, friendship, and familiarity. The idea of "service" is to individualize the product to please the customer. As a result, service industries are usually viewed as dealing with the human element and are, consequently, inefficient.

Manufacturing, on the other hand, focuses on speed and efficiency. The environment is highly centralized and organized. The work performed by machines, producing vast quantities of uniform products. Individuals who are interchangeable make the products with the controlled environment of the factory and personnel requirements are dictated

by the needs of machine, not by the customer. Relationships formed are strictly business-like, without human attachment.

American Burger's primary core competency is its ability to apply manufacturing principles to the service industry. By using "technocratic" thinking it's able to improve the quality and efficiency of service. American Burger's replaces high-cost and volatile " service" mentality with a low-cost and uniform "manufacturer's" system. The company carefully controls each restaurant's central functions, which are to:

1. Deliver a uniform product.
2. Meet certain quality standards.
3. Provide clean environment.
4. Serve the customer in the shortest possible amount of time.

American Burger's operating system can be equated with an automobile assembly line. An assembly line is designed to guarantee that each product receives the same amount of time, attention, and detail. If any one worker is allowed discretion, the products become different and personalized. This highly structured and controlled environment produces high-quality products at low prices, especially when accomplished on a grand scale.

American Burger's has committed a considerable amount of research to site development. Once again, standardization has helped cut costs.

In addition, a geographic information system is used to evaluate the demographics of potential site locations. To ensure consistently high quality in all of its restaurants, American Burger's forged a strong relationship with its suppliers, demanding certain specifications for its products. Many large food suppliers such as Maret, Pınar, and Pepsi, did not want to bend to such demands. For example, American Burger's analyzed meat in laboratories and developed requirements for their hamburgers. American Burger's collaborated with suppliers who were willing to meet the stringent specifications. In return for their flexibility, American Burger's rewarded them with a high degree of loyalty. American Burger's guaranteed future orders, enabling suppliers to grow with the company.

The most impressive result of this focus is the success of the American Burger's French fry. Nowhere else has one menu item made such an impact. American Burger's is responsible for making French-fries a fast-food staple. Usually customers included fries with it meals. French fries are also a favorite of operators because they offer high profit

margins and are a popular add-on sale. The only problem is that fries are the most difficult menu tem to make. This is because French fries begin losing quality minutes after being cooked.

American Burger's has always used high quality potatoes with low starches (American patterns) to produce superior food products. Temperature setting. Armed with its information, American Burger's is able to design a fryer to duplicate this ideal cooking process. To reduce browning, potatoes with low starch content.

American Burger's influence has changed the way people eat. Through careful analysis of quality and procedures, American Burger's studied every component of its operation. This rigorous attention to detail provided the company with information to determine the best way to serve its customers and grow its business; American Burger's has used technology in an ingenious manner. By applying manufacturing principles to a typically labor intensive situation, American Burger's has, in essence, turned a restaurant into a machine. Technology has harnessed unskilled labor to produce high-quality uniform food products on a mass scale.

American Burger's got the business the quality of the product they are selling with a supplier loyalty that the restaurant business had never seen. If you adhered to American Burger's specifications, and were basically competitive on price, you could depend on their order.

The franchisees play a very important role at American Burger's.

Franchising System

American Burger's developed an operating system, which focused on franchisees. American Burger's always referred to the franchisees as "partners'" and insisted that corporate revenue depended on the success of the restaurants, not on the franchise fees. American Burgers increase its sales with a grown in profit by increasing the number of franchises around the Turkey and Cyprus. It has an online system with its franchises, which shows the sales and the stocks on hand in the company-operated, and franchised restaurants. The Daily "Z'Reports": which shows the sales reports of the franchisees

have to be send to the central office. Total revenues; consist of sales by company-operated restaurants and fees from restaurants operated by franchisees. These fees are based on a percentage of sales.

The success of the American Burger's operating system demanded that franchisees abide by the predetermined systems and regulations. These restrictions did not mean the franchisees were without input. The franchisees formed coalitions to introduce regional promotions and influence local suppliers. Franchisees were also influential in the development of new products.

Even though American Burger's encourages input from its franchisees, they are far from autonomous. American Burger's has always kept close tabs on the performance of the restaurants.

Even though suppliers and franchisees play a pivotal role in American Burger's operating system, the development of the food in conjunction with technology is by far the most important aspect of American Burger's unique system.

The web page of the American Burger has formed to give information to its customers and to who wants to be a part of American burger as its franchisee. The address is www.amerikanburger.com. The web page tries to introduce the company and the advantages of being a part of it. The American Burger arrange in order the features of the company possibilities that it will provide for its franchisees:

The features of American Burger:

- The American Burger is the one, which offers hamburger patties with special production and the fat ratio of patties are only 4%.
- The American Burger is the only one in the Turkey, which offers the Pizza that owns the 2°d sales share in the market.
- The first application of the "Sweet Pizza" around the world is in the American Burger.
- The American Burger offers package service to the homes. It is again the initial service provided by the fast food company
- The American Burger offers broad menu for its customers.
- The American Burger offers 40% lower prices than its competitors.
- The American Burger offers to its franchisees to benefit from the all possibilities and advantages of the franchising system.

- The American Burger offers 1/5 cost of being a franchisee when the costs compared with its competitors.

Great Possibilities for the franchisees:

- The American Burger offers $10,000 fee for the first 30 candidates of franchisees and afterward candidates will pay $50,000.
- The restaurant will be delivered to the franchisee as a ready to open.
- The personnel recruiting and selection, and training have doing by the American Burger for its franchisees. And the franchisee can opens its doors to the customers with in 50 days after the acceptance of being a franchisee.
- The production and distribution of the products provides by the I" class companies, which has ISO.
- The American Burger props up the media for advertising in TV's and press.
- The profit ratio is 3 5% and it can change according to the endorsement.
- The American Burger offers to its consumers the American Burger credit card.

But The American Burger puts down some conditions that the applied candidates have to obey.

Rules of being an American Burger:

- The minimum restaurant area has to be 95 m^2.
- The restaurant has to be placed in the city center, or in the shopping center, or in the area where traffic is dense.
- The candidate has to have clear financial background and appropriate feasibility.
- The candidate has to accept whole conditions of the agreement that prepared by the American Burger.
- The candidate has to pay the fee of being a franchisee. $10,000 fee for the first 30 candidates of franchisees and afterward candidates will pay $50,000.
- The payment will be immediately at the end of mutual agreement.
- The American Burger prepares the restaurants with the System of Easy Key Complete

The Future

American Burger's ability to recognize customer's wants and needs, gives it strong competitive advantage amongst its competitors. Its philosophy is to provide quality in products with fast service and with cheap prices. The cleanness, friendly atmosphere, standardization, trained staff and other complementary things are the main clues for the satisfaction of the customers. American Burger's sees these as its main objective and primary function of the business.

American Burger's appears to be at a crossroad. The company can continue on its traditional (and very successful) path of consistency and quality through standardization, or it can alter the basic strategies by allowing franchisee autonomy and continuing to provide a variety of offerings and service. American Burger's noted for standardization, emphasis on flexibility is quite a feat. This new outlook includes granting more freedom to franchisees to experiment with food and marketing, test new venues, such as satellite locations and co-branding, and develop new menu items. These changes are innovative and risky. Current management is not considering minor adjustments. The system is a precisely organized machine; by introducing flexibility, the machine is in danger of becoming mired down with complexity.

Technological Story

American Burger's uses the same system like McDonald's and out went dishes, glasses, and silverware. Out went the dishwashers and the long menu. Everything prepared in advanced and everything uniform. All geared to heavy volume in a short amount of time, etc... The same system consists the same four distinct parts:

1. Develop supplier relationship.
2. Trains and monitors its franchisees.

3. Improve products.

4. Improve equipment through technology.

The system provides competence for the American Burger's.

The design of the restaurant of American Burger's itself controls the actions of the franchisees. The building is intended to handle only the predetermined product line. Work areas are arranged to prepare only the limited menu. There is no room for discretion. The franchisee does not have a choice on what food to sell nor how to prepare it.

CHAPTER FOUR

TQM Applications and the Service Industry

TQM models and methods in use

Quality can be applied to many products and processes. Traditionally it has been applied by management scientists to refer to product quality and, more recently, service quality. Although it can be difficult to adequately define "quality", current approaches to quality stress that processes are as important as tangible results, as is the case with TQM. Standards like ISO 9000 and BS5750 provide a framework for the implementation of quality management in an organization, but do not otherwise address the issues of product or service quality. The information industry has recently turned its attention to the notion of product quality with regard to online databases and CD-ROM and progress has been made in co-operation with the library community and online user groups. Quality is usually defined in relation to a set of guidelines or criteria. The same broad approach is currently being applied to information provided over the Internet.

Internet subject gateways have mostly defined "quality" with relation to carefully chosen lists of selection criteria. Quality has, however, been a subject of serious study in industry and management science since the Second World War. It might be useful to describe some of the concepts developed by management theorists and practitioners and to investigate their relevance to the quality selection issue. Finally, work being done on databases and information quality will be described.

Concepts of quality in industry and management science

Quality has been analyzed as a factor in the management process since the 1930s, but it was not until after the Second World War that it became important. North American managers brought in to advise Japanese companies on restructuring after the war devised new concepts of quality, which began to be accepted as being of universal application. The important pioneers in this field were W. Edwards Deming, Joseph M. Juran and Kaoru Ishikawa.

A universally agreed definition of quality still does not exist. Juran suggested that quality should be seen as "fitness for use"[2]. Another short definition views quality as "conformance to requirements" rather than "goodness, or luxury, or shininess, or weight"[3]. These definitions from the management literature make it clear that quality cannot just be defined in relation to some abstract concept of "excellence", but should be seen in relation to the demands of the user of the final product. A recent working definition of "quality" has been provided by Clark, Money and Tynan [4] (1990, cited in Clark 1992):

"How consistently the product or service delivered, meets or exceeds the customers' (external and internal) expectations and needs".

In the management context, quality processes can be applied to any product. A product can be defined as the "output of any process", consisting mainly of "goods, software, and services" [5].

Product quality

Product quality is usually defined with specific relation to the product, whether it is a good or service. For goods, important aspects might be reliability, durability,

[2] Juran, 1988, p. 2.8
[3] Crosby 1979, p. 17
[4] 1990, cited in Clark 1992
[5] Juranl988, p.2.2

the product type: the most important factor being whether it meets the end requirements of the customer"

Service quality

Early quality models concentrated on goods. The enormous growth of the service sector in Western economies since the Second World War has resulted in a growing literature on service quality. Defining and modeling the quality of services is generally acknowledged to be more difficult than modeling the quality of goods due to the intangible nature of services themselves[7]. There are two popular models of service quality in use.

1. Grönroos 's service quality model

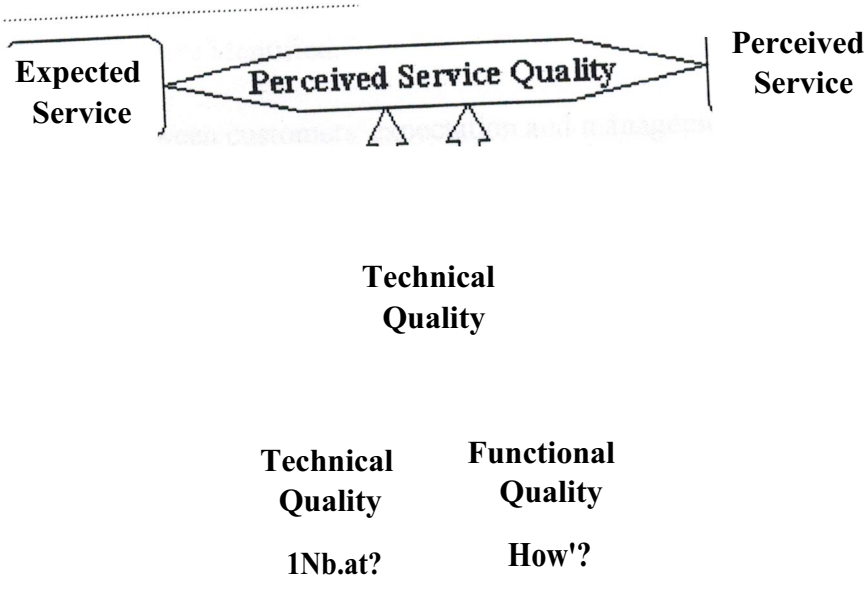
The model created by Grönroos (1984b) attempts to understand how the quality of a given service is perceived by customers. It divides the customer's perception of any particular service into two dimensions:

1. Technical quality - What the consumer receives, the technical outcome of the process.
2. Functional quality - How the consumer receives the technical outcome, what Grönroos calls the "expressive performance of a service'":

Grönroos suggested that, in the context of services, functional quality is generally perceived to be more important than technical quality, assuming that the service is provided at a technically satisfactory level.[9] He also points out that the functional quality dimension can be perceived in a very subjective manner (Fig. 1).

[6] Bergman and Klefsjö, 1994, p. 19
[7] Bergman and Klefsjö, 1994, p.p. 266-267
[8] Grönroos 1984b, p.39
[9] Grönroos 1984b, p.41

Fig. 1. Grönroos's Service Quality Model



Source: Grönroos (1984b, p. 40)

Grönroos's model is important because it reminds us that service quality must include the manner in which it is delivered.

2. The 'Gap' model

The 'Gap' model is a means of describing customer dissatisfaction in the context of service quality.[10] A team from Texas A&M University carried out some interviews with executives in U.S. firms and with consumers. A series of five 'gaps' regarding service quality were then identified:

"A set of key discrepancies or gaps exists regarding executive perceptions of service quality and the tasks associated with service delivery to consumers. These gaps can be

[10] Parası.raman et al. 1985; Zeithaml et al.1990

major hurdles in attempting to deliver a service which consumers would perceive as being of high quality" [11]

Five gaps were identified:

1. Between customers' expectation and management's perceptions of those expectations, i.e. not knowing what customers expect
2. Between management's perceptions of customers' expectations and service quality specifications, i.e. the wrong service-quality standards.
3. Between service quality specifications and service delivery, i.e. the service performance gap.
4. Between service delivery and external communications to customers about service delivery, i.e. when promises do not match delivery.
5. Between customers' expectation and perceived service (the total of the other four gaps).

It is this last 'gap', which has the most significance. The 'Gap' model keeps a clear focus on the perceptions of the customer, and these are seen as paramount

As part of this research, criteria for evaluating service quality were gathered. Ten key categories were identified which they called "Service Quality Determinants", and noted that despite the different types of service analyzed, consumers used fairly similar criteria. The ten Service Quality Determinants listed by Zeithaml *et al.* were the following:

- "Tangibles - Appearance of physical facilities, equipment, personnel, and communication materials.
- Reliability - Ability to perform the promised service dependably and accurately.
- Responsiveness - Willingness to help customers and provide prompt service.

[11] Parasuraman *et al.* 1985, p. 44

- Competence - Possession of the required skills and knowledge to perform the service.
- Courtesy - Politeness, respect, consideration, and friendliness of contact personnel.
- Credibility - Trustworthiness, believability, honesty of the service provider.
- Security - Freedom from danger, risk or doubt.
- Access - Approachability and ease of contact.
- Communication - Keeping customers informed in language they can understand and listening to them.
- Understanding the customer - Making the effort to know customers and their needs."[12]

It is possible that these criteria could provide an initial framework for the development of quality criteria in other contexts

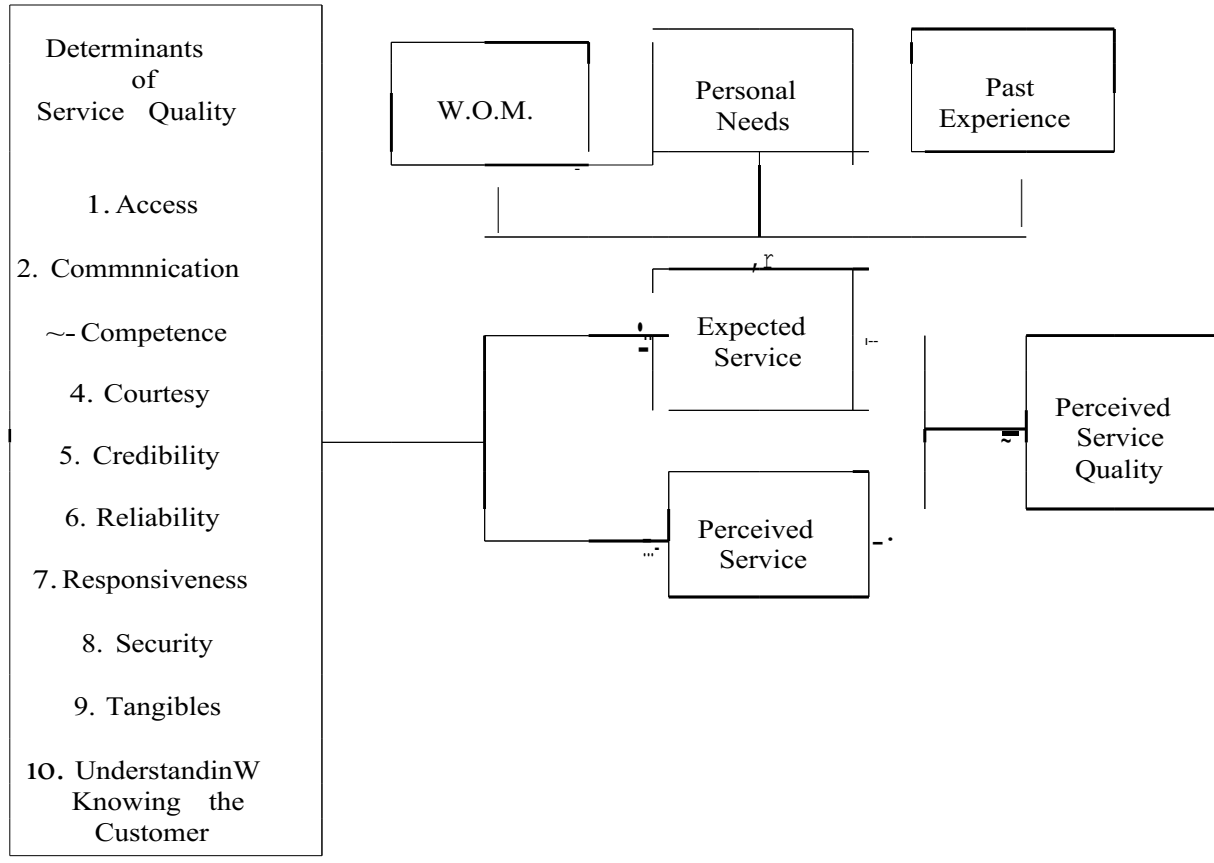
The ten determinants of service quality interact in the minds of customers with other factors, namely past experience, word of mouth and external communications to create a view of what service is expected. The diagram (Fig. 2) gives an indication of other factors, which might impact on consumer expectations and thereby consumer perceptions of quality. Personal word of mouth communications are still important and still exist in a network environment. Electronic mailing lists frequently get messages of the type "I've looked at this WWW site, and found it useful / not very useful / amusing; here is the URL". This factor in particular brings another level of subjectivity into the model, and leaves service quality definitions vulnerable to aspects of human behavior, for example: the desire to emulate other people's choices associated with and exploited by the fashion industry. This could create potential inefficiencies.[13]

The work on determinants led to the development of a scale for measuring customer perceptions of service quality called SERVQUAL.[14] This scale has been subject to

[12] Zeithaml *et al.,* 1990, pp. 21-22
[13] Anand et al. 1993
[14] Parasuraman *et al.* 1988; Zeithaml *et al.* 1990, pp. 175-186; Parasuraman *et al.* 1991

criticism and refinement and there is a continuing debate about the measurement of service quality and the determinants, which should be used.

Fig. 2. Parasuraman, *et* al.'s Determinants of Perceived Service Quality



Source: Parasuraman, et al. *(1985, p. 48)*

Companies are constantly encouraged to develop an improved emphasis on service quality. Schlesinger and Heskett, for example, argue that organizations should abandon the industrial approach to services - the mass-production techniques used in supermarkets, fast-food restaurants and airports - and adopt a "new model" of service based around customers' requirements. [15] Additionally, the service quality debate is

[15] Schlesinger and Heskett, 1991

connected with the debates on "excellence" initiated by the management guru Tom Peters[16] and other concepts like market orientation.[17]

[16] Feters and Waterman, 1982
[17] Caruana and Pitt 1994; Caruana *et al.* 1994

CHAPTER FIVE

The Evaluation of The American Burgers on Deming's Fourteen Points

1. Create constancy of purpose for improvement of product and service.

The American Burgers said, "Our mission is to provide maximum customer satisfaction and we beleive that we can reach our mission by being constant and puposefull in improving products and services."[18] First of all the American Burgers analysis the needs, wants and expectations of their customers. The main three components which are so important for the customers are:

- Quality in products and services,
- Value for Money and
- Fast and Friendly Service in a Clean Environment

Then the American Burgers takes these components as their organizational goals. They allocate their resources to provide for long-term needs rather than short-term profitability. That's why the organizations have focused on improvement of products and services constantly. The American Burgers aims to be competitive, to stay in business, and to provide jobs.

[18] Çalık, M (January 2001). General Coordinator of American Burger's.

The American Burgers create a work environment where people works in a harmony which lets them to give service in a minimum time with a friendly service in a clean environment. It's caused from the uses of the appropriate equipments, furniture's, and fixtures and the appropriate workforce with the uses of quality products.
Also the American Burgers offers wide variety of products in their menus where you can't find same products in other fast food restaurants. Both the hamburger and pizza are included in its menus.
Innovation; once a year new products added to its menu. Determination of the new product is done after the marketing research. The analysis of the research shows how will the customers react to the new products. The product that was having the most positive reactions from the customers will be added to the menu.

2. Adopt the new philosophy.

The American Burgers have their own philosophy of maximum customer satisfaction. They enabled this by providing quality both in products and services. The American Burgers create an environment where everybody works together to increase the productivity and to minimize the time spending in the process. Everybody have to perfectly do their jobs and pass it to the others. Any mistake in once will impede every other. The American Burgers have a system where everybody controls the jobs done and everybody correct if there is any mistake.
The American Burger has clearly identified system and tries to set the same system to its franchisees in TRNC. The American Burgers have standard rules and regulations about their system and as a franchisee you have to obey to its rules. The franchisees cannot change the system. If franchisee does anything different from the system, its means that, there is no standardization. The American Burgers gives so importance to the standardization in all aspects of the organization and in its franchises.
Standardization is so important component in Total Quality Management.
On the other hand, if you have new ideas the American Burger opens their doors to listen to you. Then they have made research about it and if they believe it will work they will use your ideas.

3. Cease dependence on mass inspection.

The American Burgers believes that:
"Stop depending on mass inspection as a way to achieve quality; build quality into the product in the first place."[19]
The American Burgers have a system where things being done right in the first time. It is possible to explain this sentences with an example. For example, each of the stuff uses in the products is obtained from the suppliers who are recognized in the world. The American Burgers gives great importance for its suppliers to have an ISO certificate. Such as:

- The patties are special production for the American Burgers and Maret produces them.
- The sauce uses in the hamburgers are special to the American Burgers and it is prepared daily with natural ingredients.
- The hamburger breads are special production for the American Burger and Uno produces them.

In order to prevent standardization, the things that are not available in TRNC will come from the Turkey.
The inspection of each process is done right on first time. They are not wait to arise the defective products. Because they believe that, any mistake in the process of production and services will cause to loose customers.
The American Burgers have a working system where everybody can control each other. The control between the workers is possible because they are working as a team. Anything wrong in one side will influence all others. Its led to them to control each other right on first time.

4. End the practice of awarding business on price tag alone.

Accounting-based measures of performance drive employees to achieve targets of sales, revenue, and costs, by manipulation of processes, and by flattery or delusive promises to cajole a customer into purchase of what he does not need.

[19]Çalık, M. (January 2001). General Coordinator of American Burger's.

Instead require other meaningful measures of quality beyond price. Work to minimize total cost not initial cost. The American Burgers moves towards for single supplier for any one item on a long-term relationship of loyalty and trust. The American Burgers have so clear statement about this subject for its franchisees:

"If you want to be a franchisee of me, you have to provide the products from the suppliers that I am in a contact with."[20]

It is the clear sign of the standardization in uses of inputs by the American Burgers and also sign of the total quality management. (Its has been discussed in point 3 also.)

As a result it is possible to say that the American Burgers uses best quality raw materials from trusted/own suppliers and the customers takes value for their money.

5. Improve constantly and forever the system of product and service.

In the American Burgers, it is management job's to improve the system continually, make better every process for planning, production and service to improve quality and decrease costs.

The obstacles that are preventing the team members to do their works properly are the problems of the American Burgers. The quality circle formed and everybody from top to bottom in the American Burgers joined to the conversation. Everybody can say his or her ideas and at the end the best solution carried out to solve the problem.

6. Institute training and retraining

The American Burgers institutes modem methods of on-the-job training. Include management in the training to make better use of all employees.

The American Burgers have its own education team. The education team starts to train new franchisees from two weeks before to one week after the opening date. The recruitment and selection of the personnel has done by the American Burger General Coordinator. If the franchisee needs some training program after the opening the

American Burger provides it. The franchisee pays expenditures and fees of the education team to the American Burger.

7. **Institute leadership**

A leader is what a leader does. The American Burger uses situational leadership style. It is possible to explain situational leadership style by using directive and supportive leadership styles. Directive behavior includes one-way communication from the leader to his or her followers. Whenever the leader tells people what to do, sets targets, and deadlines and closely supervises their work or colors in their vision for them in vivid detail, he or she engaging directive behavior. Supportive behavior is about the leader 's relationship with his or her followers. It is about two-way communication in which the leader asks for inputs from the followers, listen to them, shares decision-making and is supportive and is supportive with feedback, encouragement and praise. According to the American Burger both two styles equally important to a leader's effectiveness. The American Burger believes that, which leadership behavior is appropriate, directive or supportive, the leader must consider the situation and the situation is defined by the follower's competency and willingness to achieve the task. The mix of directive and supportive styles used by the American Burger's leader depends, then, on the readiness and motivation of the follower and this is task specific.

Within the 'situational leadership' model the manager's goal must be to engage in empowering behaviors. He or she does so whenever the manager:

- Listen to the problems of subordinates;
- Praises subordinates for tasks accomplishment;
- Ask for suggestions or input on task accomplishment;
- Encourages subordinates that they can do the task;
- Communicates information about the total organization's operation;
- Build subordinate's self-esteem;
- Facilitates subordinates problem-solving or decision-making;
- Acknowledges subordinates' contributions;

[20] General Rules of the American Burger, 1999

- Enthuse subordinates about project.

The aim of the American Burger leadership style is to empower employees to engage in continuous improvement. Empowered individuals take more risk, learn more skills and knowledge, grow and develop, are responsible and accountable for their work, choose from options and make decisions, are creative and innovative and are entrepreneurial.

A leader of transformation, and managers involved, need to learn the psychology of individuals, the psychology of a group, the psychology of society, and the psychology of change.

8. Drive out fear, so everyone may work effectively for the company.

Fear invites wrong figures. Bearers of bad news fare badly. To keep his job, anyone may present to his boss only good news.

In the American Burger subordinates can say their opinions to their supervisors or managers. Such as, if they see any absence in the system, any obstacle faced, which is, reduces performance, new ideas about production system, service, new products, and new markets.

The American Burger should increase the meetings with the staff. In that way, it can make the subordinates to feel free to say their ideas.

The American Burger has a weak point in the inspection. According to the American Burger, it can come and inspect its franchisees whenever it wants. The inspection can be wit awareness and can be without awareness. It means that, the franchisees have carried restless in feeling of inspection. It means that it can come suddenly and inspects its franchisees. This cannot be acceptable in the total quality management.

9. Break down barriers between the departments.

Some understanding of variation, including appreciation of a stable system, and some understanding of special causes and common causes of variation, are essential for management of a system, including management of people.

The American burgers do not have exact departments. Because they have the system where everybody works together within a harmony. Their system likes a puzzle. The picture cannot be completed without any part. The team of the workforce is the main point of the system that completes the event.

People in each part of the American Burgers works as a team and deal with problems with products and services.

Everybody knows others jobs but they do not fulfills others job if it is not required. In addition to that, everybody works together to increase the customer satisfaction.

As a result, it is possible to say that, the American Burger breaks down barriers between the parts of their system where everybody works together and they can say their ideas to others.

10. Eliminate slogans, exhortations, and targets for the workforce.

The American Burgers have a mission of maximum customer satisfaction and there are some specific points that are the expectations of the customers.

- Clean and friendly environment,
- Quality in products and services,
- Value for money.

To eliminate risk of customer dissatisfaction the American Burgers workforce do their jobs in a team mode. Instead of using slogans and exhortations the American Burgers clarifies the organizational goals and lets to its workforce to give their ideas abut it. In a summary the American Burger uses quality circles. In that way, it is easier for workforce to understand of organizational goals.

11. Eliminate numerical quotas.

Statistical calculations and predictions based on warped figures may lead to confusion, frustration, and wrong decisions.

The American Burgers eliminates work standards that prescribe numerical quotas for both the workforce and for managers. In their place put useful aids and supportive supervision. Use statistical methods for continuous improvement of quality and productivity.

The main important assets of the organization are its customers. That's why the organization focused on to give best service with high quality products and service with giving value for money. It is the reason, the numerical quotas cannot use in the American Burgers.

12. Remove barriers to pride of workmanship.

The American Burgers gives to workers respect and feedback about how they are doing their jobs. Such as, the American Burgers select the employee of the month. The feeling of pride in the workers create an environment where the employees in a competition to do the best and work hard to reach on the success of getting award of employee of the month. It is the way of increasing performance of the workforce.

The quality of the organization directly increases with removing barriers to pride of workmanship at all.

13. Institute a vigorous program of education and retraining.

According to the American Burger:

"People should be improved with ongoing education and self-improvement because competitive advantage is always rooted in the knowledge. "[21]

The American Burger provides required training programs for its employees. And whenever the franchisees needs the American Burger provides its continuous training program.

[21]Çalık, M. (January 2001). General Coordinator of American Burger's.

14. Take action to accomplish the transformation.

The managements of American Burgers work as a team and try to carry out the previous 13 steps.

CHAPTER SIX

Conclusions

Quality plans and provisions to meet customer requirements. People's expectations and demands for total quality management increasing all the time.

Total quality management continues to be a historically unique opportunity-to improve organizational effectiveness while revealing how organizations actually work in practice.

This paper aims to explore application of total quality management in the fast food sector. To apply this idea the American Burgers selected as a case study company. Then, the evaluation of the Deming's fourteen point on the American Burgers shows the role of total quality management in the fast food sector. According to the evaluations of Deming's Fourteen Points the American Burger uses TQM in its management, process and in services generally.

The American Burger sets its mission as maximum customer satisfaction and it determines the critical success points of this mission as: providing quality in products and in services, providing value for money to customers, and giving fast and friendly service in a clean environment. In order to achieve on these critical success points the American Burger has focused on: improvement of products and services constantly, applying a philosophy of long-term profitability rather than short-term, standardization in every aspects of the organization (Suppliers, uniforms, job descriptions, services, tastes of meals, etc ...), open the doors for new ideas, doing everything right on the first time, improving the system of the American Burger continually by management,

providing training and retraining to the team members, using situational leadership style and empowering employees to engage in continuous improvement, encourage team working by removing barriers between parts, clarifying target for its workforce, using statistical methods for continuous improvement of quality and productivity, and giving feedback to its workers for what they do good by removing barriers to pride.

The only thing that the American Burger wrong is the point of driving out the fear. Because it has a system, it can do a control whenever it wants. It is a sign of lack of confidence to its franchisees. It's creating a fear for the franchisees. It is not acceptable in total quality management.

CHAPTER SEVEN

Recommendations

Total Quality Management as the means of achieving business excellence is increasingly gaining importance for the organizations. Quality is the key to competitive advantage in today's business environment. As more organizations opt for Total Quality Management (TQM), the choices open to those wanting to set up a quality system are becoming increasingly varied. Total Quality Management is based on the belief that the people who are closest to the job best understand what is wrong and how to fix it. Management has the responsibility at all levels to work on the systems in which goods or services are produced.

The development of the quality concept in industry has created a requirement for an organizational structure, which can include quality concepts at every stage in the planning and delivery of a product or service. The process is called Total Quality Management (TQM). The essences of a TQM strategy are:

- Focus on customers
- Base decisions on facts
- Focus on processes (Improve continuously)

- Let everybody be committed

The important insight is that quality becomes a continuous process. This is especially important for service industries, where customer perceptions of quality are constantly changing. Quality becomes a process of continuous feedback and improvement. This process is known as a "quality system". TQM can be describe as "a commitment to a company-wide culture where everyone is clear of the direction and objectives of the organization and work in support of each other to achieve these goals"

The fast food is service-based sector. Satisfaction of the customers is main idea behind the company success. As it implied before the American Burger sets its mission as maximum customer satisfaction. And it has determine the critical success factors for customer satisfactions as:

- Providing quality in products and in services,
- Providing value for money to customers, and
- Giving fast and friendly service in a clean environment.

It tries to implement these critical success points behind the opinion of total quality management in fast food sector. The application of the Deming's fourteen points on the American Burger shows that, it uses the TQM philosophy in the organizational processes generally except one point. This point is the fear of the franchisees for controlling without warning by the origin. This subject has not been accepted in the total quality management. According to the total quality management this situation only occurs whenever the American Burger do not have confidence to its franchisees. In order to eliminate this event, the American Burger has to select its franchises more fastidiously. Strong confident has to be established between the American Burger and the franchisee.

According to my opinion total quality management has established without awareness in the American Burger. The impressions that I've got from the interview make me to believe to the American Burger uses total quality management philosophy but it doesn't aware from that. Basically, the American Burger set some rules that are not changeable.

Such as: standardization in every aspects of the organizational issues, application of the same rules in every franchisee, quality in every aspects of the organization, discipline and continuous improvement in system, products and services. These are the basic contents of the total quality management.

An understanding of variation is important to the success of Total Quality. One of the major shifts in thinking that is part of total quality is that it is economically desirable to work toward minimal variations rather than adopt some acceptable level of quality. Continuous Improvement had become essential.

So the first phase in total quality requires systematically putting all employees to work reducing variation using simple but powerful tools referred to as the seven quality control tools. These tools are used to maintain good quality if it exists and to continuously improve it if it doesn't. The continuous improvement uses a process that follows the plan-do-check-act cycle. The situation is analyzed and the improvement is planned (Plan). The improvement is tried (Do). Then data is gathered to see how the new approach works (Check or study) and then the improvement is either implemented or a decision is made to try something else (Act). This process of continuous improvement makes it possible to reduce variations and lower defects to near zero. The processes that produce good results are standardized and documented. Without standardization', variation is increased rather than reduced.

An important part of improvement is the Team work. Good team activity includes a clear definition of project.

Teamwork is critical to effective continuous improvement and standardization. Individuals can support the team by taking responsibility for the success of the team following through on commitments, contributing to discussions, actively listening to others, getting your message across clearly, giving useful feedback, accepting feedback easily.

In getting the team off to a good start, you need to agree on a purpose, identify people who will be effected by the work of the team (stake holders), identify limits and expectations of team's work, agree on roles and responsibilities, ground rules and logistics of when and where to meet.

The work of the team is accomplished by creating work plans, having productive meetings, using data, making good decisions, evaluating potential solutions,

implementing changes and documenting its work.

A team must know when its work is done: it has accomplished its purpose; took steps to maintain the gains; completed documentation of actions, results, and ideas for future improvements; evaluated work, shared results with others; recognized everyone's contributions and celebrated achievements.

Successful teams also must master potential problems: 1, the area of conflict - some people fight over everything; 2, power - the boss is on the team and people don't speak openly; 3, correct use of experts - who speak clearly and don't dominate; 4, focus - people stay on the subject; 5, participation - all participate in an equal fashion; 6, follow-through - everyone does his or her assignments.

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