

The importance of being relevant



Former Tata Power managing director **Prasad Menon** has stepped into new shoes as chairman of Tata Quality Management Services, the organisation that works with Tata companies to facilitate business excellence and improvement. In this wide-ranging interview with *Christabelle Noronha*, he talks about how TQMS needs to reinvent itself to retain its edge in an ever-changing business environment.

How do you see your role as chairman of Tata Quality Management Services (TQMS)?

The role of chairman is to guide and support TQMS, that is, to help the organisation understand where it needs to be, by understanding the needs of clients and customers of different companies within the group and to understand what they want from

TQMS. In the end, we have to be relevant to our customers, and the Tata Business Excellence Model (TBEM) has to help Tata companies bring in a culture of improvement and excellence. It is a two-way process.

I believe TQMS has delivered on its original objectives: it has helped group companies improve their excellence processes; it has been the glue that has helped bind group companies together; it has enabled many of the larger companies to achieve close to global excellence; and it has brought in a general culture of continuity of growth.

But today it has come to a crossroad. There are a number of Tata companies that have already crossed 600 points on the TBEM framework and who want to know how to get to the next level, of 750-850, in order to become truly world class. They want to know whether they should look at a different methodology from the Malcolm Baldrige model, which is what TBEM is based on. Tata Steel, for instance, was the first company to reach the 600-plus score on the Malcolm Baldrige model and win the JRD QV award. It has now adopted the Deming model.

My personal feeling is that the TBEM movement and the Malcolm Baldrige model on which it is based are good and are capable of helping companies achieve global benchmarks. But we need to ask ourselves a few questions: how do we achieve the same level of rigour that the Deming consultants bring in; how do we continue to support high-scoring companies while at the same time help low-scoring companies move up; how can we improve the competence and skills of our assessors; how do we improve the quality of our assessments and take them up to a world-class level?

So for the next two to three months, we are trying to have one-on-one meetings with the CEOs of a number of companies across the group — high-scoring and middle-scoring ones — to try and understand what they want from us, get some ideas on what else TQMS can do for them, and consider where we should take the movement over

the next five years. Tata is no longer India-centric and TBEM has to deliver the same value to our companies across the world.

What do you think needs to be done?

When we first adopted the Malcolm Baldrige model (which was done in its entirety), we were more India-centric and, a few years ago, we added corporate governance, innovation, climate change and safety as elements of sustainability to the model. Now, perhaps, we could explore the possibility of absorbing excellence practices from other models as well. It is time for us to reflect, understand, get suggestions on how to move forward and partner other agencies so that we can enable companies to reach world-class levels.

There are other questions we must ask ourselves. What kind of service should TQMS provide? Should we collaborate more with other specialised group functions such as group human resources, the Tata Management Training Centre (TMTC) and Tata Strategic Management Services? The other question being asked is whether the TBEM assessment that takes place twice a year should actually be a continuous process.

Do you think it makes sense to adopt two models, the Malcolm Baldrige model as well as the Deming model?

I think the TBEM model has served Tata companies well in the last decade and a half. It has created a common language of excellence in the group. The model has the flexibility to accept and absorb practices from other models to institute improvements and has all the ingredients to help organisations achieve world-class levels. It is a relevant model for diverse businesses like ours.

I cannot comment much on Deming but I think it would be much better to adapt TBEM. For instance, this year we are doing pilot studies on a project called 'Intensive Assessment' with two high-scoring entities — the Tata Motors Commercial Vehicle ▶▶



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Business Unit (CVBU) and the Titan Time Product Division. ‘Intensive assessment’ is a much more rigorous assessment process, with a feedback element that is customised to give the company far more value.

The result of the Tata Motors CVBU pilot was very encouraging as the company found the exercise more than helpful. If the Titan pilot shows the same results, then this can be the way forward. So what we are doing is moving in a direction where we may have different kinds of assessments — intensive assessments for companies that are at the 650-plus level, a standard assessment for middle-level companies and a ‘quick assessment’ for companies that are yet to reach the 450 mark.

Another option is assessing high-scoring companies in alternate years. This will give them more time to prepare and reduce the number of assessors required for the entire process. This will also help us improve the quality of the assessment. We are trying to put all of this together in the next few months.

What are the measures needed to enhance or improve the quality of assessors?

When assessors take on an assessment in a company, they experience what is virtually a complete middle-management programme because they are exposed to every activity of the company — leadership, strategy, markets, human resources, finance, etc. We are looking at enhancing this learning process by making it more exciting and valuable. For this, we are talking to group human resources and TMTC.

The other issue is getting better-quality people. Those who show high business performance don’t necessarily make good assessors. Sunil Sinha [the TQMS chief executive] and I are meeting groups of assessors to get their viewpoints. So the issues we need to address are the quality of assessors, their skills and their rewards.

TQMS has become competent in its main role of driving business excellence. What will it take for the organisation to reach the same level of refinement with its other broad-based initiatives, such as climate change, safety and affirmative action?

Safety is an inherent part of a company’s operations. TQMS has taken it up as an area of focus, especially so after the Chairman [Ratan Tata] expressed the opinion that it needs to be strengthened across the group. Focusing on safety standards as a separate group activity helps build awareness and makes people understand its importance. I believe in the next year or two we should not have a group community looking after it; the onus should be back on the companies. Likewise with innovation. Once we help build awareness and an environment of innovation, each company should be able to follow that culture.

The climate change group in TQMS has delivered on the initial agenda of spreading awareness, measuring the carbon footprint of Tata companies and helping

them in identifying emission-abatement opportunities. Going forward we may have to redefine their role in order to make a greater impact on the group's journey towards environmental excellence.

So far the affirmative action initiative was led by Dr JJ Irani [the former TQMS chairman] with support from the chairman's office. We need to decide where it should be centred. But the assessment process will continue to be carried out through TQMS.

Climate change is an important TQMS initiative but the group still seems to have a lot of catching up to do in terms of global benchmarks. How do you propose to address this?

My personal view is that we need to be more aggressive in this area. We should set some really challenging targets which are also revolutionary. There are many companies around the world that have set themselves aggressive targets on where they want to be in terms of resources, emissions, carbon footprints and so on.

Are you taking any steps to tackle this issue?

I think we need to look at the way we handle resource allocation, the way we view new and greener businesses, etc. I believe we need to put in more effort and money into these areas. The Tata group is a set of independent companies with independent boards. One of the tasks of the climate change committee is to influence the boards and be a lot more aggressive, to take this on as a significant challenge.

TQMS has evolved into a pan-Tata entity that takes on new responsibilities under its canopy all the time. Is there a risk of the organisation being overstretched?

It is definitely overstretched, which is why we are going through these reflections on what is our core activity and what other activities we should concentrate on. We need

to either reduce the range of our interests or partner others and seek help in getting these activities done. At the same time, companies are asking for more engagement and more value from TQMS. So in both ways we have to find a way forward. I believe we will.

Are you planning any realignment or restructuring in the operations of TQMS?

We will look at every aspect of TQMS — the structure, and the people and how they should function, their relationship with companies, and what we expect the companies to give back to TQMS.

Also some reinvigoration is required in the annual TBEM convention. We need to explore how to lay greater focus on learning and improve the attendance. We're looking at all these issues now.

From a people point of view, do you think TQMS should be a leaner organisation?

I believe it should be a leaner organisation that partners more, one where its people are looked upon as gurus. We could also consider getting people who have retired but can still add value as consultants. The kind of people we get into TQMS is important.

Finally, what are some of the challenges you foresee for TQMS as an organisation?

I think the first challenge is to continue to be relevant. Second is our ability at TQMS to convince and make newer companies understand that adoption of the TBEM process is essential in their journey towards becoming best-in-class. We have not been able to do that convincingly in some of the companies. The third is that the excitement that was there three or four years ago seems to be tapering off. People are now looking only at their scores and at how to create an application that will help them get a higher score. The spirit of the entire model is getting a bit diluted and this is the biggest challenge. □