

# QUALITY MANAGEMENT IN THE LEATHER-BASED INDUSTRIES

## Background

**Quality** has become an important criteria in combating tough competition on international markets. It consists not only of a set of (physical, hygienic, aesthetic) properties of materials and leather products, but also of services rendered by all suppliers (including manufacturers) to the consumers. Among the numerous factors affecting customer-satisfaction time: i.e. *Quick Response (QR)* - in other words the *Just in Time (JIT)* concept - is one of the prime concerns in the fashion trade. In order to be in a position to offer the expected delivery in terms of quality, the traditional approach of *quality control systems* is no longer sufficient. Tanners, footwear and other leather products manufacturers have to establish comprehensive production management systems which guarantee the required end product quality. Such a guarantee can only be realized if all (pre)conditions of the modern manufacturing processes are thoroughly assured - starting with styling and design, through material procurement and production preparation, ending with appropriate logistics, including staff (re)training.

There are two relative terms appearing very frequently in technical texts which are claimed to be revolutionary strategies and methods in industrial quality: *TQC = Total Quality Control* and *TQM - Total Quality Management*.<sup>1</sup> According to the scientific literature, *TQM* has the following **objectives**:

- a) to be more competitive on the market place and achieve higher profits;
- b) to increase and hold customer satisfaction;
- c) to motivate and satisfy the company's employees through controlled product quality, services and manufacturing methods;
- d) to reduce losses generated by rejects and uncalculated additional work or repairs;
- e) to increase utilization of human, technical and organizational resources.

The ISO 9000 family is a new set of standards introduced and referred to in the modern industry: instead of defining terms, test methods, material or product quality parameters etc. these norms form a comprehensive quality assurance (management) system with special references to documentation and organizational aspects of the production technology. The key terms and **definitions** related to **quality control** are as follows:

1. The *quality policy* is the overall quality intention and direction of an organization with regard to quality, as formally expressed by top management.
2. The *quality management* is the aspect of the overall management function that determines and implements the quality policy.
3. The *quality system* is the organizational structure, responsibilities, procedures and resources for implementing quality management.
4. The *quality control* is the operational techniques and activities that are used to fulfill quality requirements.
5. The *quality assurance* is all the planned and systematic actions necessary to provide adequate confidence that a product or service will satisfy the given quality requirements.

References to ISO 9000 has become one of the most fashionable terms in advertisements, company profiles, management reports and in public relations (PR) activities. It is closely related with *third party certification* which is a new income generation opportunity for research and development (R&D) institutes - especially for those operating in industrialized countries. There is a certain fear among leather and footwear

---

<sup>1</sup> In practice they are used as synonyms, although theoretic writers and speakers try their very best to prove fundamental differences.

manufacturers in developing countries that insistence for such certification might turn into a (hidden) non-tariff barrier when exporting to Europe and North America.

### **UNIDO efforts**

Following the recommendations of the 11th meeting of the Leather Panel, UNIDO Secretariat paid special attention to quality assurance and related issues when implementing technical assistance projects. The importance of quality should be emphasized in developing countries which build their business strategy on price consideration and where manufacturers tend to believe that low production costs alone are attractive enough for foreign companies to source products from their company.

Quality management is now one of the central topics of the training syllabi implemented by UNIDO through its technical assistance projects. To assist in introduction of quality training and ISO 9000 concept a *Quality Handbook* was compiled and distributed to Institutes assisted by UNIDO in the framework of the National Leather Development Programme (NLDP) in India. This booklet provides "down to earth" introduction to the modern quality management approach, explains the essence of provisions for ISO 9002 and demonstrates an entire quality policy manual as an example.<sup>2</sup>

UNIDO engaged a consultant in footwear quality assurance with broad experiences in implementing the ISO 9000 family in production environment to prepare practical guidelines on upgrading quality in the leather products industries. The paper entitled "*Practical Proposal to Upgrade the Quality in the Footwear and Leather Products Industries*" concentrates on creating the quality system within a factory. It may be very useful for production companies as a guideline for establishing or enhancing their own quality control procedures.

In addition to the regular training processes, the *Quality Handbook* and the *Practical Proposal to Upgrade the Quality in the Footwear and Leather Products Industries* could as well be used for special short term courses on quality control to be rendered for specialists employed in manufacturing units.

### **Points for discussion**

1. Factors influencing the decision on introducing TQM (TQC) and ISO 9000 in tanneries and leather products manufacturing companies operating in developing countries.
2. The role to be played by UNIDO (LEATHER UNIT) in providing (direct) technical assistance to small- and medium-size enterprises in developing countries.
3. Ways of creating national capabilities for third party certification in developing countries.

### **Recommendation**

1. Prepare a comprehensive *guidebook on implementing quality control systems* in leather, footwear and leather products manufacturing industries (companies, production units, institutes) with special references to traditional approaches, typical organization structures for micro, small and medium enterprises, factors influencing decisions on obtaining third party certification. The publication should also have references to technical literature (including UNIDO publications), national and international standards, institutions and organizations providing certification, quality control methods,

---

<sup>2</sup> According to an old English saying "Example is the best teacher."

systems and computer software available today. This could be developed by a UNIDO publication and made available to all interested parties in the World leather trade.

2. Launch a *project aiming at*:

- a) analyzing the real costs associated with the product quality manufactured in developing countries;
- b) assessing the (hidden financial) losses caused by giving priority to low price as compared to producing higher quality products (including a feasibility study on improving quality);
- c) defining the actual costs related to establishing, maintaining and running of modern quality management systems;
- d) estimating the costs and benefits associated with establishing and introducing brand names, including guidelines on procedures involved and principles of company and product branding.

12LP\_95:LP95\_QUA.ISS