

## Total Quality Management



### Learning outcomes

- Managing the business
- Total Quality Management
- Managing change and the benefits of TQM.



### Overview

Bus Éireann implements a Total Quality Management (TQM) approach to the provision of bus services throughout Ireland. The company manages its business and adapts to the ever changing modern business environment. This case study will show how Bus Éireann customers and employees benefit from this TQM approach.

### Introduction

Bus Éireann was formed in 1987 as a subsidiary of CIÉ (Coras Iompair Éireann) to provide bus services throughout Ireland with the exception of Dublin City. Bus Éireann offers a wide range of services catering for different customer groups and market sectors, including:

- Long distance coach services (Expressway) linking cities & towns in Ireland.
- Coach services (Eurolines) to Britain and Europe.
- City bus services in Cork, Galway, Limerick and Waterford.



- Town services in Athlone, Balbriggan, Drogheda, Dundalk, Navan and Sligo
- Commuter bus services around Dublin, Cork, Limerick, Galway and Waterford cities
- Local bus services throughout Ireland
- School bus services on behalf of the Department of Education & Science
- Ancillary services - coach and bus hire, vehicle testing, contract maintenance, parcels delivery, etc.

Bus Éireann forms an integral part of Ireland's transport infrastructure. It encourages customers to make smart, green choices by leaving their cars behind and to travel on public transport. A total investment of €34bn is to be spent by 2015 funding 165 new vehicles and increasing the frequency of existing services. This forms part of the Government's Transport 21 initiative, a 10 year infrastructure investment programme. The environmental benefit of this will be enormous with fewer cars on the roads and less congestion. This will have far reaching benefits for business in all major cities.

The new fleet of buses and more frequent departures in addition to the introduction of new routes in growing communities will all enhance services for Bus Éireann customers.



## Mission Statement

Bus Éireann is fully committed to meeting the needs of its customers and this is reflected in its Mission Statement.

*To succeed by providing excellent service to our customers through a committed team.*

## A winning team – people behind the business

Bus Éireann's team of over 2,700 people is fully committed to providing all of their customers with a quality service at value for money prices. To facilitate the efficient running of the business, a clear organisational structure must exist. The purpose of a structure is to enable a firm to organise its activities more efficiently. It can also act as a motivational tool to allow staff to see the clear lines of promotion.

A formal organisational structure allows Bus Éireann to co-ordinate its activities to ensure that the business reaches its objectives.



### Study Tip

#### MAD COP

Management **A**ctivities = **C**ontrolling, **O**rganising and **P**lanning.

#### MS LOCOMOTIVE

Management **S**kills = **L**eading, **C**ommunicating and **M**otivating

## Management activities

Managing the business effectively ensures that the business continues to evolve and improve. Controlling, organising and planning are the key management activities undertaken by Bus Éireann. Controlling involves measuring performances to make sure the highest standards are being reached. Bus Éireann is a large company. Without a proper organisation structure there would be chaos. Planning is vital for the survival of a business since it concentrates on coping with change.



- **Controlling** - Bus Éireann continuously monitors all procedures in the business ensuring an effective service is provided to customers.
- **Organising** - Each city branch has a team of staff with clear lines of responsibility allowing for the smooth running of the company.
- **Planning** - The company will benefit enormously from the 10 year expansion plan called Track 21. All services will be upgraded. Planning is crucial to ensure the ongoing success of the business.

## Management skills

As part of the process of continually developing management skills, Bus Éireann support a number of employees who are studying for a Diploma in Management Studies. This course combines practical management skills with management strategy.

- **Leadership** - The activities of both drivers and garage staff are co-ordinated by a team of supervisors.
- **Communication** - Staff receives training in customer care courses to ensure the company has a healthy communication network. The World Wide Web is used to interact efficiently with customers.
- **Motivation** - Bus Éireann implements various programmes of training and development to keep employees motivated and interested in their work.

## Managing change

The modern business environment is continually changing. Changing work patterns and lifestyles is driving the demand for more services. The key to managing the changes is focusing the business on satisfying customers.

Customers today have much higher expectations than ever before. They demand quality and new services with improved safety measures and all this for a reasonable price.

Bus Éireann has become more cost effective while still remaining focused on the delivery of quality customer service. Through better control of resources, Bus Éireann now carries more people using fewer buses. This means that the company has reduced the cost of maintaining buses while expanding the level of service.



## What is TQM?

TQM is a style of management that tries to create a culture of quality throughout every part of an organisation. Bus Éireann engages in the process of continuous improvement in methods and procedures to ensure a top quality bus service for its customers.

**TQM = Empowerment + Quality Assurance + Teamwork**

- **Empowerment**

In 2003 the Scheme for Enterprise Partnership set up a forum for the exchange of information between management and staff. Staff can put forward suggestions and proposals to further develop the business and any other issues which have benefits for all. This scheme is very successful and encourages employee participation in the running of the business.

- **Quality Assurance**

Bus Éireann organises Depot Customer Focus Teams and customer suggestion scheme to encourage quality initiatives among all staff. IS EN 9001-2000 Standards on quality are upheld.

- **Teamwork**

An on-the-ground dedicated sales force in touch with the customers helps keep the business centred on meeting customers' demands. Floor staff are given full responsibility for dealing with customers' queries and/or complaints.

## Objectives of TQM

Implementing a TQM approach requires a company to pursue the following objectives.

- **Quality service** – Bus Éireann is customer focused. A quality service ensures customer satisfaction. Some of the customer friendly initiatives provided by Bus Éireann include:
  - Electronic passenger information display with up-to-the-minute information at some terminals.
  - An online journey planner available on the Bus Éireann website.
  - There is a customer “e” Information system at info@buseireann.ie
  - A Customer Telephone Enquiry service provided between 8.30am and 7pm everyday.
  - Information on journeys is available on Aertel everyday.
  - A centrally computerised complaints handling system to deal with customer complaints speedily and efficiently.
  - Freepost Customer Comment Cards are provided at a range of locations.
- **Zero defects** – Traffic congestion is a major obstacle for Bus Éireann. In order to keep to its zero defects policy, when traffic congestion is foreseen Bus Éireann provides additional services in order to maintain existing services. The company supports the introduction of bus lanes in cities and towns to tackle the problem.
- **Continuous monitoring** – There is comprehensive internal and external monitoring of bus services every six months. This ensures that Bus Éireann is fully aware of the ever-increasing demands of its customers. It also enables the company not only to be reactive to changes in journey patterns and tastes, but also to be proactive.

Areas for development or new areas of business can be pinpointed and acted upon ensuring the company continues to give a quality customer service.

- **Benchmarking standards** – Best practice is identified by making comparisons with competing private bus companies in Ireland and Europe.
- **Team work** – Employees are given a shared sense of responsibility to encourage total commitment to satisfying customers.

## Investing in people

The quality of the relationships that exist in a business determine how successful the business will be. Encouraging and respecting employees lifts morale and creates a successful working environment. The relationship a company has with its customers is also vital. Customers must feel that the company is striving to meet their needs. The following are some measures Bus Éireann have implemented to maintain good relations internally and externally.



- **Training and development** – Ongoing driver refresher programmes for regular and part-time drivers. Training for safety officers, safety representatives, manual handling and fork lift drivers is ongoing.
- **Health and Safety training** – The safety of staff and customers is of paramount importance to Bus Éireann. The company regularly reviews and updates its health and safety management systems. Inspectors are trained in Safety Awareness and receive certificates from an independent body.
- **Inspections** – Safety aspects of coaches are inspected all over the country, e.g. ABS brakes on school buses and visual inspections on seat belts. On-street presence by supervisors ensures the company can identify and improve any areas that might fall below standard.
- **Education** – A nationwide road show campaign is underway to encourage children to “belt up safely” whilst travelling on school buses.
- **Quality Customer Service Committee** – The committee aims to accelerate quality improvements in public transport by focusing on providing better information to the public.
- **Codes of Ethics** – Each employee of the company is expected to observe the highest standards of honesty and integrity in all his/her business dealings.

## Investing in the business

Bus Éireann customers will benefit enormously from the new Transport 21 investment plan. New top-of-the-range buses and more user-friendly services will be introduced. Continuous improvements are made to keep the company competitive and in tune with the needs of its customers.

- **Younger bus fleet** – In the past two years Bus Éireann has replaced its ageing fleet of city buses with new low floor wheelchair

accessible buses which are kinder to the environment and more comfortable and reliable for customers.

- **Improved health and safety measures** – The school bus fleet has been fully retrofitted with safety belts and seating is restricted to a ‘one child per adult seat’ basis.
- **User friendly improvements** – Accessible vehicles, improved bus station facilities, destination indicator signs etc. are just some of the continuous improvements implemented by the company.
- **Improved maintenance and monitoring of fleet** – Maintaining the fleet in top condition at all times are a team of highly trained maintenance staff based at 15 depots around the country. Safety is the priority in maintaining the bus fleet. Many of the depots are test centres for testing the roadworthiness of buses.
- **Investment in ICT** – The Bus Éireann website provides a user-friendly interactive journey planner which saves time for customers. The company is also improving the provision of comprehensive passenger information through electronic information display systems in bus stations. Bus Éireann is the first operator in this part of Europe to implement this advanced system.

## Benefits of TQM

### (Leaving Certificate Questions 1999, 2000, 2004, 2007)

By pursuing a TQM approach throughout the entire company Bus Éireann has ensured the highest standards of service are being provided to its customers. The benefits of this approach are:

- Customers are more satisfied, ensuring repeat business.
- The reputation of the company is enhanced, attracting new customers.
- Health and Safety is given priority and this benefits all.
- Employees are empowered which makes them feel motivated and loyal leading to increased job satisfaction.
- Greater efficiency because of continuous monitoring and improvement of all procedures in the business.

## Conclusion

It is clear that Bus Éireann takes its commitment to servicing its customers very seriously. Every effort is made within the company to continually improve all aspects of its service. Bus Éireann pursues a TQM approach which puts the customer at the core of all its efforts. The company sees investing in its staff and fleet as key to meeting the future needs of its customer. This is the foundation stone of Total Quality Management.

## Student activity

1. Define TQM.
2. Explain the term TQM and describe how it can be of benefit to an organisation.
3. Briefly explain the three Management Activities and Management Skills.
4. Draft the organisational structure for Bus Éireann.