



Unit 3: Quality and Compliance

Course Companion

for T Level in Management and Administration

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Contents

Product Support from ZigZag Education	ii
Terms and Conditions of Use	iii
Teacher's Introduction.....	1
3.1: The importance of maintaining and improving quality in all aspects of public and private sector organisations.....	2
Introduction	2
The importance of quality	2
Quality control	3
Quality assurance.....	5
Quality improvement	7
3.2: How quality is measured in different sectors through quality standards	11
Introduction	11
The purpose of quality standards	11
The European Foundation for Quality Management.....	13
British Standards Institution.....	13
Quality standard accreditation.....	14
People-based accreditation	15
3.3: The role of regulatory bodies and inspections.....	17
Introduction	17
Regulations and regulatory bodies	17
The importance of compliance	19
Answers	23
3.1: The importance of maintaining and improving quality in all aspects of public and private sector organisations	23
3.2: How quality is measured in different sectors through quality standards.....	25
3.3: The role of regulatory bodies and inspections.....	27
Glossary	29

Teacher's Introduction

This course companion is for core content Section 3: Quality and Compliance. It forms part of the Technical Qualification in Management and Administration, which is assessed externally by City & Guilds.

Remember!

Always check the exam board website for new information, including changes to the specification and sample assessment material.

In this section, students are introduced to the concept of quality: both of products and of services, and of production processes in organisations. The section builds on prior knowledge from Section 1 regarding organisational cultures and values. It also links with content in Section 2 about health and safety in the workplace. This course companion also prepares students for Section 6, which contains a more in-depth study of the need for continuous improvement.

Core content Section 3 provides a thorough understanding of the importance of quality and explains how lack of quality can impact on the long-term success of an organisation. The unit describes various actions that can be taken to ensure quality, and explains the importance of quality improvement. There is also information about the various voluntary and regulatory bodies that exist to maintain and enforce quality standards.

As part of this course companion, students will explore different forms of evidence and different research methods. The material contains relevant workplace examples, and research activities, which will help students to understand and appreciate the importance of quality. The material also emphasises the importance of complying with quality standards and the consequences of not doing so. The use of case studies further enhances students' learning experiences, and will assist them in understanding and retaining information and key concepts. Throughout the course companion, reference is made to real-life examples, case studies and business models. This helps students to relate to the world of business and identify challenges that some organisations have faced and overcome.

Suggested answers for all activities can be found at the end of this course companion, in addition to a glossary of key terms for easy referencing when studying.

May 2024

3.1: The importance of maintaining and improving aspects of public and private sector organisations

Learning objectives checklist

- ☐ Explain the difference between maintaining and improving quality.
- ☐ Describe the types of quality assurance activities that can be carried out by organisations to identify quality issues (e.g. process checklists, quality standards, procedures, audits).
- ☐ Understand the reasons for organisations wishing to improve quality across the organisation.
- ☐ Describe the benefits of improving and maintaining quality to organisations.
- ☐ Analyse how quality maintenance and improvement may differ between the public and private sectors in terms of scope, budgets, processes and accountability.
- ☐ Describe the different approaches used by organisations to improve and maintain quality in organisations (e.g. complaints handling procedures, process improvements).



Introduction

When a person buys a product, e.g. a new laptop, they expect it to work and perform as supposed to. Organisations need to make sure that they always provide their customers with products or services that live up to their customers' expectations. Having dissatisfied customers, sales, a bad reputation and loss of profits.

Unit 3.1 examines the processes and activities used by organisations to make sure that quality standards are met. The unit explains the criteria used to measure quality, and discusses how organisations continually strive to improve quality. Quality standards are often laid down by industry bodies such as BSI Kitemark for products, and will be studied in Unit 3.2.

Unit 3.1 also describes some of the approaches that organisations can use to improve quality.

The importance of quality

Quality is the degree of excellence in products or services that have been manufactured. A product or service is of good quality when it is designed, produced and priced so that:

- It is suitable for its purpose.
- It is reliable.
- It is safe to use.
- It lasts for its expected lifespan.
- It is affordable.
- It satisfies customers.

Quality: the degree of excellence in products or services.
Competitive advantage: a company has a competitive advantage if it is able to offer products or services that are better than those of its competitors.

Offering quality goods and services helps an organisation have a **competitive advantage** and a good reputation. If a business gets a reputation for poor quality, then customers will not buy its products or services.

The benefits of offering quality goods and services include:

- Gaining a competitive advantage.
- Repeat purchases from customers.
- Customer confidence in the brand.
- Reduced costs incurred in solving customer complaints and after-sales problems.

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Because quality is important, organisations work hard to make sure that the products and services they offer are of high quality.

The following activities are all used by organisations to ensure quality:

- **Quality control**
- **Quality assurance**
- Quality maintenance
- **Quality improvement**

The first three activities focus on maintaining and monitoring existing standards of quality, while quality improvement activities focus on improving the overall quality of performance, products and services.



Quality control

Quality control is the process of testing final products and services to ensure that the desired quality has been achieved. Products that do not meet predetermined standards of quality will either be sent to be reworked or discarded.

Quality control is achieved by checking products and services against predetermined standards and by taking corrective measures when products are not up to standard. For example, if a batch of potato crisps comes off the production line and is burned, the crisps will be rejected as not for sale. Methods of identifying and dealing with quality issues include the following:

- Feedback
- Inspection
- Acceptance sampling
- Product recall

Feedback



Feedback from customers helps organisations monitor quality and deal with problems. Feedback can be conducted either at the point of sale or electronically. Feedback ways, such as customer questionnaires to ask about the service or products, customer organisation, social media posts, and website comments. A customer rating form after they make a purchase is an example of feedback.

Inspection

Products and services can be visually examined and tested to make sure that they meet the required quality. Some organisations, such as car manufacturers, may inspect or test every item. Others may test just a sample of products.

Acceptance sampling

It is not always possible to test every single product. Acceptance sampling means testing a small number of products at one or more stages in the production process. For example, a batch of jam may be tested in a jam-making factory.

Acceptance sampling is done with the aid of a quality control chart, which records the number of products that are up to standard and, if not, how far off standard they were.



Quality
checkin
quality
produc

Quality
manag
carried
produc

Quality
approc
through
perform



Feed

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Product recall

This happens when a business asks customers or retailers to return products to the shop because of a safety issue and customers are at risk. A product recall can be very expensive and time-consuming. For example, Hunter Price International recently recalled certain Harry Potter-themed products as a safety measure.

One of the reasons why quality control is so important is to avoid a product recall which can cost the organisation money, but it also makes customers lose confidence.

The importance of quality inspectors

Organisations use quality control inspectors to ensure standards are met. This helps an organisation protect its customers against faulty or low-quality products and also protect its reputation. For example, car manufacturers have a list of checks that must be completed before cars are sent out, such as headlights working and paintwork. These checks have to be completed against a predetermined list before the product is allowed to leave the factory.

Activity 1

Decide whether the following statements are true or false.

Good quality control can give a competitive advantage.	
Quality control increases costs.	
Quality control helps to maintain existing standards.	
Quality control has no effect on customer confidence.	

Case study

Johnson & Johnson's product recall

In September 1982, Johnson & Johnson recalled all of its Tylenol products after 13 people died after taking pills that were bought in the Chicago area of the USA. Tylenol is an over-the-counter medication used to relieve pain and fever. It is commonly used to treat headaches, muscle aches, arthritis, cramps and fevers.

On investigation, it was discovered that a person had gone into shops and tampered with the bottles by adding potassium cyanide.

Johnson & Johnson's share price and sales fell after the incident, but because of the way it handled the crisis, the company recovered its market position within a month. The company was praised for the way it handled the tragedy. This incident led to changes in the way that all products are packaged.

1. How did Johnson & Johnson manage to avoid a loss of consumer confidence?
2. In your opinion, were changes in the packaging of medications justified?
3. Use Google to find out if you can find the names of any recent product recalls.

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Quality assurance

To be assured that existing standards of quality are maintained, testing and checking need to happen at every step in the production process. If one activity in a production process is not up to standard, then the quality of the end product will be affected. This applies to both products and services. For example, a biscuit factory needs to make sure that not only is the baking up to standard, but the best quality ingredients are being used. A call centre needs to make sure that its customer service agents are properly trained and that customer queries are dealt with in a professional manner.



Products are monitored.

Quality assurance is important because:

- It helps to prevent mistakes and defects.
- It gives consumers confidence that products are safe and reliable.
- It gives a company an advantage over competitors.
- It increases sales and profits.
- It improves the company's reputation.
- It builds a culture of quality within the organisation.

Did you know?
Quality assurance is a key part of any organisation's supply chain.

When a culture of quality exists, then at every stage of production employees take responsibility for quality. An advantage is that mistakes are quickly identified and corrected, reducing waste. A disadvantage is that it can slow down production times and add to the cost of the product.

The differences between quality control and quality assurance

Quality control	Quality assurance
<ul style="list-style-type: none"> • Focuses on identifying faulty or substandard goods. • The product is at the heart of quality control. 	<ul style="list-style-type: none"> • Focuses on improving the production process. • Establishes a good system of quality control. • The production process is the heart of quality assurance.

Quality assurance activities

There are various activities that organisations can carry out in order to identify and prevent quality issues.

- **Checklists:** these can be used to ensure that all essential tasks and inspection points are completed.
- **Control charts:** a quality control chart uses a graph to show whether the same standards, and if not, how far off they were from meeting them.
- **Auditing:** a quality audit examines how the processes and systems of an organisation are working. A quality audit might involve reviewing design documents to ensure that they meet the required standards.
- **Cause and effect diagrams** (also called Fishbone and Ishikawa diagrams): these are used to identify the causes of problems that have occurred. For example, a cause and effect diagram can be used to identify the causes of defects in a product and find a way to resolve the issue.
- **Process control:** this refers to monitoring and adjusting all stages in the production process to ensure that quality is maintained throughout the process and that there are no flaws. Process control helps to ensure the consistency and quality of products and services. For example, a clothing manufacturer will make sure that seams are strong and that the garments are made to the correct size. A chocolate factory will need to make sure that the chocolate is made to the correct taste and texture.
- **Documentary control:** this can be used to spotlight production or customer service issues. Documentary control can be particularly useful for training staff on procedures relating to quality control and with customer complaints.
- **Feedback** from customers comes in the form of surveys, questionnaires, etc. This can be used to identify areas for improvement and in-store.

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Examples of quality assurance in different industries

- In the manufacturing industry, quality assurance involves inspecting and testing production to make sure they meet the required standards and specifications.
- In software development, quality assurance involves testing software thoroughly for issues that may affect its functionality.
- In healthcare, quality assurance involves reviewing medical procedures and ensuring they are safe, effective, and meet healthcare standards and regulations.

Quality maintenance

Quality maintenance activities are carried out as part of quality assurance in order to maintain a high level of quality. Quality maintenance activities focus on improving equipment, safety, and reliability.

Quality maintenance is undertaken by:

- Classifying defects and identifying the ways in which they occur, their frequency, and their impact.
- Performing a preventive analysis to identify the parts of the equipment that are most likely to fail.
- The maintenance, servicing and repair of all mechanical and electrical factory equipment.

Activity 2

An ice cream kiosk owner and quality assurance

Albie runs an ice cream kiosk. Recently some customers have complained that his ice cream is melting too fast and that the cones are soggy.

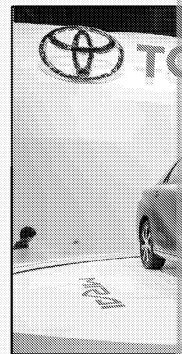
Write a short note to Albie suggesting which process control activities might help him improve the quality of his ice cream.

Case study 2

Toyota's quality assurance system

Toyota's quality assurance system is based on the principles of 'customer first' and 'quality first'. These principles have always been part of Toyota's values. The task of the quality assurance team is to ensure that every vehicle leaving any of their factories meets the organisation's standards of safety and quality. Around 2,000 checks are performed on every vehicle before it is signed off as ready for delivery.

1. Explain how Toyota's quality system benefits customers.
2. How does having a reputation for safety benefit both Toyota and its customers?



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Quality improvement

The main **objectives** behind quality improvement are to increase the value of products and services to customers and increase the organisation's profitability. For this to happen, all **stakeholders** must understand and be involved in quality improvement activities.

Quality improvement applies not only to the goods and services the organisation produces, but also to the way that its different departments perform. You will remember from Unit 1 that different functions are performed by different departments within an organisation; for example, sales, manufacturing, production, finance and administration.

Many organisations foster a culture of continuous improvement, using approaches such as quality circles and total quality management (TQM). Organisational management will be dealt with in greater detail in Unit 6. For quality improvement to happen, the organisation's goals need to be clearly defined and everyone needs to understand and support them.

Approaches used by organisations to improve and maintain quality

Below are some of the different approaches used to improve and maintain quality that many organisations use more than one approach as part of quality improvement. An organisation may document and analyse customer complaints to identify product quality of goods. Once production issues have been identified, it may then decide to improve production processes. The organisation may then use process mapping to ensure that one process does not negatively impact another process. A simple example is a car manufacturer that receives complaints about the comfort of the seats. The manufacturer may decide to redesign the seats. They need to be sure that they can still be assembled into the original car bodies without a slowdown in the production process.

Complaints handling procedures

Having an effective method of handling complaints is an important part of quality improvement.

A good complaints handling procedure helps an organisation to:

- Resolve issues raised by customers.
- Collect information that helps to improve the quality of products and services by analysing complaints and identifying recurring and system issues.
- Improve the reputation of the organisation by strengthening customer confidence.

Quality circles

Quality circles are small groups of employees who meet in order to discuss how to solve problems. Membership in quality circles is usually voluntary and everyone's opinion is valued. When employees are part of quality circles, they are usually more motivated because they have a say in the organisation's quality improvement. Employees who have been with a firm for some time often have good ideas about how to improve. Toyota is an example of an organisation that uses quality circles.

Taguchi method

This method of quality control emphasises the roles of research, product design and testing to reduce defects and produce standard goods. Toyota, Ford, Boeing and Xerox all use the Taguchi method as one of their continuous improvement approaches.

PDSA (Plan, Do, Study, Act)

PDSA – or Plan, Do, Study, Act – is a four-stage problem-solving approach used for making change. It is important to include customers as part of the PDSA approach because they can provide feedback about what does and doesn't work. Changes always need to be tested and measured.



approach

Objectives
Stakeholders
a person or organisation
especially a customer

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PDSA is very similar to PDCA (Plan, Do, Check, Act). PDCA is used mainly by corporations to solve problems and lead to continued improvement and better control of processes by education and healthcare practitioners because it has a more analytical and intensive approach (Activities are studied and results measured before being put into general practice) in construction and hospitality industries.

Process mapping

Process maps are an important quality improvement tool. They are used in quality management processes before any changes are made in order to help to ensure that changes will not negatively affect the process. Process maps are often used to understand how healthcare processes work.

Benchmarking

This involves comparing the best methods used by competitors in the same industry against the current methods common in industries where there is fierce competition, such as electronics and retail. McDonald's have used benchmarking.

Total quality management (TQM)

This is a business philosophy that emphasises commitment to improving quality of every function and every department. Everyone that works for the company must ensure the quality of their work. In organisations using TQM the customer is always put first, and the focus is to provide effective customer service and by conducting market research to find out what customers want. For example, Marks and Spencer, like many other large retailers, uses an electronic system called 'Click and Collect' which enables data to be collected on what products customers buy. This data can be used to tailor product lines so that they better reflect customer needs.

Xerox, Allen-Bradley, Motorola, Marriott, Harley-Davidson, Ford, and Hewlett-Packard are all well-known examples of TQM.

TQM is achieved through:

- Skills development, education and training.
- Evaluating the effectiveness of training.
- Researching the present and future needs of customers.
- Producing quality products and services that satisfy customers' needs and expectations.
- Continuous improvement of processes and systems.

The difference between quality maintenance and quality improvement

Quality maintenance is about maintaining the existing level of quality, whereas quality improvement is about improving overall standards of quality. Quality improvement activities form part of an organisation's long-term organisational objectives.

The benefits of improving and maintaining quality to organisations

Ensuring that existing quality standards are maintained, or continually improved, can bring many benefits to an organisation:

- Good customer service is offered, leading to increased end-user satisfaction.
- Increased value for money for customers and improved customer experience.
- Time and resources are used effectively.
- Efficiency levels are increased.
- Productivity is increased because there is proper time management and use of resources.
- Products and services continually improve.
- The business goals and vision may be achieved.
- Continuous learning improves employee skills and knowledge.
- Business has a competitive advantage over competitors.
- Improved business image as fewer defects are returned and customer complaints are reduced.
- Increased market share and more customers, which improves profitability.
- Good working relationship between employers and employees.
- Better processes and systems exist; therefore, a proper customer complaints procedure can be implemented.

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Case study 3

Mr Peters' supermarkets

Quality performance is just as important as the final quality of products. This applies well as in manufacturing industries.

Mr Peters has received several letters from customers complaining about the level of service at his supermarkets. The main issues seem to be the unfriendly attitude of staff towards customers and the limited choice of brands on his supermarket shelves.

1. Answer true or false to the letters that Mr Peter has received are a type of complaint.
2. Suggest ways in which Mr Peters can deal with the attitudes of employees towards customers.
3. Make a list of customer needs that a small supermarket might need to deal with.
4. Explain why quality performance is an important part of quality assurance.
5. In your opinion, would implementing quality circles help Mr Peters to motivate staff?
6. Explain how Mr Peters could use benchmarking to improve the selection of products on his supermarket shelves.

How quality maintenance and improvement may differ between the public and private sectors in terms of scope, budgets, processes and accountability

Quality control is important in both the private and public sectors, but their approaches differ.

Objectives and priorities

In the public sector, the emphasis is often on complying with regulations, meeting the needs of the community, and spending taxpayer money efficiently. Quality control focuses on delivering service to the community. In the private sector the emphasis is on meeting customer needs, being profitable, and maintaining a competitive edge. Quality control focuses on customer satisfaction, product excellence, and maintaining a competitive edge.

Budget and resources

The public sector is often constrained by having a limited budget, and by bureaucratic procedures. Quality control efforts need to be efficient and cost-effective while ensuring service delivery to the community.

The private sector can be more flexible in allocating resources and there is often a direct link between quality and profitability. Companies can allocate more resources to enhance quality and profitability.

Performance and measurement

Public sector performance is measured by metrics related to service delivery such as accessibility, and citizen feedback, adherence to regulations, and public satisfaction.

In the private sector, quality measurements are often focused on financial performance and market share, using metrics such as sales figures, customer retention rates, and profit margins.

Regulations and scope

The public sector is subject to many regulations and oversight from government bodies. Quality control efforts need to align with government standards and often undergo audits to ensure compliance.

The private sector also has to comply with laws and regulations, but there is more flexibility in standards and processes. The focus is on meeting industry standards, but companies often set their own quality standards.

Accountability

The emphasis in the public sector is on accountability to the public and government. Quality control efforts are often slow due to being subjected to more scrutiny.

In the private sector, accountability is to shareholders, customers, and internal stakeholders. Decision-making tends to be more streamlined and driven by market demands.

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Activity 3

Investigate Apple products

Apple charges a higher price for its iPhones than similar products made by rival

1. Compare the price of the latest iPhone with similar products.
2. Suggest reasons why customers are willing to pay more for an Apple product.

Research task

Tesco and its quality of performance

With regard to its quality of products, services and performance, Tesco makes the following statement on its website:

'Tesco customers expect us to only sell products made to the highest quality and that are responsibly sourced. They trust us to ensure that all our products are safe and comply with all the applicable laws and regulations.'

zzed.uk/12551-tesco Using this link, investigate how Tesco addresses quality with regard to its

- Suppliers
- Labelling and packaging
- Product development
- Food safety

You can choose to work in groups or alone and write short notes on your findings.

Assessment questions

Short-answer questions

1. Explain the meaning of acceptance sampling.
2. Explain the difference between quality maintenance and quality improvement.
3. State what the letters TQM stand for.
4. Explain how feedback can improve quality of performance.
5. List **two** reasons why quality improvement is important.
6. Explain why public and private sector priorities and objectives in quality control may differ.

Longer response question

7. Having an effective complaint handling procedure is an important part of quality improvement.
 - a) Explain **two** ways in which an organisation can get customer feedback.
 - b) Evaluate how this feedback can be used to help quality performance.

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3.2: How quality is measured in different sectors through quality standards

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Learning objectives checklist

- ☐ Explain the purpose of quality standards for organisations in different sectors.
- ☐ Describe different accreditation systems in different sectors and the use of ISO standards.
- ☐ Understand how an organisation benefits from obtaining accreditation for quality through:
 - Increasing brand awareness.
 - Assisting with tender opportunities.
 - Developing trust with customers.
- ☐ State the responsibilities associated with maintaining a quality accreditation, including internal/external audits, process maps, documentation, cost.
- ☐ Explain how implementing a quality standard can improve processes and procedures in an organisation and identify areas for improvement.
- ☐ Know the benefits to organisations in applying for people-based accreditations.



Introduction

Unit 3.1 explained why achieving and maintaining high standards of quality is important to organisations. The unit also examined some of the methods used by organisations to ensure the quality of their goods and services.

Unit 3.2 follows on from Unit 3.1 by outlining some of the **quality standards** that are set by external organisations, and used voluntarily by organisations. The unit explains why organisations want to comply with these quality standards and what their benefits are. Unit 3.2 also examines the purpose of these quality standards and their value to both organisations and consumers.

Finally, Unit 3.2 describes some of the different forms of product- and people-based accreditations in different industries.

Quality standards are systems of management that ensure consistency in the quality of goods and services.

Specification is a statement that defines how to do something or the characteristics of something.

Guideline is a statement that describes how something should be done.

The purpose of quality standards

Quality standards are sets of requirements, **guidelines**, systems, methods and specifications that ensure consistent product and process quality. Having consistent standards of quality is important for a specific product or service from a company. The purpose is to know that if they buy a product, they will get a specific quality. For example, if customers buy tins of a particular brand of baked beans, they want to know that they will get the same quality.



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Improving processes and procedures in an organisation and identifying

Organisations that continuously seek to maintain and improve the quality of their products and services are likely to identify activities and processes that can be improved on. At the same time, improving processes and procedures improves the quality of products and services, leading to better customer satisfaction. For example, Coca-Cola states on their website:

The Coca-Cola Company prides itself on strong global quality and food safety standards. We use qualified ingredients, enforce robust supplier requirements and follow all regulations issued by regulatory compliance authorities. In short, we expect our products to meet or exceed the highest standards of quality and safety in our manufacturing practices throughout the world.

Coca-Cola sets out clearly its objectives in improving quality standards.

The difference between internal and external quality standards

In Unit 3.1 you learned that organisations use various methods and activities to ensure that their products and services are of the quality that customers expect. These are internal standards, set by the organisation itself. Once standards have been set, products and services are measured against them. Such as quality circles and TQM can be used to improve existing ways of operating.

There are also external, independent boards and organisations that set quality standards. Organisations voluntarily comply with these standards. These independent boards have been developed to help organisations improve their processes and increase their efficiency and quality. At the same time, they ensure that certain levels of quality and safety have been met.

Three important independent organisations are the International Organization for Standardization (ISO), the European Foundation for Quality Management (EFQM) and the British Standards Institution (BSI). Their accreditation standards are used widely across many different industries.

There are also organisations that exist within specific industries; for example, the British Retail Goods Standards (BRGS) sets standards that are recognised by retailers and food service providers. Complying with external quality standards helps an organisation do the following:

- Reduce costs.
- Obtain customer loyalty.
- Improve competitiveness.
- Meet customer and stakeholder needs.
- Ensure safety and reliability.
- Control hazards and meet environmental objectives.
- Define and control internal processes.

International Organization for Standardization (ISO)

ISO quality standards are the most commonly used set of standards around the world. The quality standards are regularly revised and updated. The current version of ISO standards is ISO 9001.

ISO sets out internationally recognised codes for different countries and provides common standards that different countries share. These standards ensure that the products and services that people buy are reliable, safe to use, and of acceptable quality. The ISO plays an important role in facilitating trade between countries because an importer can be sure that the products being imported for sale are of a certain standard.

Different ISO quality standards apply to different sectors. The importance of ISO accreditation is ensuring that everyone follows the same procedures. Examples of accreditations include community services, engineering, hospitality, and manufacturing.

¹ <https://www.coca-colacompany.com/sustainability/product-quality-safety>

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The ISO continues to review standards, write new standards, and make changes to existing standards when necessary. ISO accreditation is very important for organisations. There are many advantages for an organisation in obtaining ISO accreditation:

- It provides the organisation with credibility.
- It gives customers confidence in dealing with the organisation.

Becoming ISO-compliant is a complicated process and an organisation must have control systems in place before applying.

Did you know?
The term 'ISO' is a Greek word meaning 'equal'.

The European Foundation for Quality Management

The European Foundation for Quality Management (EFQM) was established in 1988. It is a non-profit foundation based in Brussels. Its objective is to promote quality as an essential part of **continuous** improvement within organisations. You will remember that continuous improvement was studied in Unit 3.1.

The EFQM has helped more than 50,000 organisations. These include organisations both within and outside of Europe. The EFQM Model is a framework that helps organisations manage change and improve their performance. The annual EFQM Global Award uses the EFQM Model to assess and recognise organisations that achieve an outstanding level of continuous improvement. Examples of organisations that have earned the EFQM award include BMW, Siemens and Huawei.

British Standards Institution

The British Standards Institution (BSI) is the national standards body of the United Kingdom. It is a non-profit organisation that produces a range of technical standards that apply to different products and services. It also supplies certification, training and advisory services to organisations. It was originally established in 1901 as the Engineering Standards Committee. It changed its name to the British Standards Institution in 1931. The BSI promotes trade and reduces waste by simplifying production and distribution. It also helps protect the consumer.

The BSI Kitemark

BSI Kitemark is a certification mark that can be used by organisations whose products and services have been approved by the BSI.

Kitemark certification confirms that a product or service has been independently tested by experts and is up to standard. This means that you can trust and have confidence in products and services that are BSI Kitemark certified.

Activity 4

Decide whether the following statements are true or false.

Setting quality standards helps improve profitability.	
Applying safety standards is important.	
The purpose of accreditation is to improve quality standards.	
Accreditation does not improve customer satisfaction.	

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Case study 4

The British Lion Scheme

The British Lion Scheme was introduced to ensure high health standards in egg production. Eggs that have the British Lion mark on them are guaranteed to have come from hens that are vaccinated against salmonella and have been raised and fed according to strict standards. 80% of all eggs are stamped with the British Lion mark, making them safe for consumption.

1. Examine an egg and note down the letters and numbers under the picture of a lion.
2. Using a calculator, explain what the letters and numbers you have written down mean.
3. Using your tablet or smartphone, research and find out why it is important that eggs be salmonella-free.
4. Explain why customers are reassured by seeing the British Lion mark on their egg purchases.

Quality standard accreditation

Accreditation is the process conducted by independent companies and official bodies to check and monitor quality standards in organisations. Companies can choose to apply to become accredited by one or more of the quality standard institutes or organisations.

Accreditation
Regulatory
activity or c

In order to earn and maintain quality accreditation, an organisation will need to complete external audits, as well as complete processes, and provide documentation including

This is often quite a lengthy process as it involves inspections and proof that standards that fulfil all quality standards become certified. There is often a certification on product websites.

Organisations that meet the required standards become accredited and can use the logo. Having to comply with external quality standards helps to ensure that products are of the highest quality and that products and services do the following:

- Their quality matches customer expectations.
- They are fit for their purpose.
- They meet their users' needs.

The benefits of accreditation

There are many benefits to both an organisation and its customers of obtaining accreditation:

- It develops trust with customers.
- It creates a culture of transparency.
- It gives the customer reassurance that the products and services are of high quality.
- It helps satisfy concerns about reliability and safety.
- Accreditation from a single organisation helps avoid the need for duplication when accessing new markets.
- It assists in creating opportunities because accreditation proves standards of quality.
- Increased brand awareness as customers recognise the accreditation logo.
- Improved processes and procedures.
- It helps identify areas for improvement.

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Activity 5

Advise a businessperson on the benefits of getting her company accredited

Your friend Sharmilla has decided to start a new business manufacturing light bulbs locally in the United Kingdom and also in some European countries. She is currently stocked at leading retailers. Sharmilla thinks that obtaining BSI accreditation is too much worth the bother.

1. Explain to Sharmilla why becoming a BSI accredited can help her business.
2. Draw up a list of reasons why having the BSI Kitemark on her packaging might help buy Sharmilla's light bulbs.

People-based accreditation

Organisations need to continually invest in people within the organisation so that they, in turn, improves the performance of the company. Employees who are supported to develop their skills and learning new ones are more willing to invest in meaningful work for the organisation.

Organisations that support and develop their employees are more profitable and sustainable. When employees develop their skills through reputable institutions, they receive an official accreditation upon completion of the training. An example is an apprentice who successfully completes their training, or a human resources employee who undertakes training in a new company.

There are many benefits to people-based accreditation besides improving skill levels and employee confidence in the organisation and ensure compliance with health, safety and other regulations. Some of institutions offering people-based accreditations are City & Guilds, the Customer Service Excellence Standard and Investors in People.

City & Guilds

City & Guilds Accreditation

City & Guilds accreditation is designed to be undertaken either in the workplace or through a combination of the two. They offer people-based accreditations.

The Customer Services Excellence Standard

The Customer Services Excellence Standard was developed by the UK government to recognise public service organisations.

The award places emphasis on making sure that the public is properly served.

Its aims are:

- Continuous improvement in the delivery of public services.
- Encouraging individuals and teams to develop new skills in public service delivery.
- Rewarding organisations that deliver good service.

Investors in People Award

Investors in People is a quality standard for people management. The award recognises organisations that work to improve performance and realise their objectives through the development of their employees. It offers accreditation to organisations that comply with the Investors in People Standard.

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Activity 6

Investors in People Accreditation for Family Care

Following a series of staff interviews, Family Care has been re-accredited by the Organisation. This accreditation sets out the criteria for high performance through

Go to the following website, read the information, and answer the questions below: <https://www.investorsinpeople.org.uk/12551-IIP>

1. How many children come into care in the UK every day?
2. What sort of outcome does the organisation strive to get for children?
3. Explain why staff need to be well trained.
4. Why is it important for Family Care wants its staff to be able to offer high-quality care? Explain your answer.



Research task 2

Investigate accreditations

For over 50 years, Solent Blinds and Curtains has been supplying and fitting blinds and curtains. On their website you will see that they have various accreditations and members you can about them. <https://solentblinds.co.uk/>

1. Working in small groups, make notes and discuss your findings.
2. Evaluate how helpful these accreditations are:
 - a) To customers searching online for blind and curtain companies.
 - b) For Solent Blinds and Curtains as a marketing tool.

Assessment questions

Short-answer questions

1. What do we call sets of requirements, guidelines, systems, methods and standards used to ensure consistent product and process quality?
2. Is the following statement true or false? 'The EFQM Model is a framework that assists organisations in managing change and boosting their performance.'
3. State the name of one people-based accreditation in the UK.
4. Explain **two** reasons why organisations use quality standards.
5. Describe **two** advantages for an organisation of obtaining ISO accreditation.
6. In which city is the European Foundation for Quality Management located?
7. Explain **two** reasons why quality standards are important for consumers.

Longer response questions

8. 'Most businesses spend large amounts of money making sure that they are accredited.' Evaluate the benefits for an organisation of obtaining quality accreditation.



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3.3: The role of regulatory bodies and i

Learning objectives checklist

- ☐ Understand that each industry has different regulatory bodies and associated inspections, audits and reviews which vary greatly depending on the nature of the organisation. For example, the difference in regulatory bodies for the healthcare sector (e.g. General Medical Council) and education sector (e.g. Ofsted).
- ☐ Explain the importance of organisations ensuring they are compliant with the relevant regulatory authority.
- ☐ Describe the powers that regulatory authorities have in terms of issuing prohibition notices, closure and suspension.
- ☐ Describe the purpose and frequency of inspections, and the preparation an organisation needs to make in relation to inspections.
- ☐ Understand the impacts and risks of being regulatory non-compliant to an organisation.
- ☐ Explain the approaches that organisations follow to be compliant.

Introduction

Unit 3.2 introduced some of the various organisations that set quality standards that organisations must comply with and receive accreditation for.

Unit 3.3 examines some of the different regulatory bodies that oversee organisations. These **regulatory bodies** have been established by the government to set national standards for organisations and to control the way organisations operate. There are many regulatory bodies, covering a wide range of industries. These include:

- Education
- Legal services providers
- Accountant services
- Social care organisations
- Agriculture
- Healthcare
- Financial institutions
- Architecture
- Transport
- Food industry

Unit 3.3 describes the powers that regulatory bodies have and the important role they play. It also discusses the importance of complying with regulations and the consequences of not complying.

Regulations and regulatory bodies

Regulatory bodies are public bodies that have been established by the government. Different bodies have been established to control different industries, e.g. the Advertising Standards Authority oversees advertising standards in the UK media. The powers and powers of these different bodies are given to them through laws that are passed. Their functions include:

- Making rules, such as ensuring that people must be qualified to work within a specific industry.
- Inspecting and monitoring organisations and people within a specific industry to ensure they are compliant with the rules.
- Enforcing rules when standards are not met or complied with.

Organisations must make sure that they register with the appropriate body that oversees their industry. For example, catering companies must register with their local authority, usually the Environmental Health department. They must also comply with rules and regulations regarding food hygiene from the Food Standards Agency.

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Regulations are made to protect the public and help businesses, economic growth. There are more than 90 regulatory bodies in the United Kingdom. Examples of industries include education, legal, accounting, construction, financial and healthcare. Each industry has different regulatory bodies. The inspections, **audits** and reviews that are carried out are of the organisation.

Regulatory bodies are important because they:

- Help to protect the public interest.
- Ensure that organisations operate with transparency, ethics and fairly.
- Build customer confidence in the organisation's integrity.
- Improve and maintain reputation on the part of customers.
- Create trust and goodwill.

Audit: to check documents

Perception: something or interpretation

Revalidation: legal or

Regulate: that are

Examples of regulatory bodies include:

- The Financial Conduct Authority (FSA), which regulates the financial services industry.
- The Office of Communications (Ofcom), which regulates television, radio, telecommunications.
- The Health and Safety Executive (HSE), which regulates health and safety standards.
- The General Medical Council (GMC), which regulates healthcare professionals.
- The Office for Standards in Education, Children's Services and Skills (Ofsted), which regulates the education sector.

The General Medical Council

The General Medical Council (GMC) regulates doctors and other stakeholders in the medical profession. Their authority was given to them under the Medical Act 1961.

- An official list of medical practitioners, called the medical register.
- Standards for doctors.
- Education and training of medical practitioners.
- **Revalidation** of medical practitioners.
- Investigating complaints about medical practices.

Did you know?

The nuclear industry in the United Kingdom is regulated by the Nuclear Regulatory Authority.

Medical specialists such as doctors, nurses, pharmacists and paramedics must be registered with the GMC. This ensures that professionals are properly trained and qualified and meet the GMC standards. No one not on these registers is allowed to work in regulated healthcare occupations.

Ofsted

The Office for Standards in Education, Children's Services and Skills (Ofsted) regulates schools, colleges and other educational institutions. Its goal is to improve lives by raising standards in both education and social care for children and young people. It was created by the Education (Schools) Act 1992. Ofsted's role is to:

- Inspect government schools and colleges. It also inspects some independent schools, apprenticeship providers and other educational institutions. It also inspects adoption and fostering agencies, teacher training, and teacher development.
- Regulate early childhood education and children's social care services, to make sure children and young people are safe and for potentially vulnerable young people.
- Publish reports to help improve the overall standard of education and training.

Ofsted inspects and grades schools and colleges in the UK. If standards are found to be poor, steps are put in place and monitored to help rectify the situation.

Professional regulations

Official bodies also regulate some professions. This means that to practise the profession, you need certain qualifications or an amount of experience. Examples of **regulated professions** include medical practitioners and solicitors. It gives consumers confidence when they know someone in a profession that is regulated.

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Activity 7

Decide whether the following statements are true or false.

There is one regulatory body in the UK.	<input type="checkbox"/>
Regulatory bodies help to protect the public.	<input type="checkbox"/>
Compliance with regulations is voluntary.	<input type="checkbox"/>
Regulatory bodies issue rules that must be complied with.	<input type="checkbox"/>



Research task 3

On the link provided below you will find a comprehensive list of regulated professions and their respective regulators.

<https://www.gov.uk/guidance/regulated-occupations>

1. Draw up a list of each profession that you or your family uses in your life. Share this with the rest of the class.
2. For each profession on your list, explain why its associated regulatory body is important.

The importance of compliance

It is very important that organisations make sure that they are **compliant** with the relevant regulatory authorities.

Regulation is put in place to protect the public from harmful and illegal actions.

Organisations that are compliant with regulations benefit by:

- Meeting their legal obligations
- Increasing workplace health and safety
- Better brand perception amongst customers
- Increased profitability

Approaches used by organisations to ensure compliance

It is important that companies put into place systems to make sure they comply with regulations.

For example, they can:

- Make use of internal policies and procedures
- Conduct staff training
- Keep documents as evidence of compliance
- Appoint a responsible officer such as a health and safety rep

The responsibilities of employers

It is the responsibility of employers to make sure that they comply with regulations.

They must make sure that:

- They are registered with the appropriate regulatory body and all licences are up to date.
- The company is listed in the accredited register(s).
- The company meets the standards set by the regulatory body.
- They are aware of any changes to the rules.

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- Their workers meet the standards of the profession and have the necessary qualifications
- Job descriptions and person specifications reflect the requirements of the regulated industry
- Training programmes are available to help improve the knowledge and skills of workers in response to changes in the industry.

Organisations that do not comply face consequences such as fines and bans on operating. Some industries are regulated more strictly than others. For example, healthcare has many strict rules that must be followed, but counselling, psychotherapy and non-surgical cosmetic practices are part of the healthcare industry and are unregulated.

The powers of regulatory bodies

Rules and regulations set by government bodies must be complied with. Companies must follow these rules. If a person or an organisation acts in a manner prohibited by a regulatory body, the body can take action. Remedies at their disposal include:

- Investigating the organisation
- Closing down the organisation
- Issuing prohibition notices
- Suspending an individual from working in an industry
- Financial penalties, such as fines
- Restricting certain activities
- Public censure and loss of reputation

If an organisation or a person receives a prohibition notice, then they must stop the activity immediately. Prohibition notices are usually issued if there is a risk of serious personal injury or a breach of health and safety legislation.

Individuals who have breached ethical codes of conduct or other regulations within their industry may be suspended. The suspension may be lifted after the individual has remedied their mistake or a time period has passed.

It is important to remember that it is the organisation's responsibility to make sure they are compliant with laws and regulations within their industry. It gives customers confidence dealing with the organisation, knowing that they have to comply with the laws and regulations in the industry.

Case study 5

British Airways fails to comply with health and safety rules

The Health and Safety Executive (HSE) is a UK regulatory board that enforces laws relating to health and safety in the workplace. In 2021, the HSE fined BA £1.8m plus costs after one of its employees was crushed by a tow vehicle at Heathrow Airport. HSE inspectors found that employees were in the habit of walking outside the demarcated safety lanes. The HSE stated that BA was not making sure that health and safety rules were being complied with and that there was inadequate supervision and training of staff.

HSE inspector Megan Carr described the situation as an incident waiting to happen.

1. Why did the HSE fine BA for this incident?
2. Do you agree that organisations have a duty of care towards the health and safety of their employees? Explain your answer in a sentence.

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Inspections

Inspections are one way in which regulatory bodies make sure that organisations meet standards. For example, Ofsted inspectors visit children's schools. Inspectors can:

- Speak to the relevant people, e.g. managers, supervisors and employees.
- Examine workplace activities, conditions and practices.
- Check and assess relevant documents.
- Check whether risk controls are effective.
- Identify any breaches of the law.
- Decide on appropriate actions to be taken.

Usually, organisations are notified in advance that they are going to be inspected. When doing the following, organisations should:

- Understand which regulatory body oversees their organisation.
- Maintaining accurate and up-to-date records.
- Addressing compliance issues before the inspection.
- Training staff on regulations.
- Making sure all employees understand their roles and responsibilities.

Inspections are also useful for ensuring that health and safety risks are being controlled, and for maintaining customers confidence in dealing with organisations that have successfully complied with regulations.

Activity 8

Read about a prohibition ban and answer questions

Notice issued to West Coast Railway Company Limited

- **Issue date:** 14 June 2023
- **Compliance date:** 15 June 2023
- **Public register ID:** P/K7/4062023

Description

West Coast Railway Company Limited have failed to ensure the health and safety of their crew, thus putting them at risk of serious personal injury, as they have not implemented their risk assessment for rolling stock fitted with secondary door locking system.

1. What length of time was given between the inspection and the prohibition ban?
2. What effect will this prohibition have on the profitability of West Coast Railway Company Limited?
3. Why has this ban been put in place?
4. How could West Coast Railway Company get the ban removed?

Research task 4

Investigate the functions of the GMC

According to the GMC website, the main function of the GMC is to work with doctors, patients and the public to support good, safe practice across the UK.

Answer the following questions using the GMC website to help you: <https://www.gmc-uk.org/>

1. How can you make sure that your doctor has professional qualifications and is registered with the GMC?
2. How can the GMC support patients who have concerns about their doctor?
3. Explain in your own words why it is important that medical practitioners be regulated by the GMC.

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Assessment questions

Short-answer questions

1. 'Regulations are made to protect and help people, businesses, economic growth and the environment.' State whether the statement is true or false.
2. Name an example of a profession that is overseen by an official authority.
3. Explain how regulatory bodies get their authority.
4. State the name of the regulatory body that regulates doctors and other staff in the health sector.
5. State the name of the regulatory body that regulates the education sector.
6. Name any **two** benefits that a regulatory compliant organisation may enjoy.
7. Describe any **two** ways in which an organisation can make sure it complies with regulations.

Longer response question

8. *'Regulatory powers have many remedies available to deal with non-compliance.'*

Discuss the remedies available to a regulatory authority when dealing with non-compliance by an organisation.

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Answers

3.1: The importance of maintaining and improving quality in public and private sector organisations

Activity 1

	True
Good quality control can give a competitive advantage.	✓
Quality control increases costs.	✓
Quality control helps to maintain consistent standards.	✓
Quality control has no effect on customer confidence.	

Case study

- By acting swiftly and recalling all bottles of Tylenol.
- Answers will vary but it should be noted that because the tampering had happened (a lot of other companies) realised that something had to be done to keep products safe.
- Answers will vary; this website has information on product recalls:
<https://www.gov.uk/product-safety-alerts-reports-recalls>

Activity 2

Albie can take two actions: firstly, he can check the temperature of his freezer to make sure it's working properly. Secondly, he can look for a new supplier of cones.

Case study 2

- Toyota bases its quality control system on customer needs and also inspects every vehicle. This ensures satisfied customers.
- Having a reputation for safety reassures customers and also helps with marketing.

Case study 3

- True.
- Mr Patel needs to train employees in customer relations and set clear guidelines for staff.
- Answers will vary but should include a reasonable selection of brands of foods, both fresh and frozen.
- Quality management by employees will help with overall quality assurance. If the staff are not motivated, customers will find another supermarket to shop at and Mr Patel will lose business. This is true of any retail business.
- Answers will vary, but implementing quality circles would encourage staff to become more involved and to become self-motivated.
- Benchmarking involves close inspection of competitors. Mr Patel could study other supermarkets to see what goods are for sale in them that are not in his own supermarkets.

Activity 3

- Answers will vary, but on the whole Apple prices are considerably more than the price of other products.
- People are willing to pay more firstly because of the quality of Apple products and the reputation of the company. Secondly, because of the way the company markets its products. For example, Apple product with another, such as iPhone to iPad, and secondly because the way it is marketed suggests quality.

Research task 1

The Tesco website contains a lot of information on the product safety and quality.

- Tesco understands that customers expect quality products that are responsibly sourced through a careful selection of suppliers.
- Labelling and packaging are improved so that information on products is clear and easy to understand about contents and possible allergens.
- Tesco continuously strives to improve product quality.
- Employees are trained in hygiene and food safety, and store standards are in place to ensure quality.

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Preview of Answers Ends Here

This is a limited inspection copy. Sample of answers ends here to stop students looking up answers to their assessments. See contents page for details of the rest of the resource.

Glossary

Accreditation	official recognition
Audit	the examination of various documents and accounts
Authority	the power or right to give orders, make decisions and enforce them
Competitive advantage	the advantage a company has over its rivals
Compliant	obeying a particular rule or law
Continuous	continuing without interruption
Guidelines	information that suggests how something should be done
Objectives	aims or goals
Perception	the way in which something is regarded, understood or felt
Quality	the degree of excellence of products or services produced
Quality assurance	the management of quality that is carried out at every stage of the production process
Quality control	the process of checking the standard of quality at every stage of the production process
Quality improvement	a structured approach to improving quality through better performance and systems
Quality standards	sets of management practices, methods, systems and procedures that ensure consistency and quality
Regulated profession	a profession that is regulated by law in the UK
Regulatory	the controlling of an activity or a process, always by a public body
Regulatory bodies	public bodies that have been established by the government to regulate an industry
Revalidation	to make something legal or valid again
Specification	detailed description of how to do something or make something
Stakeholder	an individual with a personal interest in something

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