

Implementation of Total Quality Management Case Study: Ryanair

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Abstract—Total Quality Management (TQM) has an important role in any company, since the implementation of this program companies can continuously improve their performance. Thus, organizations will be able to considerably meet their internal and external clients' needs in terms of services and products quality, and they will also be able to develop an efficient and profitable business. The paper analyzes how this concept was implemented by the Ryanair, since it is among the first companies that have implemented such a program.

Keywords: quality, management system, services, products, efficiency.

1. INTRODUCTION

The methods to ensure the quality of products and services have evolved continuously in accordance with the rapid technological and socio-cultural changes, that have marked the evolution of society, especially in this century. (Băltescu, C.A., Boşcor, D., 2014, 65)

Also, in the European Union, the consumer protection policy should be regarded as a horizontal policy aimed to promoting consumer interests. In addition, this policy has significant effects on other EU policies such as: Common Agricultural Policy, environment, transport and energy policy which include rules regarding consumer rights. (Neacşu N.A. 2011, 52)

These requirements taken into account, integrated quality assurance concepts have been implemented since the 80s. The starting point of these strategies was the "new philosophy" defined by Feigenbaum: Total Quality Control.

Of these, particular interest is the concept of total quality management used in parallel, or in relation to the "total quality."

In the definition of total quality management (TQM) more guidelines can be highlighted.

a) The vast majority of authors agree that TQM is, above all, a new philosophy, a new model of enterprise culture, with the aim to orient towards customers all its

activities and processes and optimize them so that they could bring long-term benefits.

According to Drummond (Drummond, H 1992, 13), for example, TQM is a business philosophy based on customer satisfaction through quality orientation of the entire organization.

Koller (Koller, J., K 1995) defines TQM as representing a systematic way of managing an organization's results. TQM involves new management strategies, changes in culture and infrastructure, tools and techniques to determine all members of the organization to collaborate and enable continuous improvement of quality defined by the client.

A number of authors point out, defining TQM, besides its philosophical dimension, the technical and social aspects that are involved in this philosophy.

In Oess's opinion (Strauss, B. 1994, 202), for example, TQM must be approached as a two-component system, including a technical and a social subsystem of inter-relationships being established between them.

b) According to another orientation (Kélada, J. 1990, 36-37), TQM is a three-dimensional concept, a management philosophy based on a certain logic that involves the use of specific methods and techniques, resulting its third dimension, the technical one.

In essence, TQM is a philosophy of business management dealing with getting continuous improvement of customer satisfaction through quality management products and services, led in the entire company. TQM is a new approach to corporate management by applying total quality ideas across the organization.

The advantages of implementing TQM are:

Improving the company's reputation - faults and problems are identified quickly (the "zero defects");

Significant improvement in quality of products or services;

Customer satisfaction increase, which leads to additional sales;

A significant decrease of resources waste;

Increased productivity because the staff use the time more efficiently;

Increasing the market share on the long-term;

-The workforce is motivated by additional responsibilities, teamwork and involvement in decision-making on TQM;

Lower costs;

Focus on continuous improvement.

2. RYAN AIRWAYS OVERVIEW

Ryanair is an Irish low-cost airline founded in 1984, headquartered in Swords, Dublin, Ireland, with its primary operational bases at Dublin and London Stansted airports. It forms the largest part of the Ryanair Holdings family of airlines, and has Ryanair UK, Ryanair Sun and Lauda as sister airlines. In 2016, Ryanair was the largest European budget airline by scheduled passengers flown, and carried more international passengers than any other airline.

Ryanair operates more than 400 Boeing 737-800 aircraft, with a single 737-700 used primarily as a charter aircraft, but also as a backup and for pilot training. The airline has been characterized by its rapid expansion, a result of the deregulation of the aviation industry in Europe in 1997 and the success of its low-cost business model. Ryanair's route network serves 37 countries in Europe, North Africa (Morocco), and the Middle East (Israel and Jordan).

Since its establishment in 1984, Ryanair has grown from a small airline, flying the short journey from Waterford to London Gatwick, into Europe's largest carrier. Ryanair now has over 13,000 people working for the company.

Ancillary revenue and in-flight service

Twenty percent of Ryanair's revenue is generated from ancillary revenue; that is, income from sources other than ticket fares. In 2009, ancillary revenue was at €598 million, compared to a total revenue of €2,942 million.

Ryanair has been described by the consumer magazine *Holiday Which?* as being the worst offender for charging for optional extras. As part of the low-cost business model, the airline charges fees, which can be related to alternative services such as using airport check-in facilities instead of the online service fee and paying by credit card. It also charges for extra services like checked-in luggage and it offers food and drinks for purchase as part of a buy on board program.

In 2009, Ryanair abolished airport check-in and replaced it with a fast bag drop for those passengers checking in bags. The option of checking in at the airport for €10 has been discontinued, and all passengers are required to check in

online and print their own boarding pass. Passengers arriving at the airport without a pre-printed online check-in will have to pay €45/£45 for their boarding pass to be re-issued, whilst customers unable to check in luggage online are asked to pay a fee which varies depending on where they are traveling to at the airport (as of June 2012). Ryanair faced criticism over the ambiguous nature of these changes.

Customer service

Ryanair has been criticized for many aspects of its customer service. The Economist wrote that Ryanair's "cavalier treatment of passengers" had given Ryanair "a deserved reputation for nastiness" and that the airline "has become a byword for appalling customer service ... and jeering rudeness towards anyone or anything that gets in its way". In January 2019, a survey conducted by Which? found that the airline was the UK's least-liked short-haul airline, for the sixth year running. Ryanair responded by saying that passenger numbers had risen 80% in the previous six years and this was a more accurate reflection of the airline's popularity than an "unrepresentative survey of just 8,000 people.

3. 3. IMPLEMENTATION OF TOTAL QUALITY MANAGEMENT AT RYANAIR

In order to practice TQM, the main focus was on the Ryanair transformation from an engineering based company in one dictated by the market. There are four key factors that contributed to the success of the company, namely:

1. Continuous reduction of costs;
2. Focus on providing excellent customer service at a premium price;
3. Cover growing market through alliances and partnerships;
4. Maximize return on individual flights by investing in computerized reservations.

In 1984, the company management believed that to be the best and to be a world-class organization, they have to use the strategies and processes that should create vision and inspire the employees to gain their trust. This could only be possible by implementing TQM program. It was implemented in Ryanair' Technical Workshops. The Technical Workshops (hangars) of Ryanair are responsible for the overhaul and the repair of aircraft components.

In order to be the best in this industry, the management team of Ryanair Technical Workshops decided that they must win through teamwork, customer satisfaction, profitability and reputation.

Along the "path" to implement TQM, there were identified the following key

steps:

1. Conducting a study to diagnose the current position within the technical workshop and reporting results;
2. Obtaining support and a full commitment to TQM concept from all levels of management;
3. Educating staff according to the principles of TQM and facilitate necessary changes in management style;
4. Changes in policies, procedures and work practices that would fit and would facilitate new organizational culture required;
5. Starting the quality improvement process;
6. Reviewing progress made and fostering a sustained commitment from all levels of the organization.

In order to examine the controversial issues and problems facing the staff, a survey was distributed among employees from technical workshops, among customers and in supplying areas. To do this, an analysis of the cost of quality was made.

The approach taken by the company in collecting quality costs was the breakdown of employees activities related to quality in three main activities, namely:

1. Anticipation - activities that provide performance "right first time";
2. Assessment -activities that check if the concept of "right first time" is done;
3. Failure - activities resulting from the failure of the concept "right first time".

Each manager or team leader was asked to make an assessment of how their

Subordinate staff spent time during activities related to quality. Knowing how to bear the cost of quality has had a significant contribution in educating staff on the concept and principles of TQM. It also helped of strengthening and justification of need for training personnel in accordance with TQM, to overcome any skepticism about TQM, to promote considerable debate on this issue and to ensure that the improvement of individual projects activity can be measured. (Rawlins A. R. 2008)

Data collected from the survey was introduced in a diagnostic report and seven improvement activities have been identified:

1. The way the employees view the company's management;
2. Managerial style;
3. Implementation of changes;
4. Communication;
5. Systems and procedures;
6. Facilities and conditions;
7. Attitude of employees.

They held some courses for managers for three days. These courses have conceptually explained TQM philosophy and revealed findings of the report. Managers were encouraged to submit ideas and action plans for staff involvement in improvement process. This required some changes in managing style.

Similar courses were held for all employees. Delegates of each course were taken from different areas of workshops to facilitate the exchange of ideas between departments. Quality improving groups, each involving up to 12 people, actively conducted projects for improvement.

It is important to note that after implementation of TQM, Ryanair continued to apply total quality management on employees, the processes and customers, and the result was successful, as shown in Table 1: profit turnover increased by 23%, increased the number of passengers who used the company's services, passenger load factor increased from 79.1% to 81.3% and aircraft fleet has grown to 68 aircrafts. Although profit has declined and losses were recorded in the period 2010 - early 2017, after this date there is an important increase of this indicator.

Table 1: The key trends for the Ryanair (wikipedia 2017)

	2010	2011	2012	2013	2014	2015	2016	2017
Total operating revenue (€m)	2,988.1	3,629.5	4,390.2	4,884.0	5,036.7	5,654.0	6,535.8	6,647.8
Operating income (€m)	402.1	488.2	683.2	718.2	658.6	1,042.9	1,460.1	1,534.0
Profit before taxation (€m)	341.0	420.9	633.0	650.9	591.4	982.4	1,721.9	1,470.3
Profit after taxation (€m)	305.3	374.6	560.4	569.3	522.8	866.7	1,559.1	1,315.9
Number of employees (average)	7,032	8,063	8,438	9,059	9,501	9,586	10,926	12,438
Revenue passengers booked (m)	66.5	72.1	75.8	79.3	81.7	90.6	106.4	120.0

Booked passenger load factor (%)	82	83	82	82	83	88	93	94
Year end aircraft fleet	232	272	294	305	297	308	341	383

4. CONCLUSIONS

Ryanair, founded in 1984, which is the subject of the case study, is the low cost airline of the Ireland.

The carrier manages a fleet of over 453 aircrafts, consisting primarily of fleet of Boeing aircrafts.

Total Quality Management was implemented by Ryanair in 1997 from the technical workshops in the desire to improve and contribute to the success of the organization.

TQM program was characterized by customer focus, full participation, process improvement and process management and planning. TQM implementation process was a very long-term procedure.

Thus, in only two years of program implementation, benefits began to appear (e.g. positive changes took place in the top-level measures).

The company also had to experience many changes made on TQM program requirements and extensive market research that identified customer expectations for the standards to be served by an international airline known as Ryanair.

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