

THE NECESSITY OF RISK MANAGEMENT CORRELATION TO THE TOTAL QUALITY MANAGEMENT IMPLEMENTATION

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Effective implementation of Total Quality Management at several levels of management may help reducing the percentage of risks. This research aims to study and analyse an integration relationship between Total Quality Management and minimising risks. This study helps to determine main Total Quality Management elements based on previous experience in literatures and their availability of risk reduction as well as to build an interactive model linking Total Quality Management elements with risk management.

Total Quality Management is a management system to framework changes aiming to enhance business processes in continually means with a vision to improve the quality, employee satisfaction, higher sales and lower costs [3,6].

To ensure the highest quality, minimize negative impacts, monitor and reduce risks that may disrupt the implementation of the quality system, the process of measuring and evaluating the expected hazards is very critical [1,2]. A risk is defined as the effect on a project that could be increased costs, failure, or delayed completion in the form of low quality applications [7].

Each quality management systems must be based on valuable principles, such as: management commitment, customer focus, supplier focus, information system and communication, training and education, quality policies and strategies, continuous improvements, employees' involvement, and quality culture. Until developing quality management systems, it is necessary to recognize serious risks related to these concepts [4].

Risk management plays a very significant role in assessing both the progress and failure of scheduled programs, which are the primary responsibility of those who oversee them. The implementation of process protection, organizational integrity, and operational excellence programs must go far beyond conventional risk analysis and risk management programs in order for an organization to be sustainably successful. Process-based approach where risk assessment, and evaluation, provide an integrated system of process management based on the quality management principles [6].

The correlation between quality and risk is focused on the total integration of risk management systems and quality management. Risk management in the area of quality must be part of the organization's strategy. In ISO 9000, the word "risk" was added, so that the introduction of a Quality Management System is a strategic organizational decision. In the early stages of the processes inside the quality control system, risk analysis should be carried out [5].

To summarize, risks are involved in all operations of every organization. This fact is also true for the growth and development of modern frameworks for quality control. The paper demonstrates that the overall quality standards contain various elements that can substantially lead to an effective and timely reduction of risks when integrated into the risk management system.

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