QUALITY MANAGEMENT PRACTICES IN INDIAN IT INDUSTRY

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ABSTRACT

There has been no study of Quality related practices of the Indian IT industry. This paper, which is based on a study of quality practices of IT industry in Delhi/NCR, is the first such scientific research.

These research paper baselines the existing quality related practices and is a comment on the maturity of the IT industry as a whole.

***Index Terms** – Quality, ISO 9001, Indian IT Industry, Process.*

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INTRODUCTION

In today's highly competitive and global environment, implementing effective Quality Management Practices has become critical for the continuation and success of any enterprise. There is a fight to make better quality products, faster and cheaper. Which means the quality of processes, technology and people needs to continuously improve. The Organizations are applying all possible types of techniques; method etc. to improve overall organizational performance. Effective Quality Management Practices are seen as a surety of Business success.

But the degree to which these practices are deployed and their success rates are unknown. Though the term 'Quality Management' has become integral part of any organization, but till now, no comprehensive study is available, especially for Indian IT industry to help and guide the organizations that want to embark on this journey. The knowledge of the key practices of quality Management, what works, what does not work, what could be the right set of practices, roadmap for various kinds of organizations is missing.

This paper is based on an actual research conducted by the author of the Quality management practices in the Indian IT industry, with reference to the companies in Delhi / NCR.

The study consisted of a questionnaire administered to 50 IT organizations in Delhi/NCR region followed by personal interviews. These companies ranged from software development organizations, to hardware vendors, to IT services companies and those providing a mix of these solutions. In terms of size these ranged from SMEs to large multinationals. The companies had their business operations in both India as well as in foreign countries.

The main objectives of the study were to identify and baseline the quality management practices in the Indian IT Industry, and identify the key quality management in terms of how effectively and efficiently they are co-related with the business objectives.

SIGNIFICANCE OF THE STUDY

Quality Management is seen as a key support for business performance. Thus it is very important to baseline the current practices and study their effectiveness so that good practices can be base-lined and replicated across the industry.
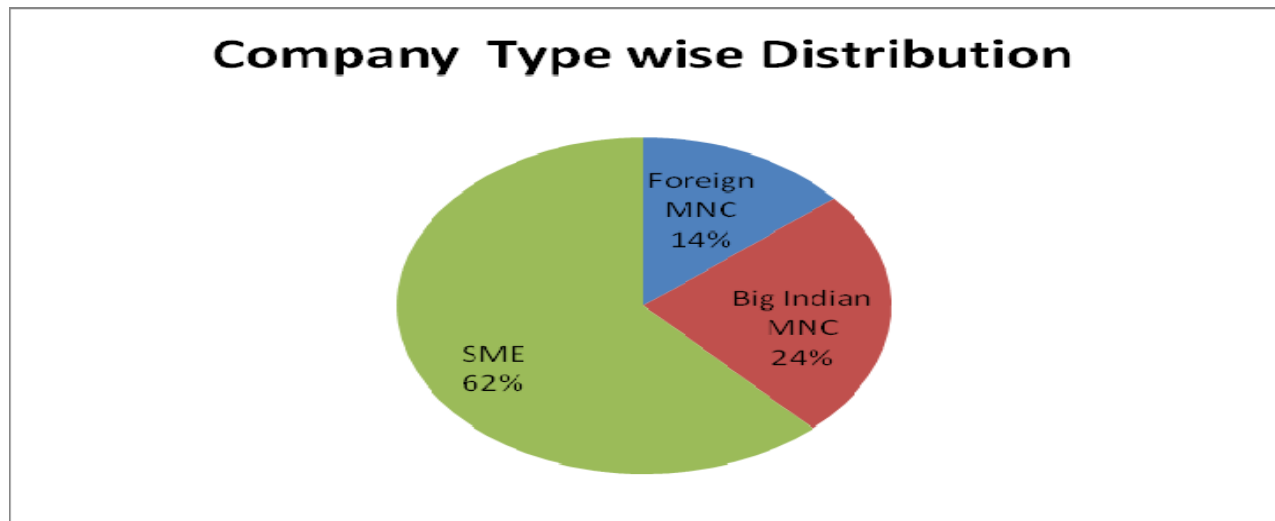
SCOPE OF THE STUDY

The present study covered the quality management practices of the Indian IT industry, with special reference to the companies in Delhi/NCR. The companies demographics is as follows
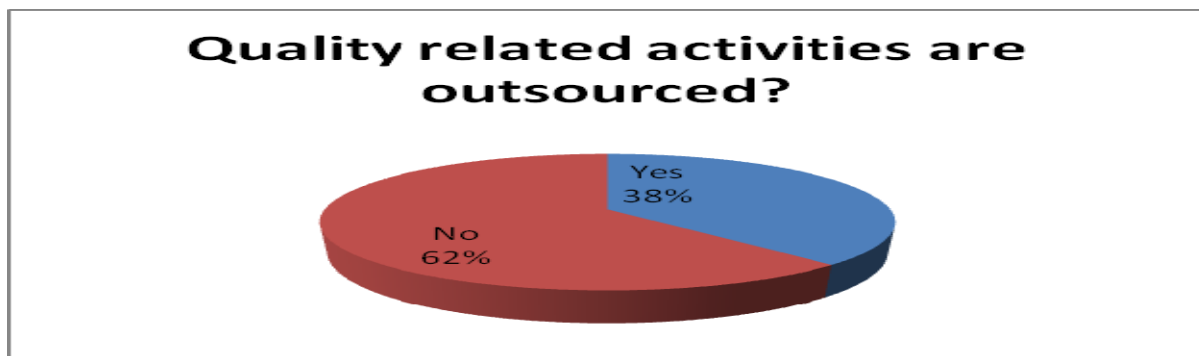
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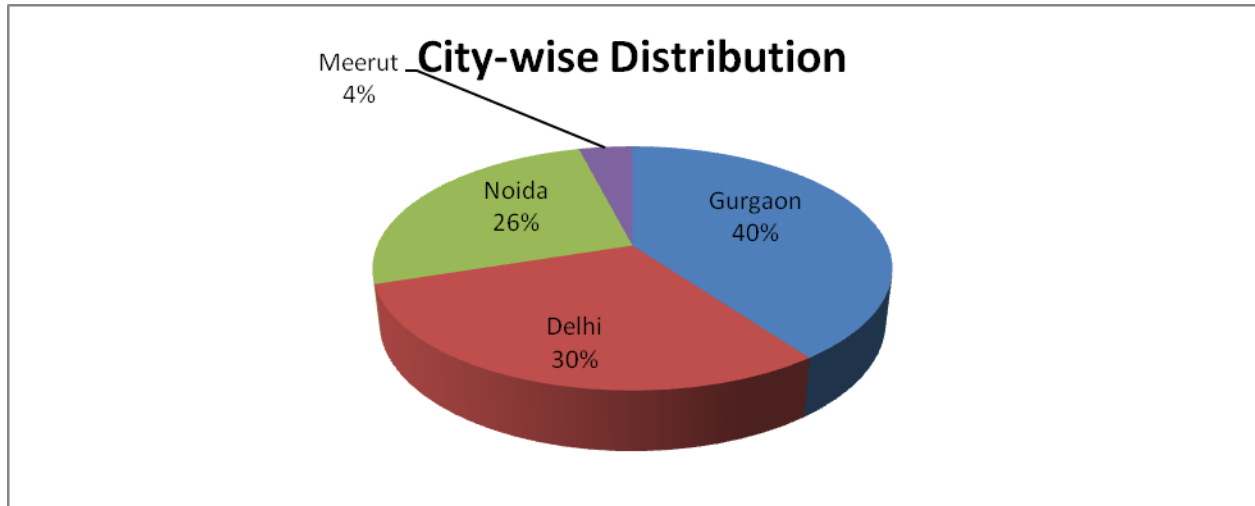
In terms of the type of company, the breakup is as follows :


Key Findings

Outsourcing

A major change which has been observed is that more than one third of the companies surveyed have outsourced atleast some aspect of their Quality related activity to external vendors. Which means that organizations are moving towards their areas of core strength, and are not afraid of using external specialist help.

Out of those who have used outsourcing model, the breakup is as follows :
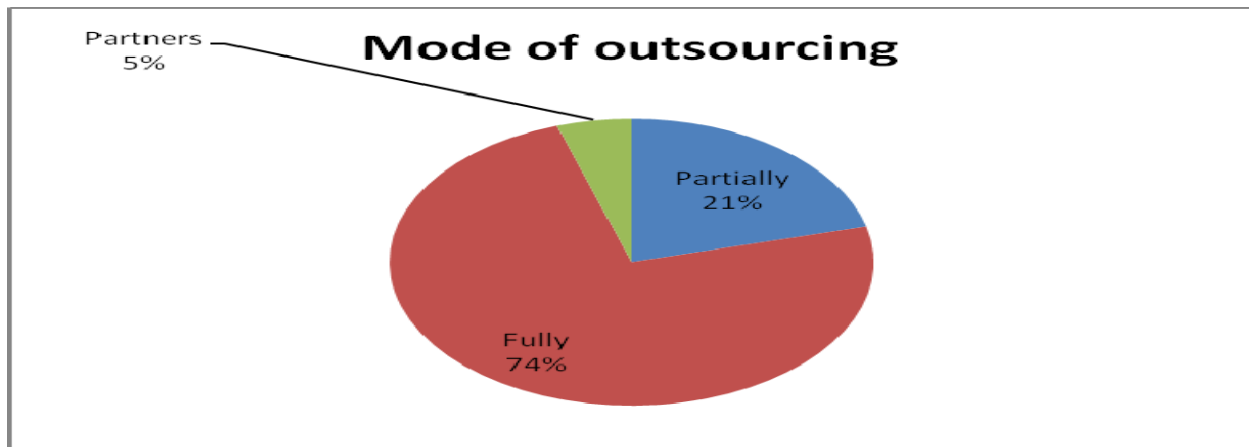
The areas where Quality outsourcing is happening is shown in the following chart. The main areas of outsourcing are Design services (22%) and Testing (19%).
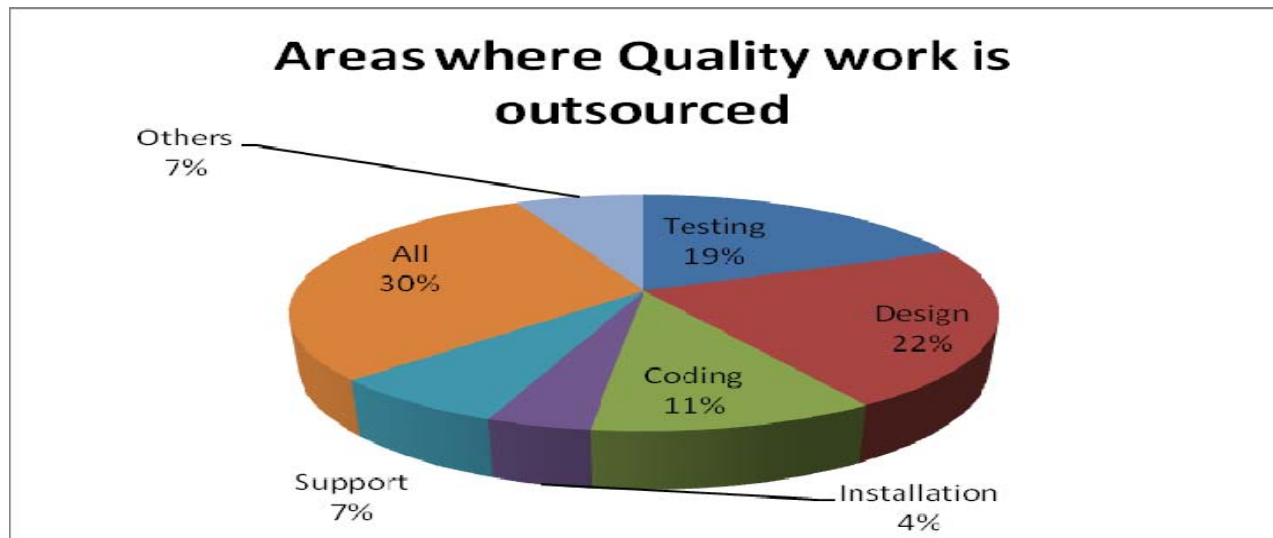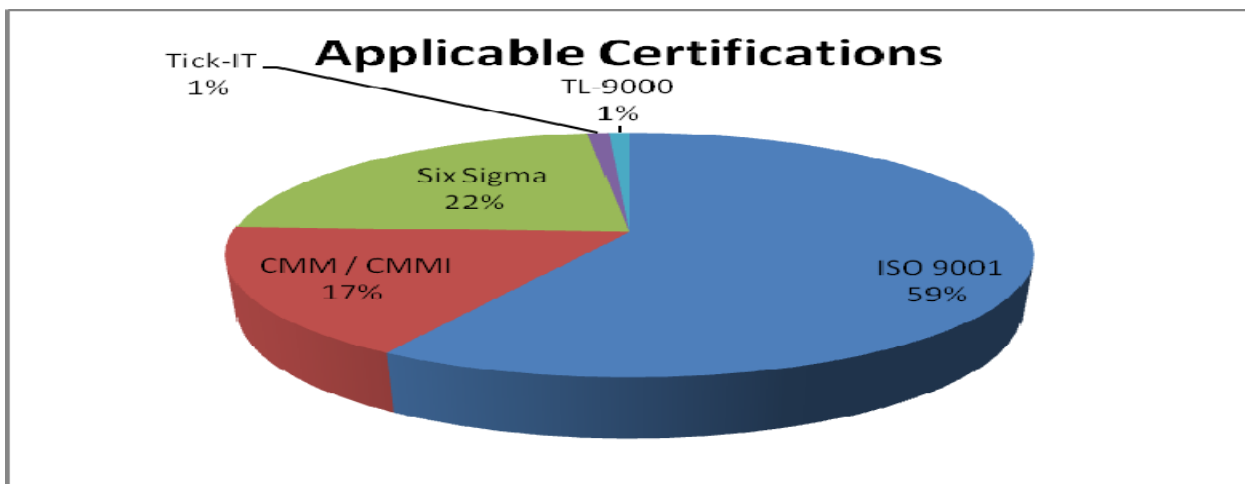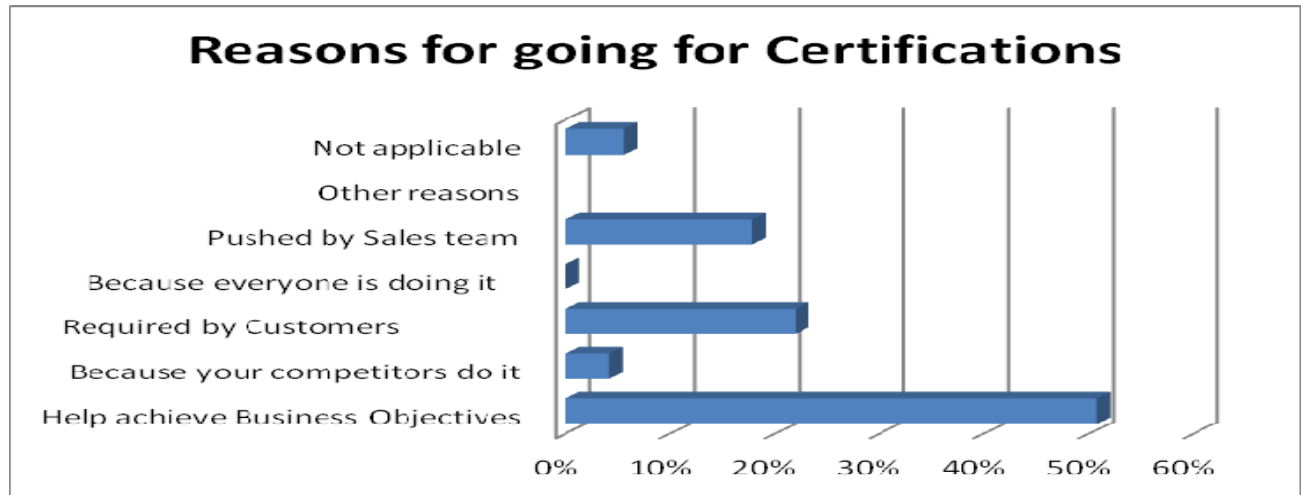

Quality Certifications

As high as 88% of all the surveyed organizations possessed some sort of Quality certification. This is good news as it shows that a basic process improvement framework exists in most organizations, which is a basis for improvement.
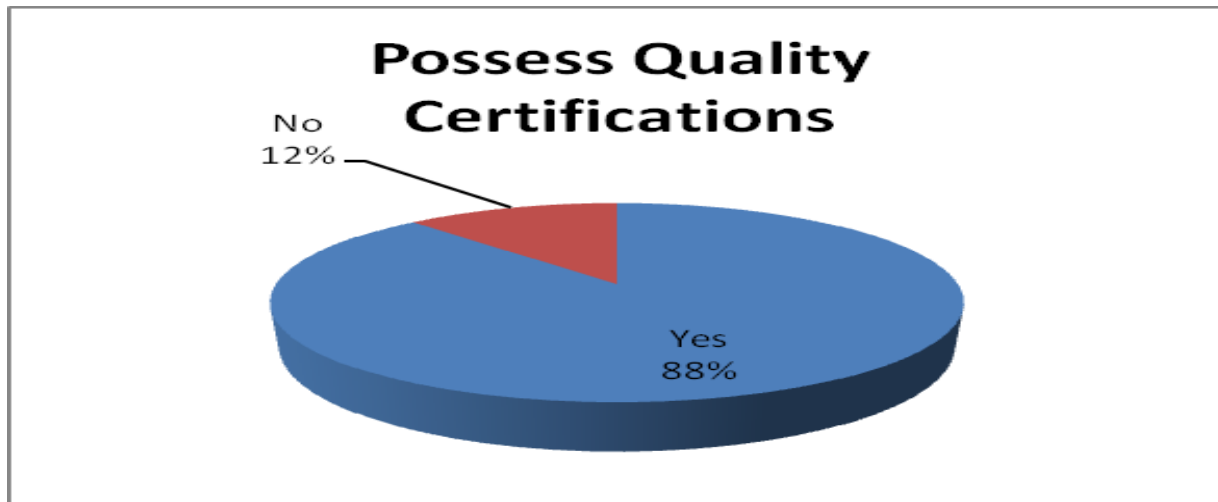
Of all the certifications, ISO 9001 is the most preferred certification of IT industry (59%). Surprisingly, Six Sigma comes second with 22%, and software industry specific CMM/CMMI comes third with 17%.


From amongst those who go for Quality certifications, more than half (51%) believe that it helps them achieve business objectives, followed by Customer demand (20%) and Sales push (18%).

This implies that organizations are not just 'buying' certificates, but actually believe in the business value derived from them.

Reasons for implementing Quality / Process Improvement

Apart from business and customer reasons behind going for quality certifications, the reason why organizations go for quality and processes as such is because the organizations believe that these lead to better quality of goods and services (54%), and better overall customer satisfaction (28%).
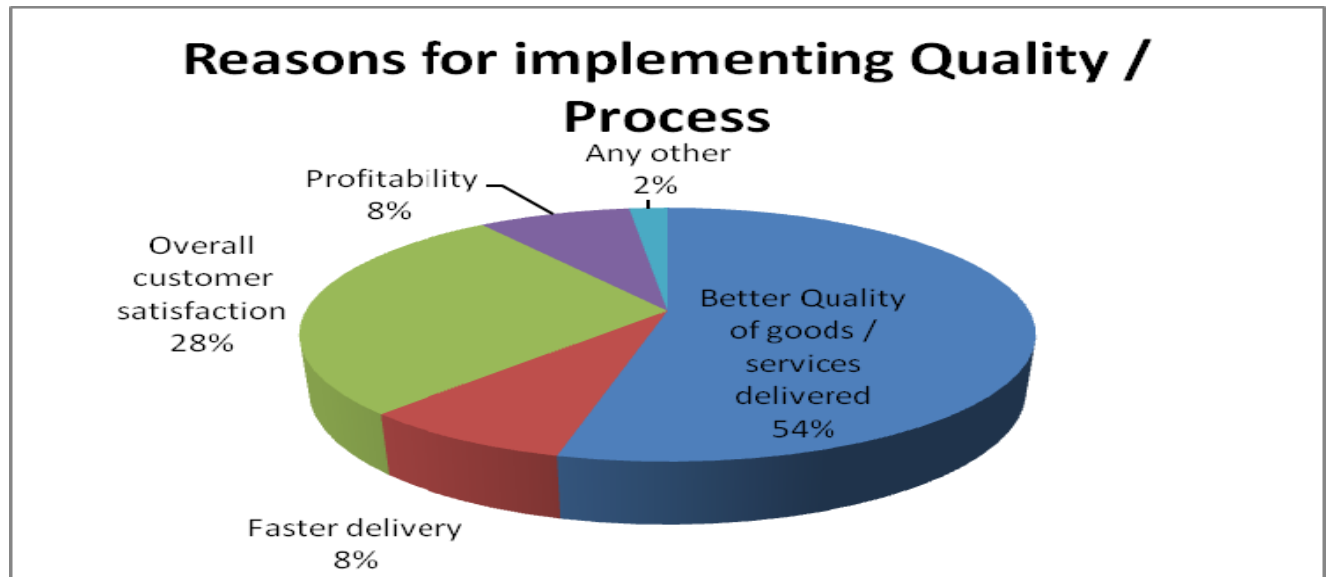
Connecting the two previous findings, when people say that certificates help them achieve business results, they basically mean that effective processes lead to better quality of goods and services, which in turn makes better business sense, as these lead to higher customer satisfaction.
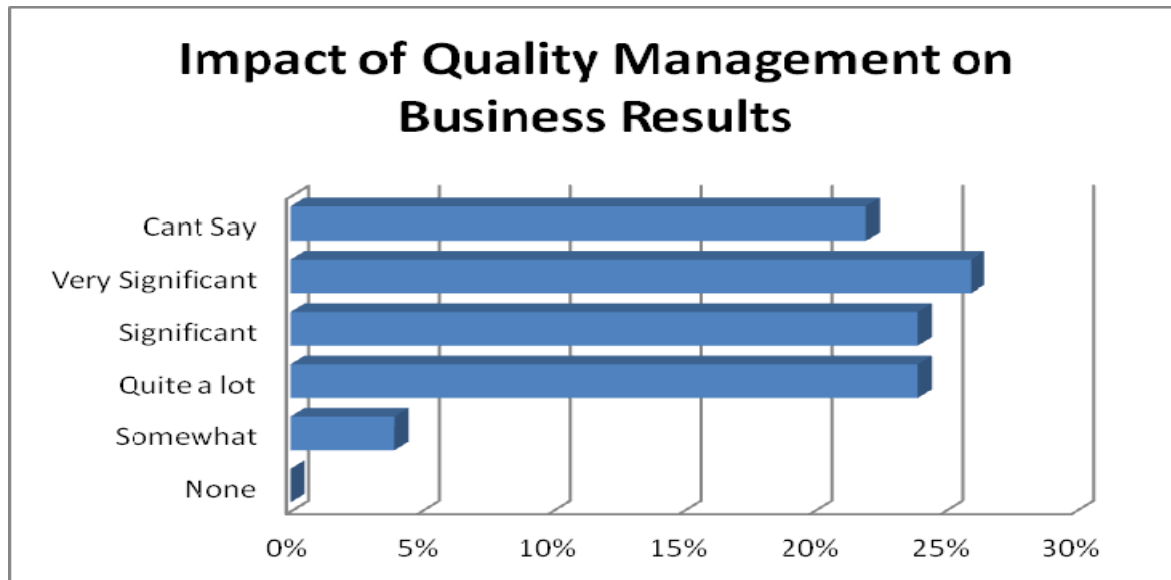
The overall impact of Quality Management activities on Business Results has been found to be significant (70%). Which means that the relation between Quality processes and Quality Goods & Services and Business results has been clearly understood and established. This is a very encouraging fact, as Quality is traditionally spoken of as a cost centre. With a clear linkage and appreciation of it's impact on business results, the Quality people can rightly derive big strength and demand centre stage. They can push for implementing processes.

CONCLUSION

Any software organization which wants to be successful, cannot ignore Quality – not only in the 'bread and butter' area of software development, but throughout the organization. This has been clearly established through this research. Quality Management is now a part and parcel of any organization. Just like HR, Admin, IT, Sales, Development, Quality has also established itself as a core function. It's linkage with business results and customer satisfaction are very obvious.

Following are the key conclusions from this research :

- With 38% of the Quality related activities getting outsourced, this is now a viable option to reduce cost and get professional help in this area.

- When outsourcing, 74% of the customers gave complete control to the outsourcing vendor.

- Designing is the most availed outsourcing activity, followed by Testing.

- As high as 88% of all the surveyed organizations possessed some sort of Quality certification.

- Of all the certifications, ISO 9001 is the most preferred certification (59%), with Six Sigma coming second with 22%.

- From amongst those who go for Quality certifications, more than half (51%) believe that it helps them achieve business objectives

- The main reason why organizations go for quality management is because the organizations believe that these lead to better quality of goods and services (54%), and better overall customer satisfaction (28%).

- The overall significant impact of Quality Management activities on Business Results has been found to be almost 70%. Which means that the relation between Quality processes and Quality Goods & Services and Business results has been clearly understood and established.

REFERENCES

- Research on 'A study of Quality Management Practices in the Indian IT Industry with specific reference to the companies in Delhi NCR'