DEVELOPING A QUALITY MANUAL, CASE COMPANY OY VIIMA INN LTD.

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Otsikko Laatukäsikirjan tekoprosessi Case: Oy Viima Inn Ltd

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TIIVISTELMÄ

Tämän opinnäytetyön tarkoituksena oli kuvailla laatukäsikirjan tekoprosessia yhtiölle Oy Viima Inn Ltd.

Nykypäivän nopeasti muuttuvassa ja kehittyvässä maailmassa yhtiön on tärkeätä varmistaa prosessiensa laatu ja sen myötä myös tuottavuutensa. Huolella laadittu laatukäsikirja auttaa ja tukee prosesseja, niiden toteutusta ja valvontaa. Erityisesti projektiluonteisessa työssä, kuten Oy Viima Inn Ltd -yhtiön toiminnassa, tämä asia korostuu. Projektit alkavat ja etenevät nopeasti, joten laadunvarmistukseen tulee käyttää riittävästi resursseja.

Teoriaosuudessa käydään läpi laadun ja prosessien määritelmiä sekä avataan ISO-9001 -laatustandardia. Myös muutosjohtamiselle on oma teoriakappaleensa, koska laatukäsikirjan käyttöönotto saattaa aiheuttaa muutosvastarintaa työntekijöiden keskuudessa. Tämän teorian myötä suosituksissa on ohjeita johdolle laatukäsikirjan käyttöönottoa varten.

Laatukäsikirja itsessään ei kuulu tähän kirjoitukseen, koska se on yhtiön sisäinen asiakirja. Sen sijaan tämän kirjoituksen tarkoitus on kuvailla laatukäsikirjan tekoprosessia ja siinä huomioitavia asioita.

Avainsanat Laatukäsikirjat, laatujärjestelmät, prosessit

Sivut 27 sivua.

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ABSTRACT

The objective of this work was to describe the process of writing a quality manual for Oy Viima Inn Ltd.

In a modern world's fast changing and developing business world a company must ensure the quality of their processes and their productivity. A quality manual helps and supports the processes, their implementation and monitoring. Especially when the business is highly project natured, as in Oy Viima Inn Ltd, this fact must be highlighted. Projects start and advance in a fast pace, so enough resources must be allocated to ensuring the quality of the work.

In theory section of this thesis there are chapters for describing quality and processes and opening the ISO-9001 -standard. There is also a chapter about change management, since the implementation of quality manual can cause change resistance among employees. From this theory as a base, the author has made some recommendations to the manager for introducing the quality manual to the employees.

The quality manual itself is excluded from this work, since it is for the company's internal use only. Instead, this work aims to describe the process of writing a quality manual and the issues that should be considered when writing this type of document.

Keywords Quality manual, quality systems, processes

Pages 27 pages.

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1 INTRODUCTION

1.1 Background

Oy Viima Inn Ltd. wanted to make their processes clearer and increase the quality of their processes. The company's operations have increased dramatically over the last year, which have naturally limited their time available to pay attention to details. However, those details are essential for the quality of the processes and at the same time, the profitability of the company. They have tried to start building a quality system, but so far, the limitations of time have prohibited their intentions to be implemented.

1.2 Goals

The primary goal for this work is to establish a very practical and easy-to-use quality manual where all the tasks are stated: who, when, where, how. Also, some standard forms should be created, for example for offers, order confirmations, meeting memos, information forms for working sites, collecting lists for the utensils needed in the sites, etc. This way everyone would operate the same way, and any unnecessary confusions or misinterpretations could be avoided. At this point, there are not any plans to certify the quality system by outside inspectors. First the quality system should be in use for some time so that it would be considered functional in everyday use.

In this work the company and the writer decided to concentrate on the process which causes most of the defects and delays, delivery process. When this most immediate need of making that process more linear is fulfilled, the company can concentrate on the other processes' description and quality improvements.

With the employees, we decided to start building the quality manual loosely around the ISO 9001 –standard. However, it was decided that the quality manual will not be so formal as the standard states to make it more user friendly and adaptable.

1.3 Procedures

The quality manual will be created in co-operation with the staff. The company's values, quality policies and responsibilities are thoroughly thought out in the meetings together. Everyone should write down their main tasks and responsibilities and the communication hierarchy. Also, the main problems should be recognized and possible solutions to the

problems should be thought. The quality manual will then be built around these frames.

1.4 Introduction of the Case Company

Oy Viima Inn Ltd. is a company that specializes in the design and supply of cold and clean rooms for catering, retail and the food industry but their customer base also includes pharmaceutical and building companies. Their product offerings include cold room elements and measure-free doors of different types. The company also supplies self and rack systems and cold and freezer cabinets.

The company's mission is: "We supply elements to cold and clean rooms fast, sure and for long-term use." (Oy Viima Inn Ltd)

The company has 10 employees, but they use very often subcontractors in the construction site. This allows the company to be very flexible and they can also perform well in bigger projects.

Oy Viima Inn Ltd is part of the Swedish company Wica Cold AB, which in turn is a part of the globally operating Arneg group.

2 METHODS

The methods of this study include staff meetings where everyone can participate when describing the processes and the weak spots in them. Also, there were interviews made with the staff to point out specific problem areas which they have run into. These combined with the theory of processes, quality and the ISO 9001 –standard support this study.

2.1 Research question

The research question is "How can Oy Viima Inn Ltd build their quality manual?" It describes the steps that must be taken when building a quality manual, and what to consider when starting to build a quality manual for a company's processes.

3 PROCESS

This chapter defines what process is, some vocabulary related to processes and what kind of different kind of processes exists.

One definition of process is that it is a chain of interactive events. Its function is change, and time is its only necessary event environment. In industrial management and engineering process is meant to be the activity to produce a tangible product or a service. Societal processes such as decision making, legal processes or education are goal-directed processes. Also, events which do not have goal orientation or conscious direction, happen as processes. In nature, processes are self-regulated or reacting or adapting to changes in the relationships between systems. (Tuurala, 2010.)

Also, one definition of process is: "A process is a shared and controlled way of doing things, involving a chain of commitments distributed logically in the organization that operates a value-added transformation on inputs to meet customers' needs." (Harvey, J., 2010)

Björn Andersen defines a process a little bit shorter: "*A logical series of related transactions that converts input to results or output.*" (Andersen, B., 2007, p. 32.)

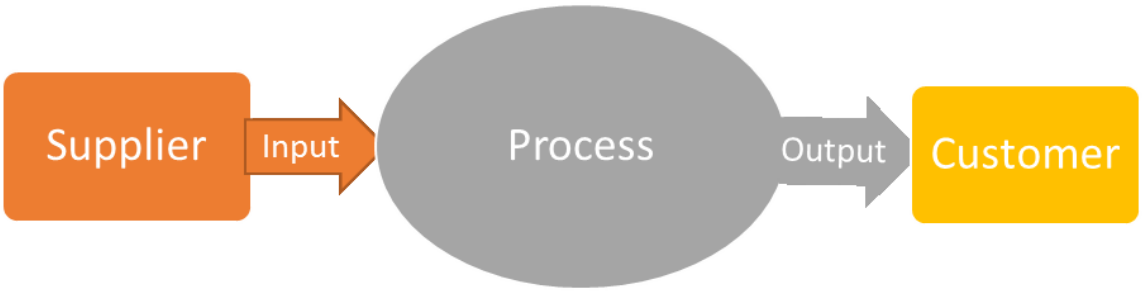

Figure 1. Illustration of a process.

The production process starts with impulse. It is fed with inputs energy, raw materials and other recourses needed by the process. It happens as activities and it has an output. In addition to outputs the process might produce by-products, for example waste and discharge. The organization has the resources needed in the implementation and up keeping of the process. Process control mechanisms produce information about the process which, when returned to the system, act as a feedback and creates the eternal circle of improvement of the process.

A business process involves all the order-delivery chain processes from orders and suppliers to the customers. With these processes the

organization aims to reach its business goals and the results of the business. (Tuurala, 2010.)

The main process can be defined to be as the widest internal or interaction processes of the system. For example, a company's main process has an internal or external customer. Or, human's bodily functions' main processes are breathing, blood circulation, brain function and metabolism. (Tuurala, 2010.)

The key process can be used similarly as the main process. Key products are produced to key customers with key processes. They are the most important functions related to the critical success factors of the business. (Tuurala, 2010.)

The core processes serve the external customers of the company and they are the processes which create value to the customer. In industrial engineering and management, the core processes are functions which are imminently related to the production. For example, the core process of a power plant is heat production. Or at a medical clinic the core process is examining and treatment of a patient. (Tuurala, 2010.)

The supportive processes are internal processes which support the organization's core processes. These are for example, financial management, human resources management or logistics. These supportive processes can be outsourced, and nowadays this is very common. (Tuurala, 2010.)

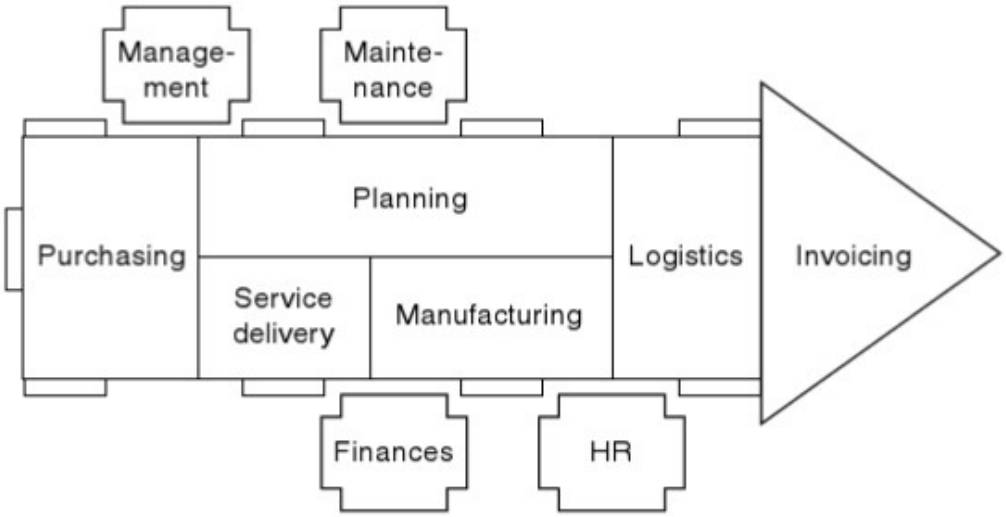

Figure 2. An example of the relationship between main processes and support processes (Andersen, B., 2007, p. 35.)

Partial process is a part of a process which consists of work tasks. For example, the parts of a nursing process can be receiving the patient, examining the patient, planning the treatment, making decisions about the treatment, treating and nursing and ending the treatment. (Tuurala, 2010.)

Work task is the smallest, indivisible part of a process. These can be for example, writing a prescription, dosing a medicine or writing a result of a laboratory test to the patient's documents. (Tuurala, 2010.)

Process basket includes similar processes which can be linked to each other. These are entities which can be managed at a whole more easily than what it would be individually. (Tuurala, 2010.)

A project is a onetime process, which has a predetermined start and ending. Continuous enhancing of the quality is an ongoing process which can include several development projects. (Tuurala, 2010.)

Impulse normally comes outside the system and initiates the process. For example, a request for offer or contact of a patient can serve as an impulse.
The result is a result of a process, changed state of affairs. For example, in health care the desired result is that a patient is cured. (Tuurala, 2010.)

The output is a product, or a side product created because of a process. The product can be desired or anticipated result. Side product is either anticipated or unanticipated, useful, useless or harmful effect. Waste is the harmful side product of a process. (Tuurala, 2010.)

Process management is organization's way to function, which to manage and which functions through processes. Shifting to process organization means deconstruction of departmental boundaries and organizing the functions according to processes. All the operations and finances are allocated to processes, to different phases of processes and impulses and resources needed by the processes. To enable this one must recognize, understand and visualize the processes. Indicators of functional quality are fluency, efficiency and lead times. The main result is customer satisfaction. (Tuurala, 2010.)

Part of a process thinking is the concept of system. System is a part which is separated from its environment either a real or imaginative border. Systems are classified according to how matter and energy are flowing through their border line to environment. A closed system doesn't change material with its environment. An open system enables energy and material to flow freely over the border around the system. (Tuurala, 2010.)

The continuous enhancing of processes is based on continuous evaluation. To succeed in evaluation there are quality goals set to the processes and their operations and the actualization of those goals are followed by process measurements. Critical phases of processes must be set, and the acceptable values of measurements must be established. (Tuurala, 2010.)

Learning organizations criteria is that it continuously seeks actions for improvement. But, everything cannot be improved indefinitely. If there are not any problems in some areas, they should be left as they are. Even with real problems an organization should be able to make choices. (Tuurala, 2010.)

There are different kind of tools to understand processes. One of them are flow charts. Flow charts make the steps of actions inside the process very visible and clear. When making flow charts, one should always keep simplicity in mind and try to include only the necessary information in the charts to make it useful and easy to understand. There should be some set of rules how much details are included in the charts, and what are excluded. The other tool is run chart. Run charts can be used when processes are quite similar and repeatable and with quite stable performance. Run charts make defect trends visible.
Companies can have vertical departments, for example purchasing department, manufacturing department and finance department. Or they can run their operations solely on processes, for example inbound logistics, order handling and product development. Some companies have a combination of vertical departments and horizontal processes. (Andersen, B., 2007, p. 28)

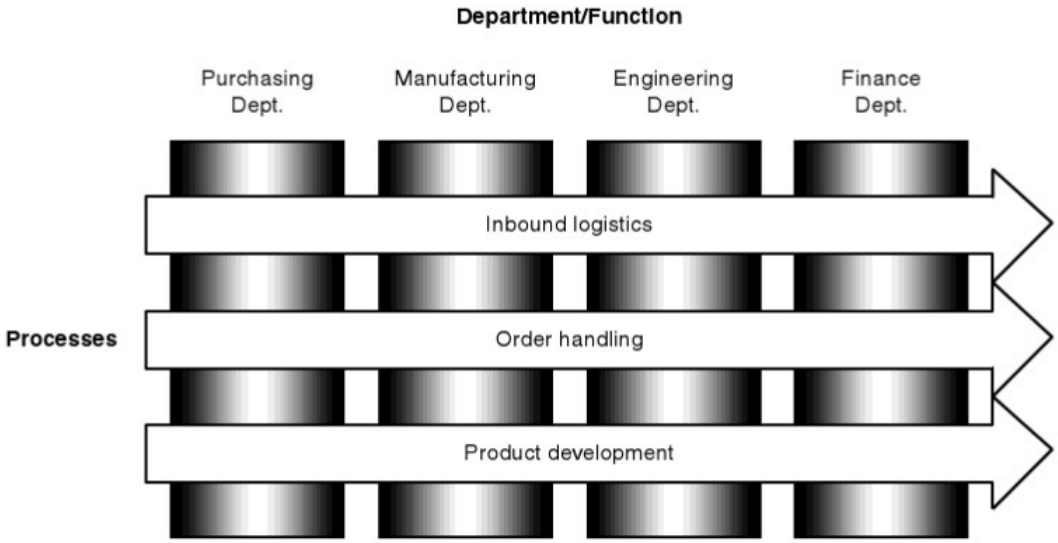

Figure 3. Combination of vertical departments and horizontal processes. (Andersen, B., 2007, p. 28.)

4 QUALITY

Term quality can have multiple definitions. Latin word “quails” means “such as thing really is”. Word quality can be used in qualitative or quantitative ways. When using quality as qualitative way, one might use adjectives like poor, good or excellent attached to it. This way quality is a very subjective term. For example, an advertisement can tell that something is a “quality product” but it never states by what meters the quality has been monitored or measured. (Dale, 2013.)

As a quantitative term quality can be measured and determined in several different ways. One of the ways is AQL – acceptable quality level. This can be defined as “When a continuing series of lots is considered, a quality level which for the purposes of sampling inspection is the limit of a satisfactory process.” (Dale, etc. 2013, p. 6) AQL-system can be lead to the culture which imposes that errors are acceptable and cannot be avoided. (Dale, 2013.)

One quantitative quality measurement system is using sigmas. Sigma means a statistical indication of variation. It counts the number of defects per million opportunities. For example, 3 sigma means 66,807 defects per million opportunities and 6 sigma means only 3.4 defects per million opportunities. (Dale, 2013.)

There can also be nominal, or target values set for the product characteristics of delivery of a service. This means that when a product or service fall in target values, or in tolerance limits, it is considered acceptable. Everything that falls outside the limits is unacceptable and the product or a service is failed. This method has a problem with setting the limits to a realistic level. Also, if a product is assembled from many small parts, and one part is just inside the limits lower level, and the other part is just inside the limits upper level, they might not fit together as well as they should. (Dale, 2013.)

Juran (Juran and Godfrey, 1999) introduces a quality system called “fitness for purpose/use”. It includes for example quality of design and quality of conformance. This system prevents the over-specification of products and services which adds costs. Naturally the fitness for purpose must be judged by a customer or the end-user of the product or a service. (Dale, 2013.)

One aspect of quality is the level which customers are satisfied with the product or a service. Organization’s existence depends on its customers and customer satisfaction is the most important – if not the only – measurement of company’s success. Customer satisfaction can be measured in many ways. There can be for example customer interviews or questionnaires for customers and market researches. The company

can also keep track of customer complaints and have those as a measurement of customer satisfaction. (Dale, 2013.)

Quality is a very important thing in business life. When a customer is lost because of a failed level of quality, it is much more difficult to gain that customer back than if it would have been lost because of high price. And this has a second layer of effects since the disappointed customer will review his experiences forward so the company could lose its whole market position because of poor quality. (Dale, 2013.)

Even though in nature variation is very important and desirable phenomenon in nature, in industry it is not. Variation causes instability and is one reason to extra costs and therefore one reason to decrease customer satisfaction. Therefore, quality meant as order in things, it cannot be random or coincidence, it must be managed and controlled. (Bhote&Bhote, 1999, p. 51.)

Quality and profitability go hand in hand. Which is cheaper, to do poor quality first and then re-design and re-make the product to satisfy the customers, or to do it right at the first time and consume time and resources in quality issues already in the planning phase? (Dale, 2013.)

And even though there has historically been a focus on customers and clients when speaking of quality in company's operations, it is notable that in modern world the most successful organizations have expanded their culture of quality to approach to all their stakeholders, such as investors, clients, suppliers and employees. (Maillard, 2013, p. xiii.)

The tactical choices company makes about using quality process are the basis of how effective the quality process actually is. Choices can depend on many variables. For example, company's size, market position, line of business, expectations of stakeholders, etc. can influence to the tactical choices in a company. (Maillard, 2013, p. xxiv.)

There could also be few words mentioned about what quality is not. Many conceive quality to be expensive thing and that they cannot afford quality. The fact is, that quality decreases defects and waste so efficiently that it pays off. It is much more expensive to ignore quality from the processes of a company. (Rose, K., 2005, p. 7-8.)

One misunderstanding is that quality product is an expensive product. When we look back to different definitions of quality, not a single them mentions price so that higher price would mean higher quality. When a product satisfies customer needs, it is a quality product. (Rose, K., 2005, p. 7-8.)

When thinking that quality consumes time, a company is about to fall to poor quality pit. It is more about how we use the time available. If there

is time to do something twice because of defects, there should be enough time to do it with quality, right at the first time. Poor quality always leads in waste of time. There will be time consumed in reclamations, warranty issues etc. These lead to loss of customers and reputation, which means more lost time when trying to win those back. (Rose, K., 2005, p. 7-8.)

Customer satisfaction rises from a quality product. When meeting, or even exceeding customer expectations, they might return with additional work orders and even function as a marketing element when telling about company's products forward. When proceeding with quality processes leading to quality products, it reduces costs and waste and this way increases efficiency. This ultimately leads to increased competitiveness and better market share. (Rose, K., 2005. p. 11-12.)

5 ISO 9001:2015

Since the commissioning company wants to build its quality system according to ISO 9001 –standard, this chapter opens up that standard to the readers.

ISO stands for International Organization for Standardization which is a worldwide organization for national standardization organizations. The international ISO-standards are usually composed by the technical committees of ISO. Every member organization which are interested in the matter at hand are granted the right to have representation at the committee.

ISO 9001:20015 is fifth edition of ISO 9001 –standard, and it replaces the fourth edition, ISO 9001:2008.

(Suomen Standardisoimisliitto SFS, 2015, p. 4)

ISO 9001 –standard is linked to the ISO 9000 –standard (*Quality management systems – Fundamentals and vocabulary*) which creates the basis of understanding and implementation of ISO 9001 –standard. In ISO 9004 –standard (*Managing for the sustained success of an organization – A quality management approach*) there are instructions to organizations which want to develop their quality system further than presented in ISO 9001.

In following chapter, the author wants to highlight few captions from the ISO 9001 –standard.

5.1 Introduction

The implementation of quality system is a strategic decision in an organization and it can help the overall capacity to function and is a solid foundation for sustainable development projects.

The implementation of a quality system based on this international standard can have several advantages to an organization, for example:

- The ability to consistently produce products and services which fulfill the customer needs and the requirements of laws and authorities.
- Better abilities to enhance customer satisfaction.
- Efficient handling of risks and opportunities of the operational environment and goals of the organization.
- The ability to show that the requirements of the quality system are followed.

ISO 9001 –standard follows the process model, which is combined with Plan-Do-Check-Act (PDCA)-approach and risk-based thinking.

(Suomen Standardisoimisliitto SFS, 2015, p. 5)

The PDCA-approach was built by W. Edwards Deming in the 1950´s and it has four stages.

- Plan means that the goals and changes which are needed to achieve the goals are determined for the process.
- Do means implementing the changes stated in the Plan-stage.
- Check means evaluating the results based in performance.
- Act means standardizing and stabilizing the change, or restarting the cycle again, whichever the results may show.

(Lean Enterprise Institute, Inc., 2017)

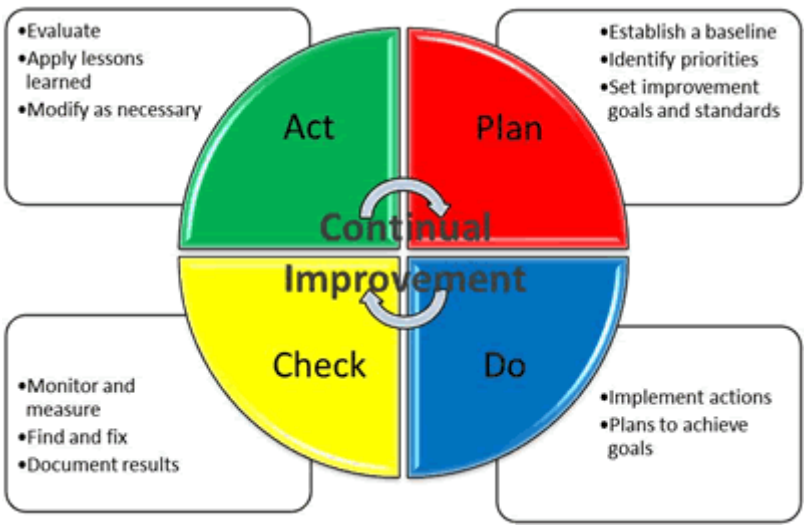

Figure 4. The PDCA-approach. (ISO14001 Certification, 2017.)

In ISO 9001 –standard the risk-based thinking is linked to the leadership directives and planning. In leadership directives, the risk-based thinking means a concept which refers to the activities and methods used by an organization to manage and control the risks that might have an impact in reaching the organization's goals. In planning the risk-based thinking means managing risks and opportunities by evaluating its own processes and the specific risks and opportunities which lies in their field of operations. (T.Lozier, 2016.)

The principals of the quality management are:

- Client-centered
- Leadership
- Commitment of people
- Process thinking
- Development
- Decision making based on results
- Management of relationships

ISO 9001 –standard promotes the adaption of process model thinking as part of a development and implementation of quality system. The goal of process model is to enhance the effectiveness of quality system and to improving customer satisfaction. Understanding and managing of processes linked together enhances the effectiveness and efficiency of an organization and helps it to reach its goals. (Suomen Standardisoimisliitto SFS ry, 2015, p. 6.)

This international standard requires that an organization must define the processes included in the quality system and describe their adaptation in the whole organization. In addition, it should define the initial information needed for these processes and the interrelation and order of the processes. Also, the organization must define the criteria and methods for evaluation to ensure the influential operation and guidance of the processes. Organization must define the recourses needed for the processes and insure the availability of these recourses. The responsibilities and authorizations related to the processes must be defined. The risks and opportunities must be handled according to the requirements in this standard. Organization must evaluate the processes and execute the changes needed in order to insure these processes lead to the expected results and finally it has to enhance the processes and quality system. (Suomen Standardisoimisliitto SFS ry, 2015, p. 12.)

An organization must maintain documented information to support the operation of the processes. It also must store the documented

information in order to trust that the processes are executed as planned. (Suomen Standardisoimisliitto SFS ry, 2015, p. 12.)

5.2 **Leadership**

The top management must show leadership and commitment to the quality system by taking responsibility of the effectiveness of the quality system, insuring that the quality politics is formulated, the quality goals are set and that those are in uniform to the operation environment and strategy of the company. The top management should also insure that the requirements of the quality system are combined with the organization's business model processes and enhance the executing of process model and risk-based thinking.

The top management must also ensure that there are enough recourses for the quality system and it must communicate the importance of the effectiveness of quality management and that the requirements stated in the quality system are fulfilled. It is also top management's responsibility to ensure that the quality system reaches its goals and to guide and support their employees to increase the effectiveness of quality system.

(Suomen Standardisoimisliitto SFS ry, 2015, p. 13.)

5.3 **Planning**

When planning a quality system an organization must define the risks and possibilities which has to be addressed in order to ensure that the quality system is able to reach the wanted results, enhance the wanted effects, prohibit or decrease the unwanted effects and make improvements.

An organization must set quality goals for the quality system to all the involved operations, levels and processes. There are certain conditions for quality goals that must be met, for example they must be in uniform with the quality politics, they must be measurable, and they have to be essential for the requirements of products and services and also for the enhancing of customer satisfaction. Quality goals must be followed, communicated and updated when necessary. It is also important for an organization to store documented information of the quality goals.

When planning how to reach its quality goals, an organization must define what to do, what recourses are needed, responsibilities, when actions needed are completed and how to evaluate the results.

(Suomen Standardisoimisliitto SFS ry, 2015, p. 19.)

5.4 **Operation**

An organization must plan and implement processes needed to fulfill the requirements involved in providing products and services. To do that, an organization has to define the requirements involved for these products and services, define the criteria for these processes and for approval of the products and services, define the resources that are needed in order to be able to provide the products and services as required, implementing the guidance of the processes according to the criteria and defining, updating and storing the documented information in the scale needed. (Suomen Standardisoimisliitto SFS ry, 2015, p. 19-20.)

The communication with customers must include the information flow involved with the products and services, handling of inquiries, agreements or orders and changes in these, collecting the feedback involved in the products and services, handling or controlling of customer's assets and defining the special requirements in exceptional situations if needed.

The organization should also ensure, that the outsourced processes, products and services fulfill the requirements. It should define the criteria and implement them when evaluating, choosing, re-evaluating and monitoring the capacity of the outsourced operations. The basis of the criteria should be the ability of the outsourced providers to provide the processes, products and services in according to the requirements. Organization must store documented information of these operations and the actions taken when needed.

Organization must communicate their requirements to the outsourced providers when the requirements involve

- Outsourced processes, products and services
- The approval of:
    - Products and services
    - Procedures, processes or equipment
    - Handing over the products or services
- Competence
- The interaction of the outsourced provider with the organization
- The monitoring and controlling of capacity of the outsourced provider by the organization
- The actions needed for the organization for qualification made in the facilities of the outsourced provider

(Suomen Standardisoimisliitto SFS ry, 2015, p. 19-24.)

5.5 **Performance Evaluation**

The organization must define what to monitor and measure and with what methods and when the monitoring and measuring are implemented. It also must define the capacity and effectiveness of the quality system and it must store the documented information of the results.

Organization should collect customer's views of how well their needs and expectations are fulfilled and it has to define the methods for collecting this information.

With internal auditing, the organization can define if the quality system fulfills organization's own requirements and also the requirements of this international standard. The internal auditing also evaluates if the quality system has been executed and updated effectively.

The quality system must state the frequency, methods and reporting of the internal audits and define the criteria of each auditing. Also, the reporting of the audits has to be stated in the quality system with the documented information about the audits.

It is top management's responsibility to review the quality system in predetermined frequency to ensure that the quality system is still valid, efficient and in uniform with organization's strategy.

(Suomen Standardisoimisliitto SFS ry, 2015, p. 27-29.)

5.6 **Improvement**

The organization must define and choose the possibilities of improvement and implement the operations needed to fulfill the requirements of customers and to enhance the customer satisfaction.

When a defect is detected, organization must react to the defect and regarding of the situation take actions to control and correct the defect or deal with the consequences of the defect. It also should evaluate if there are operations needed to eliminate the reasons for the defect in order to prohibit the defect to appear again. This leads to updating the information concerning the risks and opportunities if needed, and updating the quality system if needed.

The organization must store the documented information about the nature of the defect and about the operations that were executed because of the defect as well as the results of the operations.

(Suomen Standardisoimisliitto SFS ry, 2015, p. 29-30.)

6 CHANGE MANAGEMENT

Since launching the quality manual is presumed to cause change resistance, this chapter concentrates on change management and what is management's and leader's role in easing that resistance.

6.1 Different types of changes

According to Anderson and Anderson (2010) there can be recognized three different kind of changes in organizations: developmental change, transitional change and transformational change. It is important to understand that the company can't choose which type of change it wants to implement. The type of change must be recognized according to the driver of change and what the change demands from the company.

The types of changes could be sort of a Russian traditional matryoshka doll, where there is always a smaller doll inside of a bigger doll. If we think of the developmental change as the smallest doll, it is inside of a transitional change, and the transformational change is the biggest doll, so both the developmental change and transitional change are included in it.

In short, developmental change occurs when you improve something in your company: employees' skills, some methods or procedures. It is not changing into something totally new, but improving the already existing matter. This could include for example training your staff, improve your billing methods or refocusing marketing strategies.

Transitional change is more complex matter, and it replaces something with something entirely different. This is already a bit more discomforting to company's employees and can be quite unsettling if not implemented correctly. Transitional change could include for example creating a whole new product or implementing new technology.

(Anderson & Anderson, 2010, p. 51-58)

6.2 Types of psychological reactions to changes

According to Andersons (Anderson&Anderson, 2010) most people when facing change goes through three faces: resistance, letting go and building commitment.

Resistance is a natural reaction to changes. It leads people from known to unknown and that can cause fear of losing their core needs. For example, they might fear losing their job (influences the core need of security),

losing their work team (this influences the core need of inclusion and connection), losing their power or influence (the core need in here would be power), not being able to perform as well in their jobs as before (the core need of competence) or that their salary will be decreased without solid reason (the core need of fairness and justice).

Next step is called letting go, or some models call it the neutral zone. It is the turning point of the process in change. It is vital for being able to progress from the resistance to acceptance. Without this step, people are stuck in resistance.

The last phase is building commitment through acceptance, which is the goal of the change process. To reach the acceptance phase, person must go through the first two steps, at least on some level. Acceptance is the step, where the person stops fighting against the change and the commitment can start to build.

(Anderson & Anderson, 2010, p. 150-152)

According to Wittig (Wittig, 2012) the employees' reactions to change are influenced by their emotional intelligence, irrational thoughts, defense mechanisms and attitudes. (Wittic, 2012, p. 23.)

One definition for emotional intelligence can be found in Mayer's, Caruso's and Salovey's article: "Emotional intelligence refers to an ability to recognize the meanings of emotions and their relationships, and to reason and problem-solve based on them. Emotional intelligence is involved in the capacity to perceive emotions, assimilate emotion-related feelings, understand the information of those emotions, and manage them." (Mayer, Caruso and Salovey, 1999, p. 267).

Individuals have the tendency to make their own interpretations of situations, and that has an impact on their reactions to change. These interpretations can be, of course, false or irrational.

Defense mechanisms occur involuntarily, and there are two kinds of defense mechanisms: maladaptive and adaptive. This is highly individual, which mechanism each person adopts. Those, who use adaptive mechanisms are more likely to have less resistance towards the change.

Many different factors affect persons' attitudes towards change, such as their gender, educational level and social systems. Naturally, those employees who have more positive attitude towards change, have less resistance towards it, and cynical attitudes increase the level of resistance.

6.3 **Reasons for change resistance**

According to Quast (Quast, 2012), there can be five reasons identified why people resist change.

First reason is fear of the unknown. This reason is evident when the change is implemented without warning the people who are affected by the change.

Next one is mistrust, which occurs if the employees don't trust their manager in the first place. This is quite common when the manager is quite new, and the employees don't know the manager yet very well.

Third reason is the fear of losing their jobs. This, naturally, occurs when companies inform that they are downsizing. This includes also the fear that employees are moved to another position against their will.

Next reason is bad timing. If there are too many changes in too short period, employees might feel quite resistant towards all changes.

The last reason is the differences in people's mind sets towards changes in general. Some people embrace almost all changes, because they see them as a gateway to something better when some people see every change as a threat to their routines and everything familiar.

(Quast, 2012.)

6.4 **From resistance to commitment during change process**

One major task for a change leader is to let people feel the resistance and those negative feelings towards it. If you only deny your employees to feel like they feel, they get stuck in the resistance. They only continue to find the reasoning for their insecure feelings from outside, and not inside of themselves. This makes them complain and resisting everything around them.

Leaders should arrange listening sessions, where they genuinely listen their employees and let them express their feelings. Here leaders shouldn't make any counter arguments but instead they should give the employees the safe space to tell how they really feel, and why they feel that way. This is the way how employees can really let go of those negative feelings. And at the same time, they feel that they are heard and appreciated in the process, not just mere "pieces in the game".

Leader should also remember, that he/she cannot make employees to shift from resistance to acceptance, but it must emerge within themselves. Leader's job is to support the shift and progress of the mind sets of employees, not to shift them.

Leaders should be always ready for conversations with their employees. They should be present and always ready to ask questions and let their employees know that they are willing to answer their questions openly. Leaders should be genuinely interested in how their employees really feel and possibly fear.

It is also leader's task to communicate every piece of information openly to their employees. It is not employees' job to dig the information from somewhere else, that causes mistrust and doesn't enhance the progress to acceptance towards change.

Leaders' should also discuss about the possibilities and opinions what the employees themselves think, how they could contribute to the change and how they think they could be valuable concerning the change process.

In conclusion, leaders should be open in communication, listen, not judge, but allow the employees' feelings as they are and be ready for conversations. Also involving employees in decision making is hugely beneficial in the shift in their mind sets towards change.

7 PROCESSES IN OY VIIMA INN LTD

This chapter defines and describes the processes in the commissioning company. The information sources for this chapter are the internal meetings in the company as well as the writer's own experiences when working in the company.

The commissioning company's operations are mainly of project nature. This fact also very highly defines their processes. The process thinking has already been in the core of the company's business idea and strategy, but due to their very fast-growing pace, the processes have not always proceeded as intended since all the employees have had too much on their hands. The writer of this work was employed highly because the company needed someone to clarify, define and describe the processes and to make certain procedures in written form which could also be called as the quality system of their processes. The company hopes that this work will make their processes more clear and linear, and all the unnecessary defects would be detected, documented, handled in time and avoided in the future.

In the meetings, the personnel defined four main processes for the company: Marketing, Sales, Delivery and After Sales. The personnel agreed that the Delivery process is the most critical and causes most of the turmoil in the company. That is the reason why the quality system for

delivery process is at the center of this work, and after that, the quality system will expand to the other processes.

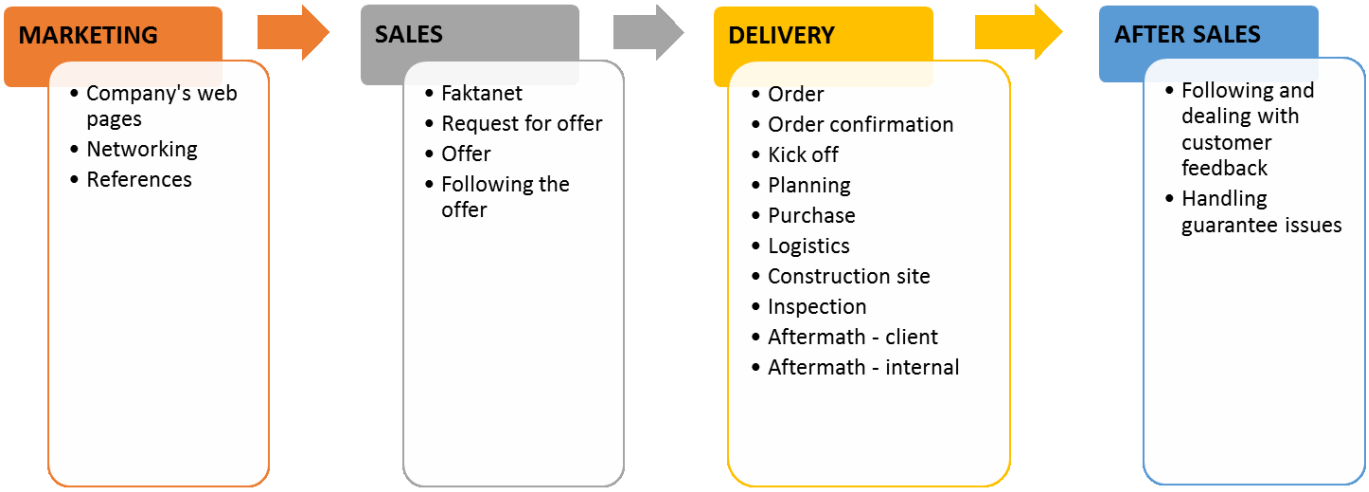

Figure 5. The processes in Oy Viima Inn Ltd.

7.1 Marketing process

The commissioning company is at the stage when it is so well known in the markets that it does not have to invest huge amounts of money in marketing. The company has web pages where there is main information about their products and services and contact information.

The company has also quite comprehensive network with other businesses in their business area and they also sometimes attend to the fairs and other events concerning their field of operations.

They have already quite massive reference list, and most of their customers are sending their request for offers due to some earlier project the company has completed.

7.2 Sales process

Requests for offer and offers are in the core of sales process. Mostly customers send their requests for offer straight to the company, either by e-mail or a phone call, but the company also uses Faktanet which is a database for contractors.

In this process, the reacting for request for offer is the most essential part. In some requests, there is not a deadline mentioned, but in most

cases, there is some deadline which has to be followed, and the offers which arrive after the deadline are dismissed. Because some offers require requests for special supplies, it is important to react to the requests for offer in due time so that the offer can be made with all the information needed.

In the quality system, there will be detailed information and guidance who, where, when and how the information about request and the offer itself must be saved and stored. This is important so that everyone involved in the process has the access to the information.

Also, the information about whether the offer has to be followed and when – for example by calling to the customer – has to be stored, and the person responsible for that has to be named beforehand.

7.3 **Delivery process**

This process seems to be the one who has most of the activities and because of that, also most of the defects.

This process starts when the customer makes an order. In most of the cases it is straight continuum from the offer, but sometimes, mostly in the very small jobs, the order arrives without the offer phase.

After receiving the order, the receiver must make an order confirmation which makes the deal binding. In some bigger projects, there is a contract agreement which replaces the order confirmation, but the meaning and the content of those are quite similar.

Next phase is the Kick Off –meeting which defines the project in more details and in more practical context. In Kick Off –meeting there will be decisions made for example who is responsible for which area of the project, where and when to order the supplies, how they will be delivered to the contraction site and who will be responsible for unloading the deliveries. If the project form is not filled at this point, it will be made after Kick Off –meeting when most of the important information about the project and construction site are available.

Planning is the next logical step. This phase includes making detailed drawings about the work and calculating the exact amounts of supplies, for example the elements that are needed in the project.

Purchases are made after planning. This phase includes all the material purchases as well as planning the fitters for the project.

Logistics phase is the one where supplies are delivered to the construction site. According to the site, for example the elements sometimes can be delivered straight to the construction site and

sometimes they are delivered first to the company's premises and later transported to the site. This is highly dependent on the nature of the construction site, and these things are agreed in the Kick Off –meeting.

Before the actual construction can start, the fitters are assigned for the project. There are multiple factors which affect in choosing the fitters, for example their experience and the location of the construction site. Sometimes there will be additional orders for the site, and that information must be also documented and stored.

After the construction is ready, there will be final inspection where there will be representatives both from the customer's side and from the commissioning company's side. The possible defects or shortcomings are reported and those are to be fixed as soon as possible.

The last phase in this process is the aftermath, both with the client and internally. This phase helps the company to define how well they succeeded in this project, and is there a need to change or modify some phases in the process in the future for better success and greater customer satisfaction.

7.4 **After sales process**

This process includes receiving and dealing with customer feedback from the projects. All the customer feedbacks must be documented and stored for future development. Also guarantee issues are documented and stored for future follow up. This also helps when assessing the supply chain and all its components and quality.

8 QUALITY SYSTEM IN DELIVERY PROCESS

In this chapter, the author has collected all the significant information about the content of the quality manual for delivery process in Oy Viima Inn Ltd that was created as a result of this study.

8.1 **Authorities and responsibilities**

This first chapter includes the information of all the responsibilities of each employee. Also, the description of their participation and roles in different kind of projects are written, as well as the reporting hierarchy. This chapter includes the information who is responsible for updating the quality manual and who must approve the changes. It is also mentioned how the employees are supposed to read the manual, and where it can be found.

This chapter will be in common with all the processes, but from this point on the description will continue only regarding the delivery process.

8.2 **Order**

This chapter describes in detail who does what and when after the customer makes an order and where and how to store the information and the order documents, for example the e-mail which contains the order.

In the quality manual, there is a blank form for order confirmation with all the necessary information and also instructions for filling that form. At this phase, also the initial information is written to the project form, which was developed during this study. The blank form can be found as an attachment for this chapter. This chapter also includes the instructions of saving the documents.

8.3 **Kick Off**

The next chapter of the quality manual contains information about Kick Off –meetings. It answers the questions: “Who participates? When it should be organized? Where it should be organized? What should be discussed in the meeting?” Also, the information about documenting the meetings and storing those documents are included in this chapter.

8.4 **Planning**

Planning-chapter tells the reader at what stage will planning start, and at what timeline for example the drawings should be ready. Also, it contains the information about where to store the plans and drawings and to whom they should be sent.

8.5 **Purchase**

Purchase-chapter describes the timeline when to order the materials for different kind of projects. There is a list of all the suppliers the company is using with contact information, and a mention about their estimated delivery times. Also, this chapter, as well as previous chapters, contains the instructions how and where to store the purchase and order information and documents.

8.6 **Logistics**

In this chapter, there are descriptions of what kind of transportation methods are used to get the materials to the construction sites. Also, the

list of different carrier companies with contact information is found in this chapter.

8.7 **Construction site**

Here can be found for example the list of all the fitters and subcontractors with their contact information. Also, the procedure of how the drawings and project form is delivered to the fitter in charge is described, as well as the procedures of arranging the accommodations for the fitters.

8.8 **Inspection**

This chapter describes how the procedure of inspecting the constructions is being made and by whom. Also, the instructions of documenting the results of inspections are written here as well as the instructions of storing those documents.

8.9 **Aftermath**

This chapter is about describing how the aftermath is being handled with the customer as well as internally. After every project, it is important to summarize how the project succeeded, and this phase is essential. Also documenting these aftermaths is important for future development, and this chapter gives the instructions for that.

9 **RECOMMENDATIONS**

To implement the quality manual in Oy Viima Inn Ltd it is important for the manager to acknowledge the challenges concerning change resistance. The quality manual sets very direct directions for example how, when and where all the information must be stored, and this causes a little bit of extra work for the employees. This fact can cause change resistance among the employees.

The author recommends that when introducing the new quality manual to the employees, the manager takes enough time to go through it with every employee. The manager must also acknowledge that his role includes also listening to employees and their concerns about the quality manual and the possible extra work. He must not deny those feelings and concerns, but listen and understand. In this case, the personnel have been involved in the process of creating the quality manual, so it could be that the change resistance is not that powerful. In the theory chapter “6.4 From resistance to commitment during change process” there are

mentioned that the more employees can influence to the change, the faster they will shift from resistance to commitment.

The author also recommends that – since the quality manual is being updated constantly – the manager takes into consideration employees' knowledge and experience from their own field of operations. This, naturally, cannot compromise the actual quality issues, but every employee should be heard how the quality could be improved still from their point of view.

The manager should also be available to the employees. He should arrange private hearing sessions where the employee would feel safe to express his/her feelings about the quality manual and the issues regarding it. This way the manager can enhance the shift from change resistance to commitment and the most efficient use of the quality manual.

10 CONCLUSION

The goal for this thesis was to describe the process of making a quality manual for Oy Viima Inn Ltd. In modern world's fast changing business environment, it is essential to ensure the quality and the productivity of the business. This could be challenging if the procedures and instructions are not clear enough. The ISO-9001 -standard gives good guidelines in building a quality manual, and it was used as a reference also in this work.

The theory part consists of describing the terms quality and process, and opening the ISO-9001 -standard. There is also a chapter about change management, since the implementation of the quality manual could cause change resistance, and it is crucial for a manage to take this into consideration when introducing the quality manual to the employees.

The different processes in Oy Viima Inn Ltd are described and the delivery process is being described in more detailed way since that is the process from which the building of the quality manual has started.

The quality manual to Oy Viima Inn Ltd is now partly constructed by the author of this work, but it has not been implemented yet, but the building of the quality manual continues. However, already at this point, some of the procedures first decided in the meetings and then written in the quality manual, are already being taken into use. This has been improving the quality of following the projects and finding the right information in time.

The object of describing the process of making a quality manual for Oy Viima Inn Ltd has been met, and the research question has been answered in this work.

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