

# A quality movement in Nepal



The three-day Asia Pacific Quality Organisation's 16th International Conference on Quality (ICQ, 2010 Nepal) concluded on September 20, 2010, ushering in a radiant era on the quality movement in Nepal. Prof Dinesh P Chapagain reports on the quality movement in Nepal.

CO-HOST NATIONS



Network for Quality  
Productivity and  
Competitiveness  
Nepal



📍 Kathmandu, the Nepalese capital, recently witnessed its first international quality conference. It was an effort to reach higher levels of excellence in quality

The recently concluded conference was the first international quality conference ever held in Nepal with the participation of 98 internationally-acclaimed quality experts from different parts of the globe. Organised by the Network for Quality, Productivity and Competitiveness Nepal (NQPCN), the conference saw around 200 Nepalese engineers and managers being provided the opportunity to learn from experts the various dimensions of quality and business performance excellence. Such a mega event on quality had never taken place in the country before. The legendary quality guru Dr H James Harrington, who in the *New York Times* once referred to as having a “... knack for synthesis and an open mind about packaging his knowledge and experience in new ways — characteristics that may matter more as prerequisites for new-econ-

omy success than technical wizardry ...” was the main keynote speaker at the conference. In the quality journey Nepalese engineers and managers felt that a new milestone had been reached in the quality journey.

**Historical Perspective:** Nepal, between two great emerging economies of the 21st century, India and China, is comparatively new in the quality movement. The country, an independent state from the beginning and never colonised by any superpower countries was ironically closed for the other parts of the world till 1951. The country was opened to the outside world only after the Second World War when Western nations were already industrialised and Japan was struggling to recover from the losses incurred during the war. Though the first industry in the country — a jute mill — was established in 1936, other industries could not develop because of

Competitive market mechanism enhanced the capability of industries to address the customers' voice. Suppliers started to search for programmes for improving quality. The seed of the word “quality” started to grow in the mind of the business houses.



❶ Tilganga Institute of Ophthalmology in Nepal

lack of business knowledge and resource constraints.

The infrastructure required for industries was built only five decades ago. For example, the first university was established only in 1960, and the first road linkage to the capital city Kathmandu was built in the mid-1950s. There were limited industrial and business activities before 1960s. In this period, there were a handful of private players in the domestic market. They were primarily importing from China and India and servicing the local markets. Naturally, in quality terminology, these businesses never realised the need to give an ear to their customers. Quality was only defined by the suppliers. We refer to this period as the “closed regime” for the country’s business activity.

The country entered into the socialistic pattern of political system in 1960 when many socialist countries like USSR, China, Czechoslovakia and others donated manufacturing and service industries with their technology and management techniques to produce, sell and deliver services to the domestic market. Cigarette factory, sugar mills, paper mills, national trading, agricultural equipment, telecommunications, Nepal transportation, oil corporations and Nepal airlines are some of the examples of public sector units developed during that period.

The era of public sector corporation, initiated in 1960 and lasted till the mid-eighties resulted in a naturally protected and monopolistic market situation at that time. Some awareness and voices about quality among customers started surfacing, but was not addressed because of the monopolistic nature of business. State regulations and regulatory agencies were established but the business never addressed the quality issues. Quality became the predominance of the state interest. This period was referred to as “public sector regime” for the country’s business activity.

Nepal politics took another direction for democratisation and liberalisation in mid-Eighties. Naturally, economics followed the direction of economic and business liberalisation with privatisation and commercialisation of PSUs and initiated to export goods from Nepal to the western countries. Competitive market mechanism enhanced the capability of industries to

address the customers’ voice. Suppliers started to search for programmes for improving quality. The seed of the word “quality” started to grow in the mind of the business houses. Many Nepalese engineers and managers got opportunities to go to Japan, Germany, Netherlands, UK, USA, Thailand and India, through various programmes, to study and learn the technical and managerial aspects of quality. Government promulgated the liberalisation policy inviting foreign investment policies. Labour-intensive businesses like garment, carpet, pashmina, and handmade paper grew with export marketing. However, due to the negligence of quality implanted seriously on the business, and low productivity in the process, these businesses could not grow, as envisaged by the liberalisation policy of the government. Moreover, the syndrome of the bubble economy, unemployment and underemployment, labour migration, inflation, low productive investment, low FDI, excessive foreign reserve were observed. Quality awareness was increased but the mindset of the business was yet to change for implanting the correct methodology to produce quality products and services. This period from mid-eighties to 2005 was called the “liberalisation regime” for the country’s business activity.

Nepal had signed the protocol of WTO in 2004 and is now struggling hard to protect domestic businesses from aggression of foreign suppliers as well as compression from the export market. Series of quality conventions and seminars have been conducted since the last decade. They were initiated with the lecturing tour by Prof. Noriaki Kano in 1998 on Total Quality Management, where 40 businessmen and quality engineers participated. First ISO certification was awarded in 1998 to two manufacturing units, Tilganga Institute of Ophthalmology and Nepal Ektrat Engineering Company. Nepal AOTS, the association of alumni of AOTS Japan in Nepal, initiated to convene Regional Quality Conventions every two years from 1999. It convened the 5th Regional Quality Conventions in 2008. In 2010, the Regional Quality Convention was integrated with the International Conference on Quality (ICQ 2010 Nepal) that was organised by Network for Quality Productivity and Competitiveness Nepal.

Present Status: There are three major regulatory structures to regulate quality standards of three types of products — general manufacturing products, pharmaceutical products and food products. Nepal Bureau of Standards and Metrology under Ministry of Industry looks after the general manufacturing products whereas the Department of Drug Administration under the Ministry of Health regulates the pharmaceutical products and the Food Research Laboratory within the Ministry of Agriculture and Cooperatives control the food and agriculture products. There are several acts and regulatory instruments enacted by the government to protect consumers’ safety and health. In addition to these regulatory mechanisms, there are intellectual property and consumer protection acts since 50 years. However, limited number of patents has been registered till date and very few court cases are registered in the court.

There are two major awards which are in operation in Nepal to motivate business houses to work for quality — NS Quality Award and FNCCI National Excellence

There are several acts and regulatory instruments enacted by the government to protect consumers’ safety and health. In addition to these regulatory mechanisms, there are intellectual property and consumer protection acts since 50 years.



➤ **STRIVING FOR QUALITY IN EDUCATION:** A class in progress in one of the schools in Nepal

Award. The Nepal Standard (NS) award is each year given to the manufacturing industry, which has been producing consistent quality products over the years. The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) National Excellence Award is awarded to the industry which is best on the nine parameters of business performance excellence. Till now, only two organisations — Surya Nepal and Standard Charter Banks have received this award.

NS certification is a product certification. Nepal Bureau of Standards and Metrology has developed standards of products of about 130 industries till now. Products from polythene and plastics to cement, iron, steel and paper industries are the major industries, which have been standardised. ISO 9,000, ISO 14,000, WHO/GMP and HACCP certification are becoming popular these days in Nepal. More than 200 industries have taken ISO certificate and the number is increasing each year in an exponential manner. Two dozen certifying institutions are working in Nepal, but no company from Nepal is registered for certification. Nepal does not have an ISO national accrediting body.

Six Sigma and Seventeen Sigma are new words in Nepal. ISO certification is becoming popular day by day. Total quality management and quality circles are popular terminology here. However, a sustainable Japanese quality management system is hardly seen in any organisation, even though it is much more influential than western quality management system. Kaizen, 5-S and suggestion system consultants are more in demand.

Institution-led quality movement in Nepal: During interactions in the areas of quality and productivity

among various professionals of quality and productivity, it was felt that professionals in the area would benefit tremendously through the establishment of a network of professionals and like-minded people who believe in the tenets of quality. A generic name "Network for Quality, Productivity and Competitiveness-Nepal (NQPCN)" was agreed upon to accentuate the interrelatedness and essence of the three terminologies. The people involved in the initial ground work in establishing the network include managers, entrepreneurs, practitioners, consultants, academicians with a common bottomline belief in quality as the over arching parameter of growth and development. The NQPCN was established as a not-for-profit non-government organisation in 2004 with a vision of "Creating Value through Quality" and with an aim of enhancing competitiveness of individuals, organisations and the society as a whole through quality and productivity. NQPCN's goal is to create, share and learn the knowledge and experience on quality and productivity and applying the same to enhance the competitiveness in the nation. Since its establishment, the NQPCN has been independently operating to achieve its goals by advocacy, creating awareness, counselling and training professionals to improve quality of the products and services through various programmes. NQPCN is an organisational member of Asian Network for Quality (ANQ) and a core council member of Asia Pacific Quality Organisation (APQO).

NQPCN is determined to work towards creating personal, social and economic value to the business and non-business activities in Nepal.

*(The writer is Honorary Chairman, Network for Quality, Productivity and Competitiveness-Nepal.)*

NQPCN's goal is to create, share and learn the knowledge and experience on quality and productivity and applying the same to enhance the competitiveness in the nation.