

### **Animation 9.5**

The benefits of efficient and effective quality management are far reaching. It can improve the profitability of an organization as well as having positive effects on both process costs and employee satisfaction.

High quality products or service reduce inspection and rework costs, and improve process times, thereby reducing material costs.

By doing this an organization can improve customer satisfaction which will lead to better word-of-mouth and fewer complaints.

Overall volumes will rise as a consequence of faster process times and reduced scrap.

Therefore organizations can now compete for customers on price and quality. These were once considered to be mutually exclusive but recent evidence from companies employing lean production techniques have shattered that myth.

By improving quality employee satisfaction will rise and consequently absenteeism and staff turnover will improve. This will give an opportunity for firms to increase wages and thereby compete for employees in the market place on wages and job satisfaction.