TOTAL QUALITY MANAGEMENT

MANAGEMENTUL CALITĂȚII TOTALE

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Abstract: In this paper, we studied the Total Quality Management in organizations the third millennium and integrating TQM into the strategy of the business. In these paragraphs we explain the principal steps for implementation the Total Quality Management in the organizations.

Rezumat: În această lucrare, este studiat Managementul calității totale în organizațiile mileniului al treilea şi integrarea acestuia în strategia organizațiilor. În acest text se explică principalii paşi în implementarea Managementului calității totale în organizații.

INTRODUCTION

Once, the managing director of a large transportation company who decided that a major change was required in the way the company operated if serious competitive challenges were to be met. The Board of Directors went away for a weekend and developed a new vision for the company and its 'culture'. A personnel director was recruited and given the task of managing the change in the people and their 'attitudes'. After several "programmers" aimed at achieving the required change, including a new structure for the organization. a staff appraisal system linked to pay, training programmers to change attitudes, and questionnaire surveys, very little change in actual organizational behaviour had occurred.

Clearly something had gone wrong somewhere. But, what, who, where? Everything was wrong, including who needed changing, who should lead the changes and. in particular, and how the changes should be brought about. This type of problem is very common in organizations desiring to change the way they operate to deal with increased competition. a changing market place, and different business rules. In this situation many companies recognize the need to move away from an autocratic management style, with formal rules and hierarchical procedures, and narrow work demarcations. Some have tried to create teams, to delegate (perhaps for the first time), and to improve communications.

1. INTEGRATING TQM INTO THE STRATEGY OF THE BUSINESS

Organizations will avoid the problems of 'change programmers' by concentrating on 'process alignment' - recognizing that people's roles and responsibilities must be related to the processes in which they work. Senior managers may begin the task of process alignment by a series of seven distinct but clearly overlapping steps. This recommended path develops a self-reinforcing cycle of *commitment, communication,* and *culture* change. The order of the steps is important because some of the activities will be inappropriate if started too early. In the introduction of total quality for managing change, timing can be critical.

Step 1 Gain commitment to change through the organization of the top team

Process alignment requires the starting point to be a broad review of the organization and the changes required by the top management team. By gaining this shared diagnosis of what changes are required, what the 'business' problems are, and/or what must be improved, the most senior executive mobilizes the initial commitment that is vital to begin the change process. An important element here is to get the top team working as a team, and techniques such as MBTI and/or Belbin team roles will play an important part.

Step 2 Develop a shared 'mission' or vision of the business or of what change is required.

Once the top team is committed to the analysis of the changes required, it can develop a mission statement that will help to define the new process alignment, roles and responsibilities. This will lead to a co-coordinated flow of analysis of process that crosses the traditional functional areas at all levels of the organization, without changing formal structures, titles, and systems which can create resistance.

The mission statement gives a purpose to the organization or unit. It should answer the questions 'What are we here for?' or 'What is our basic purpose and therefore must define the boundaries of the business in which the organization operates. This will help to focus on the 'distinctive competence' of the organization and to orient everyone in the direction of what has to be done. The mission must be documented, agreed by the top management team, sufficiently explicit to enable its eventual accomplishment to be verified, and ideally be no more than four sentences. The statement must be understandable, communicable, believable, and usable.

There must be open and spontaneous discussion during generation of the mission. But there must in the end be convergence on one statement. If the mission statement is wrong, everything that follows will be wrong too, so a clear understanding is vital.

Step 3 Define the measurable objectives, which must be agreed by the team,

The mission provides the vision and guiding light and sets down the core values, but it must be measurable objectives that are tightly and inarguably linked to it. These will help to translate the directional and sometimes 'loose' statements of the mission into clear targets, and in turn to simplify management's thinking. They can later be used as evidence of success for the team. in every direction, internally and externally.

Step 4 Develop the mission into its critical success factors (CSFs) to coerce and move it forward

The development of the mission *is* clearly not enough to ensure its implementation. This *is* the 'danger gap' into which many companies fall, because they do not foster the skills needed to translate the mission through its CSFs into the critical processes, Hence they have 'goals without methods', and TQM is not integrated properly into the business. At this stage of the process strong leadership from the top is crucial. Commitment to the change, whatever it may be, is always imbalanced; some senior managers may be antagonistic, some neutral, others enthusiastic or worried about the proposed changes.

Once the top managers begin to list the CSFs, they will gain some understanding of what the mission or the change requires. The first step in going from mission to CSFs is to brainstorm all the possible impacts on the mission. In this way thirty to fifty items, ranging from politics to costs, from national cultures to regional market peculiarities, may be derived.

The list of CSFs should he an agreed balance of strategic and tactical issues, each of which deals with a 'pure' factor. the use of *and* being forbidden. It will be important to know when the CSFs have been achieved through Key Performance Indicators (KPIs), but the more important next step is to use the CSFs to enable the identification of the *processes.*

Step 5 Break down the critical success factors into the key or critical process and gain process ownership

This is the point at which the top management teams have to consider how to institutionalize the mission or the change in the form of processes that will continue to be in place, after any changes have been effected

The key, critical, or business processes describe what actually is or needs to be done so that the organization meets its CSFs, as with the CSFs and the mission, each process *necessary* for a given CSF must be identified, and together the processes listed must be *sufficient* for the CSFs to be accomplished. To ensure that *processes* are listed, they should be in the form of verb plus object, such as 'research the market', 'recruit competent staff', or

'measure supplier performance'.

The questions will now come fast. Is the process currently carried out? By whom? When? How frequently? With what performance and how well compared with competitors? The answers to these will force process ownership into the business; the process owner should from a process quality team to take the next steps in quality improvement. Some form of prioritization, by means of process 'quality' measures, is necessary at this stage to enable effort to be focused on the key areas for improvement. This may be carried out by a form of matrix analysis or some other means. The outcome should be a set of 'most critical processes' (MCPs), which receive priority attention for improvement.

The first stage in understanding the critical processes is to produce a set of processes of a common order of magnitude. Some processes identified by the quality council may break into two or three critical processes; others may be already at the appropriate level. This method will ensure that the change becomes entrenched, the critical processes are identified and that the right people are in place to own or lake responsibility for them; and it will be the start of getting the process- team organization up and running.

Step **6** *Break,* **down the** *critical processes into sub-processes, activities and tasks and form improvement teams around these.*

Once an organization has defined and mapped out the critical processes, people need to develop the skills to understand how the new process structure will be analyzed and made to work. The very existence of new process quality teams (PQTs) with new goals and responsibilities will force the organization into a learning phase. The changes should foster new attitudes and behaviours,

An illustration of the breakdown from mission through CSFs and critical processes to individual tasks may assist in understanding required:

Mission

Two of the statements in a well known quality management consultancy's mission statement are: 'Gain and maintain a position as Europe's foremost management consultancy in the, development of organizations through the management of change and provide the consultancy, training and facilitation necessary to assist with making the continuous improvement of quality an integral part of our customers' business strategy.

Critical success factor

One of the CSFs that clearly relates to this is we need a high level of awareness of our company in the market place.

Critical process

One of the critical processes that clearly must be done particularly well to achieve this CSF is to 'Promote, advertise, and communicate the company's business capability.

Sub-process

One of the sub-processes resulting from a breakdown of this critical process is 'Prepare the company's information pack',

Activity

One of the activities contributing to this sub-process is 'Prepare *one* of the subject booklets, i.e. TQM, SPC or quality systems'.

Task

One of the tasks that contribute to this is 'Write the detailed leaflet for any particular seminar', e.g.: 'One-day or three-day seminars on TQM or SPC, or quality system advisory project'.

Using the hierarchy of processes, it is possible to link this with the hierarchy of quality teams. Hence:

-Quality council - mission - CSFs - critical processes.

-Process quality teams - critical processes.
-Quality improvement (or functional) teams (QITs) - sub-processes.
-QITs - activities.
-QITs and quality circles/Kaizen teams/individuals - tasks.

2. PERFORMANCE MEASUREMENT AND METRICS

Once the processes have been analyzed in this way, it should be possible to develop metrics for measuring the performance of the processes, sub-processes, activities, and tasks. These must be meaningful in terms of the inputs and outputs of the processes, and in terms of the customers and of suppliers to the processes.

At first thought, this form of measurement can seem difficult for processes such as preparing a sales brochure or writing leaflets advertising seminars, but if we think carefully about the *customers* for the leaflet-writing tasks, these will include the *internal* ones. i.e. the consultants and we can ask whether the output meets their requirements. Does it really say what the seminar is about, what its objectives are and what the programmer will be? Clearly, one of the 'measures' of the seminar leaflet-writing task could be the number of typing efforts in it, but is this a *key* measure of the performance of the process? Only in the context of office management is this important measure. Elsewhere it is not.

The same goes for the *activity* of preparing the subject booklet. Does it tell the 'customer' what TQM or SPC is and how the consultancy can help? For the *sub process* of preparing the company brochure, does it inform people about the company and does it bring in enquiries from which customers can be developed? Clearly, some of these measures require *external market research,* and some of them *internal research.* The main point is that metrics must be developed and used to reflect the *true performance* of the processes, sub-processes, activities and tasks. These must involve good contact with external and internal customers of the processes. The metrics may be quoted as *ratios.* e.g. number of customers derived per number of brochures mailed out. Good data collection, record-keeping, and analysis are clearly required.

It is hoped that this illustration will help the reader to:
- Understand the breakdown of processes into sub-processes, activities, and tasks.
- Understand the links between the process breakdowns and the task, individual and team concepts.
- Link the hierarchy of processes with the hierarchy of quality teams.
- Begin to assemble a cascade of flowcharts representing the process breakdowns, which can form the basis of the quality system and communicate what is going on throughout the business.
- Understand the way in which metrics must be developed to measure the true performance of the process, and their links with the customers, suppliers, inputs and outputs of the processes.

 The changed patterns of co-ordination, driven by the process, maps, should increase collaboration and information sharing.

This has been called 'just-in-time' training, which describes very well the nature of the process required. Such training is quite different from the blanket or carpet-bombing training associated with many unsuccessful change programmers, which targets competencies or skills but does not change the organization's patterns of collaboration and co-ordination.

Step 7 Monitor and adjust the process alignment in response to difficulties in the change process

Change must create something that did not exist before, namely a 'learning organiza-

tion' capable of adapting to a changing competitive environment: One must also le un how to monitor and modify the new behaviour to maintain the change-sensitive environment.

Some people will, of course, find great difficulty in accepting the changes, and perhaps will be incapable of doing so. in spite of all the direction, support, and peer pressure brought about by the process alignment. There will come a time to replace those managers and staff who cannot function in the new organization, after they have had a good opportunity to make the changes. These decisions are of course never easy, especially where valuable technical skills are owned by the people who have difficulty working in the new participatory, process-driven organization.

3. CONTINUOUS IMPROVEMENT - CONCLUSIONS

Never ending or continuous improvement is probably the most powerful concept to guide management. It is a term not well understood in many organizations, although that must begin to change if those organizations are to survive. To maintain a wave of interest in quality, it is necessary to develop generations of managers who not only understand but are dedicated to the pursuit of never-ending improvement in meeting external and internal customer needs.

The concept requires a systematic approach to quality management that has the following components:
- Planning the processes and their inputs.
- Providing the inputs.
- Operating the processes.
- Evaluating the outputs.
- Examining the performance of the processes.
- Modifying the processes and their inputs.

This system must be firmly tied to a continuous assessment of customer needs, and depends on a flow of ideas on how to make improvements, reduce variation, and generate greater customer satisfaction. It also requires a high level of commitment, and a sense of personal responsibility in those operating the processes.

The never-ending improvement cycle ensures that the organization learns from results, standardizes what it docs well in a documented quality management system, and improves operations and outputs from what it learns. But the emphasis must be that this is done in a planned, systematic, and conscientious way 10 create a climate - a way of life - that permeates the whole organization.

There are three basic principles of never-ending improvement:
- Focusing on the customer.
- Understanding the process.
- All employees committed to quality.

1. *Focusing on the customer*

An organization must recognize, throughout its ranks that the purpose of all work and all efforts to make improvements is to serve the customers better. This means that it must always l-now how well its outputs are performing, in the eyes of the customer, through measurement and feedback. The most important customers are the external ones. but the quality chains can break down at any point in the !lows of work. Internal customers therefore must also be well served if the external ones are to be satisfied.

2. *Understanding the process*

In the successful operation of any process it is essential to understand what determines its performance and outputs. This means intense focus on the design and control of the inputs, working closely with suppliers, and understanding process flows to eliminate bottlenecks and

reduce' waste. If there is one difference between management/supervision in the Far East and the West, it is that in the former management is closer to, and more involved in. the processes. It is not possible to stand aside and manage in never-ending improvement. TQM in an organization means that everyone has the determination to use' their detailed knowledge of the processes and make improvements, and use appropriate statistical methods to analyze and create action plans.

3. *All employees committed to quality*

Everyone in the organization, from top to bottom, from offices to technical service, from headquarters to local sites, must play their pan. People are the source of ideas and innovation, and their expertise, experience, knowledge, and co-operation have to be harnessed to get those ideals implemented.

When people are treated like machines, work becomes uninteresting and unsatisfying. Under such conditions it is not possible to expect quality services and reliable products. The rates of absenteeism and of staff turnover are measures that can be used in determining the strengths and weaknesses. or management style and people's morale, in any company.

The first step is to convince everyone of their own role in total quality. Employers and managers must of course take the lead and the most senior executive has a personal responsibility for quality, the degree of management's enthusiasm and drive will determine the ease with which the whole workforce is motivated.

Most of the work in any organization is done away from the immediate view of management and supervision and often with individual discretion. If the co-operation of some or all of the people is absent, there is no way that managers will be able to cope with the chaos that will result. This principle is extremely important at the points where the processes 'touch' the outside customer. Every phase of these operations must be subject to continuous improvement, and for that everyone's co-operation is required.

Never ending improvement is the process by which greater customer satisfaction is achieved. Its adoption recognizes that quality is a moving target, but its operation actually results in quality.

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