




The Total Quality Approach to Quality Management: Achieving Organizational Excellence

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Agenda

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2. The Total Quality Approach Defined
3. Key Elements of Total Quality
4. Total Quality Pioneers
5. Keys to Total Quality Success
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What is Quality?



There are really only three types of people: those who **make things happen**, those who **watch things happen**, and those who say, **"What happened?"**

Ann Landers



<http://www.nndb.com/people/771/000110441/>

What is Quality?



Quality is a dynamic state associated with products, services, people, processes, and environments that meets or exceeds expectations.

The Total Quality Approach Defined



Total quality is an approach to doing business that attempts to maximize the competitiveness of an organization through the continual improvement of the quality of its products, services, people, processes, and environments.

Key Elements of Total Quality



Customer Focus

In a total quality setting, the customer is the driver. This applies to both internal and external customers.

Obsession with Quality

This means all personnel at all levels approach all aspects of the job from the perspective of "How can we do this better?" When an organization is obsessed with quality, good enough is never good enough.

Scientific Approach

While it is true that people skills, involvement, and empowerment are important in a total quality setting, they represent only a part of the equation. Another important part of the equation is the use of the scientific approach in structuring work and in decision making and problem solving that relates to the work.

Key Elements of Total Quality



Long-Term Commitment

Organizations that implement management innovations after attending short-term seminars often fail in their initial attempt to adopt the total quality approach. This is because they approach total quality as just another management innovation rather than as a whole new way of doing business that requires a whole new corporate culture.

Teamwork

Internal competition tends to use energy that should be focused on improving quality, and, in turn, external competitiveness.

Continual Improvement of Systems

In order to continually improve the quality of products or services: which is a fundamental goal in a total quality setting. It is necessary to continually improve systems.

Key Elements of Total Quality



Education and Training

Education and training are fundamental to total quality because they represent the best way to improve people on a continual basis. In a total quality organization, everyone is constantly learning.

Freedom through Control

Involving and empowering employees is fundamental to total quality as a way to simultaneously bring more minds to bear on the decision making process and increase the ownership employees feel in decisions that are made. The freedoms enjoyed in a total quality setting are actually the result of well-planned and carried out controls.

Key Elements of Total Quality



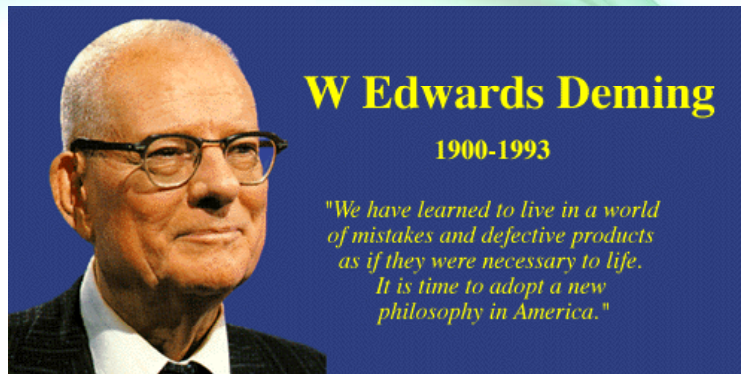
Unity of Purpose

In order to apply the total quality approach, organizations must have unity of purpose. Collective bargaining is about wages, benefits, and working conditions, not about corporate purpose and vision. Employees should feel more involved and empowered in a total quality setting than in a traditionally managed situation, but the goal of total quality is to enhance competitiveness not to eliminate unions.

Employee involvement

The basis for involving employees increases the likelihood of a good decision, a better plan, or a more effective improvement by bring more minds to bear on the situation: not just any minds, but the minds of the people who are closest to the work in quest. It also promotes ownership of decisions by involving the people who will have to implement them. Empowerment means not just involving people but involving them in ways that give them a real voice.

Total Quality Pioneers



<http://maaw.info/DemingMain.htm>

Total Quality Pioneers



Deming's Fourteen Points

Fourteen points that describe what is necessary for a business to survive and be competitive today. They summarize what a company must do to effect a positive transition from business-as-usual to world-class quality. They contain the essence of all of Dr. Deming's teachings and are the heart of his philosophy.

1. Create constancy of purpose toward the improvement of products and services in order to become competitive, stay in business, and provide jobs.
2. Adopt the new philosophy. Management must learn that it is a new economic age and awaken to the challenge, learn their responsibilities, and take on leadership for change.

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Deming's Fourteen Points

3. Stop depending on inspection to achieve quality. Build in quality from the start.
4. Stop awarding contracts on the basis of low bids.
5. Improve continuously and forever the system of production and service, to improve quality and productivity, and thus constantly reduce costs.
6. Institute training on the job.
7. Institute leadership. The purpose of leadership should be to help people and technology work better.

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Deming's Fourteen Points

8. Drive out fear so that everyone may work effectively.
9. Break down barriers between departments so that people can work as a team.
10. Eliminate slogans, exhortations, and targets for the workforce. They create adversarial relationships.
11. Eliminate quotas and management by objectives. Substitute leadership.



Total Quality Pioneers



Deming's Fourteen Points

12. Remove barriers that rob employees of their pride of workmanship.
13. Institute a vigorous program of education and self-improvement.
14. Make the transformation everyone's job and put everyone to work on it.



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The Deming Cycle

The Deming Cycle was developed to link the production of a product with consumer needs and focusing the resources of all departments (research, design, production, and marketing) in a cooperative effort to meet those needs.

1. Conduct consumer research and use it in planning the product (plan).
2. Produce the product (do).
3. Check the product to make sure it was produced in accordance with the plan (check).
4. Market the product (act).
5. Analyze how the product is received in the marketplace in terms of quality, cost, and other criteria (analyze).

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The Seven Deadly Sins

The Seven Deadly Sins summarize Dr. Deming's views on what can inhibit the transformation from business-as-usual to world-class quality.

1. Lack of constancy of purpose to pan products and services that have a market sufficient to keep the company in business and provide jobs.
2. Emphasis on short-term profits; short-term thinking that is driven by a fear of unfriendly takeover attempts and pressure from bankers and shareholders to produce dividends.

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The Seven Deadly Sins

3. Personal review systems for managers and management by objectives without providing methods of resources to accomplish objectives. Performance evaluations, merit ratings, and annual appraisals are all part of this disease.
4. Job hopping by managers.
5. Using only visible data and information in decision making with little or no consideration given to what is not known or cannot be known.
6. Excessive medical costs.
7. Excessive costs of liability driven up by lawyers who work on contingency fees.

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Joseph M. Juran (1904 – 2008)

"Goal setting has traditionally been based on past performance. This practice has tended to perpetuate the sins of the past." - Joseph M. Juran



http://www.juran.com/about_juran_institute_our_founder.html

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Juran's Three Basic Steps to Progress

These are broad steps that, in Juran's opinion, companies must take if they are to achieve world-class quality. He also believes there is a point of diminishing return that applies to quality and competitiveness.

1. Achieve structured improvements on a continual basis combined with dedication and a sense of urgency.
2. Establish an extensive training program.
3. Establish commitment and leadership on the part of higher management.

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Juran's Ten Steps to Quality Improvement

Ten steps that overlap with Deming's Fourteen Points. They mesh well with the philosophy of quality experts whose contributions are explained later in this chapter.

1. Build awareness of both the need for improvement and opportunities for improvement.
2. Set goals for improvement.
3. Organize to meet the goals that have been set.

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Juran's Ten Steps to Quality Improvement

4. Provide training.
5. Implement projects aimed at solving problems.
6. Report progress.
7. Give recognition.
8. Communicate results.
9. Keep score.
10. Maintain momentum by building improvement into the company's regular systems.

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The Pareto Principle

According to this principle, organizations should concentrate their energy on eliminating the vital few sources that cause the majority of problems. This principle is sometimes called the 80/20 rule: 80% of the trouble comes from 20% of the problems. Though named for turn-of-the-century economist, Vilfredo Pareto, it was Dr. Juran who applied this idea to management. Dr. Juran advises us to concentrate on the vital few sources of problems and not be distracted by those of lesser importance.

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The Juran Trilogy

The Juran Trilogy summarizes the three primary managerial functions. They are: Quality Planning, Quality Control, and Quality Improvement



Total Quality Pioneers



Philip B. Crosby (1926 – 2001)

“Quality is the result of a carefully constructed cultural environment. It has to be the fabric of the organization, not part of the fabric.”



<http://www.philipcrosby.com/25years/crosby.html>



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Philip B. Crosby is best known for his advocacy of zero-effects management and prevention as opposed to statistically acceptable levels of quality. He is also known for his Quality Vaccine and Crosby's Fourteen Steps to Quality Improvement.

Crosby's Quality Vaccine consists of 1) Determination, 2) Education, and 3) Implementation.

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Crosby's Fourteen Steps to Quality Improvement

1. Make it clear that management is committed to quality for the long term.
2. Form cross-departmental quality teams.
3. Identify where current and potential problems exist.
4. Assess the cost of quality and explain how it is used as a management tool.
5. Increase the quality awareness and personal commitment of all employees.
6. Take immediate action to correct problems identified.
7. Establish a zero defects program.

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Crosby's Fourteen Steps to Quality

8. Train supervisors to carry out their responsibilities in the quality program.
9. Hold a Zero Defects Day to ensure all employees are aware there is a new direction.
10. Encourage individuals and teams to establish both personal and team improvement goals.
11. Encourage employees to tell management about obstacles they face in trying to meet quality goals.
12. Recognize employees who participate.
13. Implement quality councils to promote continual communication.
14. Repeat everything to illustrate that quality improvement is a never-ending process.

Keys to Total Quality Success



The most common errors made when starting quality initiatives are:

1. Senior management delegation and poor leadership
2. Team mania
3. Deployment process
4. Taking a narrow dogmatic approach
5. Confusion about the differences among education, awareness, inspiration, and skill building.

The Future of Quality Management in the 21st Century



Demanding global customers. Today's customers share two common characteristics: 1) they are part of regional trade alliances and 2) they expect both high quality and added value.

Shifting customer expectations. Customers want an excellent product or service from an organization that also provides accurate billing, reliable delivery, and after purchase support.

Opposing economic pressures. The global marketplace exerts enormous unrelenting pressure on organizations to continually improve quality while simultaneously reducing the prices they charge for goods and services.

New approaches to management. Companies that succeed in the global marketplace have learned that you manage budgets, but lead people.

References



Quality Management for Organizational Excellence: Introduction to Total Quality, 6th Edition, David Goetsch and Stanley Davis, copyright 2010, Pearson, ISBN: 978-0-13-501967-2.