

Total Quality Management (TQM)

Introduction

TQM is *the* way of managing for the future, and is far wider in its application than just assuring product or service quality – it is a way of managing people and business processes to ensure complete customer satisfaction at every stage, internally and externally. TQM, combined with effective leadership, results in an organisation doing the right things right, first time.



The core of TQM is the **customer-supplier** interfaces, both externally and internally, and at each interface lie a number of **processes**. This core must be surrounded by **commitment** to quality, **communication** of the quality message, and recognition of the need to change the **culture** of the organisation to create total quality. These are the foundations of TQM, and they are supported by the key management functions of **people**, **processes** and **systems** in the organisation.

This section discusses each of these elements that, together, can make a total quality organisation. Other sections explain people, processes and systems in greater detail, all having the essential themes of commitment, culture and communication running through them.

What is quality?

A frequently used definition of quality is "*Delighting the customer by fully meeting their needs and expectations*". These may include performance, appearance, availability, delivery, reliability, maintainability, cost effectiveness and price. It is, therefore, imperative that the organisation knows what these needs and expectations are. In addition, having identified them, the organisation must understand them, and measure its own ability to meet them.

Quality starts with market research – to establish the true requirements for the product or service and the true needs of the customers. However, for an organisation to be really effective, quality must span all functions, all people, all departments and all activities and be a common language for improvement. The cooperation of everyone at every interface is necessary to achieve a total quality organisation, in the same way that the Japanese achieve this with company wide quality control.

Customers and suppliers

There exists in each department, each office, each home, a series of customers, suppliers and customer-supplier interfaces. These are "the quality chains", and they can be broken at any point by one person or one piece of equipment not meeting the requirements of the customer, internal or external. The failure usually finds its way to the interface between the organisation and its external customer, or in the worst case, actually to the external customer.

Failure to meet the requirements in any part of a quality chain has a way of multiplying, and failure in one part of the system creates problems elsewhere, leading to yet more failure and problems, and so the situation is exacerbated. The ability to meet customers' (external and internal) requirements is vital. To achieve quality throughout an organisation, every person in the quality chain must be trained to ask the following questions about every customer-supplier interface:

Customers (internal and external)

- Who are my customers?
- What are their true needs and expectations?
- How do, or can, I find out what these are?
- How can I measure my ability to meet their needs and expectations?
- Do I have the capability to meet their needs and expectations?
(If not, what must I do to improve this capability?)
- Do I continually meet their needs and expectations?
(If not, what prevents this from happening when the capability exists?)
- How do I monitor changes in their needs and expectations?

Suppliers (internal and external)

- Who are my internal suppliers?
- What are my true needs and expectations?
- How do I communicate my needs and expectations to my suppliers?
- Do my suppliers have the capability to measure and meet these needs and expectations?
- How do I inform them of changes in my needs and expectations?

As well as being fully aware of customers' needs and expectations, each person must respect the needs and expectations of their suppliers. The ideal situation is an open partnership style relationship, where both parties share and benefit.



Poor practices

To be able to become a total quality organisation, some of the bad practices must be recognised and corrected. These may include:

- Leaders not giving clear direction
- Not understanding, or ignoring competitive positioning
- Each department working only for itself
- Trying to control people through systems
- Confusing quality with grade
- Accepting that a level of defects or errors is inevitable
- Firefighting, reactive behaviour
- The "*It's not my problem*" attitude

How many of these behaviours do you recognise in your organisation?

The essential components of TQM – commitment & leadership

TQM is an approach to improving the competitiveness, effectiveness and flexibility of an organisation for the benefit of all stakeholders. It is a way of planning, organising and understanding each activity, and of removing all the wasted effort and energy that is routinely spent in organisations. It ensures the leaders adopt a strategic overview of quality and focus on prevention not detection of problems.

Whilst it must involve everyone, to be successful, it must start at the top with the leaders of the organisation.

All senior managers must demonstrate their seriousness and commitment to quality, and middle managers must, as well as demonstrating their commitment, ensure they communicate the principles, strategies and benefits to the people for whom they have responsibility. Only then will the right attitudes spread throughout the organisation.

A fundamental requirement is a sound quality policy, supported by plans and facilities to implement it. Leaders must take responsibility for preparing, reviewing and monitoring the policy, plus take part in regular improvements of it and ensure it is understood at all levels of the organisation.

Effective leadership starts with the development of a mission statement, followed by a strategy, which is translated into action plans down through the organisation. These, combined with a TQM approach, should result in a quality organisation, with satisfied customers and good business results. The 5 requirements for effective leadership are:

- Developing and publishing corporate beliefs, values and objectives, often as a mission statement
- Personal involvement and acting as role models for a culture of total quality
- Developing clear and effective strategies and supporting plans for achieving the mission and objectives
- Reviewing and improving the management system
- Communicating, motivating and supporting people and encouraging effective employee participation

The task of implementing TQM can be daunting. The following is a list of points that leaders should consider; they are a distillation of the various beliefs of some of the quality gurus:

- The organisation needs a long-term **commitment** to continuous improvement.
- Adopt the philosophy of zero errors/defects to change the **culture** to right first time
- Train people to understand the **customer/supplier** relationships
- Do not buy products or services on price alone – look at the **total cost**
- Recognise that improvement of the **systems** must be managed
- Adopt modern methods of **supervising and training** – eliminate fear
- Eliminate barriers between departments by managing the **process** – improve **communications** and **teamwork**
- Eliminate goals without methods, standards based only on numbers, barriers to pride of workmanship and fiction – get **facts** by studying **processes**
- Constantly educate and retrain – develop **experts** in the organisation
- Develop a **systematic** approach to manage the implementation of TQM

Culture change

The failure to address the culture of an organisation is frequently the reason for many management initiatives either having limited success or failing altogether. Understanding the culture of an organisation, and using that knowledge to successfully map the steps needed to accomplish a successful change, is an important part of the quality journey.

The culture in any organisation is formed by the beliefs, behaviours, norms, dominant values, rules and the “climate”. A culture change, e.g. from one of acceptance of a certain level of errors or defects to one of right first time, every time, needs two key elements:

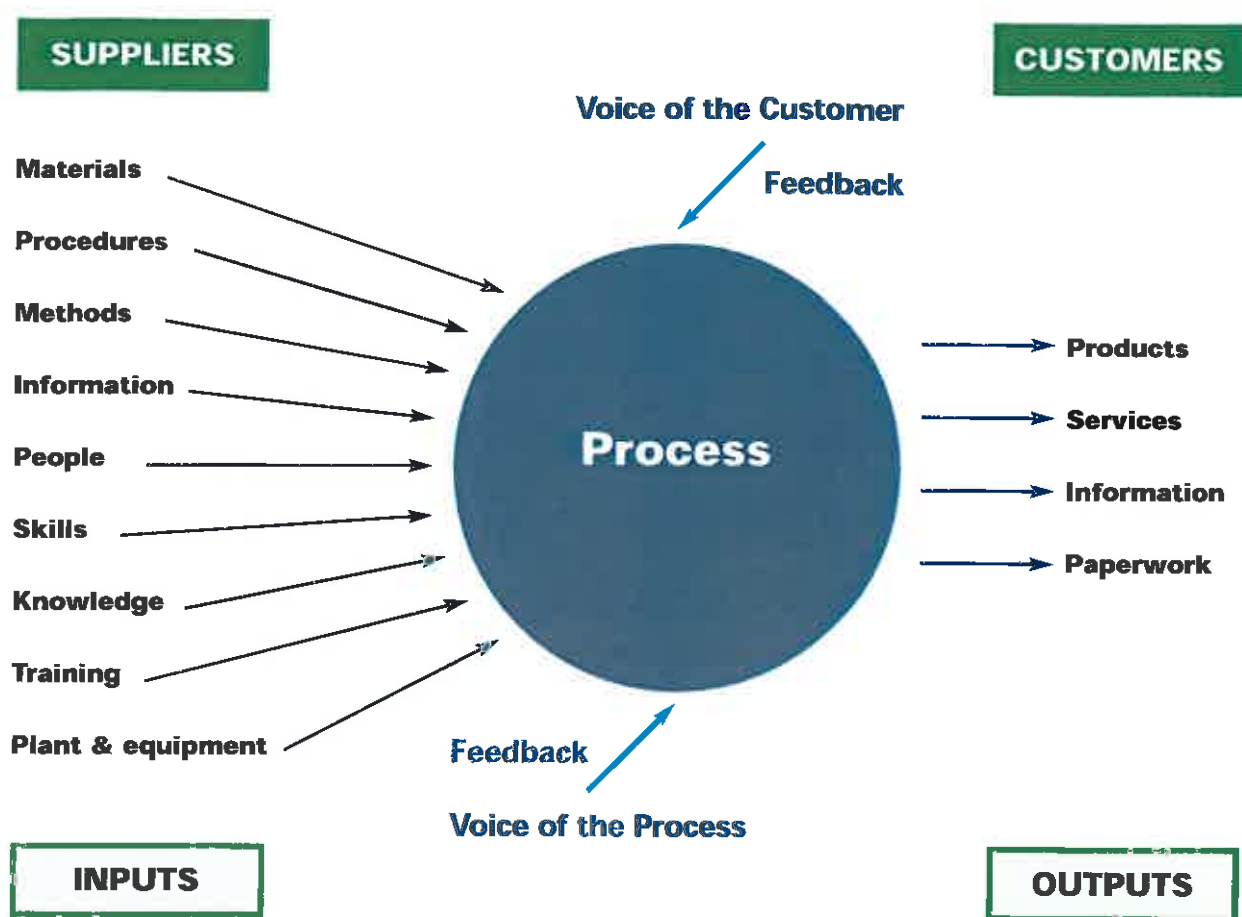
- Commitment from the leaders
- Involvement of all of the organisation’s people

There is widespread recognition that major change initiatives will not be successful without a culture of good teamwork and cooperation at all levels in an organisation, as discussed in the section on People.

The building blocks of TQM: processes, people, management systems and performance measurement

Everything we do is a Process, which is the transformation of a set of inputs, which can include action, methods and operations, into the desired outputs, which satisfy the customers’ needs and expectations. In each area or function within an organisation there will be many processes taking place, and each can be analysed by an examination of the inputs and outputs to determine the action necessary to improve quality.

In every organisation there are some very large processes, which are groups of smaller processes, called key or core business processes. These must be carried out well if an organisation is to achieve its mission and objectives. The section on Processes discusses processes and how to improve them, and Implementation covers how to prioritise and select the right process for improvement.



The only point at which true responsibility for performance and quality can lie is with the **People** who actually do the job or carry out the process, each of which has one or several suppliers and customers.

An efficient and effective way to tackle process or quality improvement is through teamwork. However, people will not engage in improvement activities without commitment and recognition from the organisation's leaders, a climate for improvement and a strategy that is implemented thoughtfully and effectively. The section on People expands on these issues, covering roles within teams, team selection and development and models for successful teamwork.

An appropriate documented **Quality Management System** will help an organisation not only achieve the objectives set out in its policy and strategy, but also, and equally importantly, sustain and build upon them. It is imperative that the leaders take responsibility for the adoption and documentation of an appropriate management system in their organisation if they are serious about the quality journey. The Systems section discusses the benefits of having such a system, how to set one up and successfully implement it.

Once the strategic direction for the organisation's quality journey has been set, it needs **Performance Measures** to monitor and control the journey, and to ensure the desired level of performance is being achieved and sustained. They can, and should be, established at all levels in the organisation, ideally being cascaded down and most effectively undertaken as team activities and this is discussed in the section on Performance.