

**TQM - THE REASONS FOR FAILURE
AND HOW TO OVERCOME THEM**

**TQM – UZROCI NEUSPJEHA
I KAKO IH PREVAZIĆI**

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ABSTRACT

Since the late 1970s thousands of Western companies have woken up to the challenge from the Far East and launched some form of quality initiative. As a result, many have since become world class competitors and much can be learnt from their experiences. Unfortunately, it is also true that many organisations, if not the majority, have not met with the same measure of success; we can also learn from their experiences.

1. INTRODUCTION

During our research we were surprised to find that the estimated failure rate for TQM initiative was more than twice as high for the United States as for the UK (see also [1]). We are not chauvinistic enough to believe that this was wholly due to the competence of UK management vis-à-vis their US counterparts. But the research also led to some other facts, and the possible correlation was intriguing. At the time, fewer than two thousand US companies had ISO 9000 certification, while the corresponding figure for the UK exceeded twenty-five thousand. When one considers the relative size of the two economies, the figures are even more extraordinary - A little history is needed to explain this discrepancy.

ISO 9000 is derived from the British standard BS5750, which in turn was derived from quality standards on which the U.S. Department of Defence and the -British Ministry of Defence agreed for delivery of military equipment to NATO and to each other. Under Thatcher's drive to revitalise Britain, the UK Department of Trade and Industry decided to make accreditation to BS5750 a major element in their "national quality campaign." The breadth of the campaign and the assistance to smaller companies were wider than the introduction of standards alone; this was indicated by the advertising launch slogan, "Quality is too important to leave to your quality manager." The success of this campaign, together with the curbing of archaic trade union power, probably accounts for a major proportion of the massive investment in Britain from Japan, Korea, and the United States. It is not an accident that the erstwhile spent, tired, and old-fashioned UK at the lime of this writing now

leads Germany, France, and the rest of Europe in most of the parameters of economic success. The lesson to be learned is that a period of disciplined thinking, at many levels in the organisation eventually pays dividends. The exercise of understanding and seeking accreditation to ISO 9000 would appear to be an educational influence in development of a thinking evolutionary company (well, at least in the area of quality). ISO 9000 may be a latter-day quality saint in the United States, but its gathering pace may do more in the long run to change the mass of U.S. companies in the field of quality than all the gurus combined. But perhaps more important these observations point the way toward for countries such as India, Mexico and the East and Central European nations in their search for quality competitiveness (as also presented at [2]).

Success is a comparative term. Some of the unsuccessful companies would have difficulty in admitting failure. In truth the measure of success for them is somewhere between success and failure. This view is understandable for, almost without exception, every company that has launched a quality drive has improved. In business terms quality has been in focus and has shown a positive return; therefore it has been successful. But the real measure of success should be against world class competitors and the original expectations. Viewed in that light most companies have reasons for disappointment (as discussed at [3]). The author's research and their experience in assisting organisations implementing quality initiatives around the world have led them to recognise ten principle reasons for disappointment which will be summarised (see also [4] for details).

2. LACK OF MANAGEMENT COMMITMENT

The most frequent reason advanced for the comparative failure of quality initiatives is a lack of management commitment to see the process through. The disillusioned comments can be paraphrased as: 'We got off to a good start, the staff were all for it but somehow it all petered out - management didn't stay committed.' Quality had been seen as the 'flavour of the year' and now the organisation had a new flavour. In other words, quality improvement had been treated as a short-term programme rather than as a never-ending process.

In reality this is a too simplistic excuse and does not go the root cause of failure. It was not commitment but comprehension that was lacking. After all, who can really be against quality. The real issue is that management generally had little understanding as to what they were supposed to be committed to. At any stage of the programme the management would have considered themselves committed to quality and been delighted to have made another rabble-raising speech to demonstrate their commitment. Too often managers launch into quality programmes with no real comprehension of the destination, let alone the vicissitudes to be met on the way.

3. LACK OF VISION AND PLANNING

The conversion to quality has been likened to a religious experience. Some executives see the light and suddenly become born-again quality managers. Fired with the zeal of the new faith they go rushing off on the road to Damascus and expect everyone else to follow blindly. Unfortunately these evangelists have little real idea of where or what Damascus is, of how to get there and even less idea of what they are going to need on the journey. Almost without exception, the power of the concept and of teamwork triumphs and the erstwhile sceptic becomes a powerful agent for change. W. Edward Deming, the American quality guru, always demanded constancy of purpose rather than commitment from management (for example [5]). The profound knowledge which lies at the heart of this statement is that management must first have a purpose to which to remain constant. The failure to provide

this purpose and to provide a plan to achieve it is the real cause of disappointment in many quality initiatives. The executive or leader of the organisation has to have a very clear idea of Damascus and then communicate it very clearly to ail the would-be pilgrims. Many executives define fairly clearly the business objectives of the organisation but give only moderate attention to the principles and values or methods by which they want the business vision achieved. Too often that is delegated to the Human Resources or Personnel Director or in the case of quality to a 'quality team'. The resultant process has been succinctly described by Dr Stephen Tanner as 'guru-hopping'.

4. SATISFACTION WITH THE QUICK FIX

Today most executives realise that quality of service is important to their customers. Naturally they want to do something to improve quality within their own organisation. However, few comprehend that the lack of quality that they detect in their own company could be the result of their own behaviour or actions. They are also imbued with the Western philosophy that if they turn their attention to the problem it can be quickly fixed. Consequently, the laudable desire to improve customer satisfaction and the image of the organisation is often crudely translated into another urge 'to beat up on the workers. The language actually used is more likely to be 'motivating the workforce' or 'providing our people with a customer orientation'. The three most common examples of the 'quick fix' mentality in attempting to improve quality in Western service organisations are the introduction of quality circles, customer care programmes and empowering the people.

Each of these approaches is valid and indeed they can be powerful contributors to an overall process, but only if the operating environment is conducive to their success - in other words, if the executives have first created a new environment in which traditional management behaviour patterns have demonstrably changed. Without the cultural change each of the above become one-off programmes. They also delude management into believing that they have dealt with the quality issue and that they can now turn their minds to more important 'real business issues'. Even the most progressive companies can fall into the quick fix trap. Immediate application of the Band-Aid can hide the haemorrhaging in the body of the organisation. It is worth examining the fallacies that lie behind these approaches if applied in isolation.

Quality Circles - when the impact of the Japanese quality challenge first became apparent Western consultants and businessmen rushed to Japan. These were expensive trips so there was little time for real research into all the issues but they did find one answer that satisfied their quick fix minds: the quality circle. For them the quality circle meant groups of workers collaborating with their supervisors to complete fishbone diagrams and solve all their quality problems. This idea appealed to Western management.

Some years later puzzled executives found it hard to explain the relative failure of the quality circle movement in the West. In the end they sighed and put it down to the difference in attitude between the Japanese and the Western worker, in one sense they were right but it never occurred to them that the difference in attitude in the workers was caused by the difference in behaviour of the respective management. The Japanese manager understood statistical theory. They knew that the workers on their own could only eliminate some twenty per cent of the sources of error. They had to participate actively with the workers in tackling the remaining eighty per cent. Therefore, quality circles are doomed to comparative failure if management do not wholly understand their personal role in the process.

Customer care programmes are the most prevalent of the quick fix approaches to quality improvement in service organisations. Providing pleasant waiting rooms, teaching staff to treat the customer with courtesy and how to handle the telephone are important ingredients in giving a quality service. However, used in isolation it will generally only gloss over the cracks in providing a real quality service.

Customer care can be an easy way out for service industries. It stems from the obvious fact that they are primarily people businesses. Their management contrast their operations with the machine-dominated systematised production lines of manufacturing and consider that there is no correlation. They fail to recognise that they also deliver service through a series of systematised processes which require many similar controls and aids. They may well be applied differently but they are similar in concept. Service organisations must ensure that all the back office processes are right and train the front office to care for the customer. Actually, if all the behind-the-scenes processes are in control, the people with direct customer contact will be smiling naturally. They will be happy in their work because they have no irate customers to calm down.

Empowering the people is a more complex issue. It depends on what the organisation means by empowering. However, like other quality concepts it is in danger of being prostituted. It is very much in vogue with consultants in the USA and is gaining ground in the UK. In many cases it is a short fix extension of customer care, giving the direct customer contact more latitude in providing extras to delight the customer. In the manufacturing industries the production line was once sacrosanct and only a very senior individual, probably only the plant manager himself, was authorised to stop the line. Now in some plants the operator can close down the line if he spots a defect. That is empowering the people. That is defining a standard where error is unacceptable.

5. LITTLE OWNERSHIP OF THE PROCESS

A different variant of the quick fix approach can also be seen in the organisation that is determined to implement every element of TQM. They have recognised the need to change and naturally do not want to waste too much time in implementing a quality ethos. They are also wise enough to comprehend that they are going to need outside help and therefore they approach TQM consultants. At this stage they can easily fall prey to the complete 'packaged' methodology and a complete 'packaged' educational system.

It is difficult to criticise the executive who decides to follow this prescribed route. Many of these packaged - solutions are directly, or by inference, linked to the teachings of one or other of the quality gurus. Yet, despite the undoubted credibility of the guru, these packaged solutions will ignore the unique culture of the organisation and create barriers to communication throughout the workforce.

Any organisation that explains that it is implementing the 'Crosby' or 'Macdonald and Piggott' process are doomed to disappointment. They need their OWN process. For this reason the authors advise their clients to select a title for their initiative which reflects their own operational culture rather than for example 'TQM'.

6. CULTURE CHANGE VERSUS PROJECT APPROACH

The overall philosophy of quality management has been artificially divided into two distinct and competing implementation strategies. The two approaches are categorised as the 'overall' culture change route' and the 'project by project approach'.

The culture change route is sometimes castigated by its opponents as 'motherhood'. Certainly if misapplied it will produce little real improvement in quality or productivity. The concept is based largely on cascading education and training for everyone in the organisation. This process is designed to lead everyone to recognise the need to change and provide them with the competence to analyse and improve work processes. There is nothing wrong in this approach - indeed it is an essential element in quality improvement. The danger lies in the organisational tendency for everyone to wait until the educational process is complete before tackling the major problems discovered on the way. By then they will have forgotten much that was learnt. This is a particular danger for middle management. At its worst it can be likened to insisting that everyone stays on the fire prevention course while the east wing burns down.

The opposing 'project by project' approach is more pragmatic and is argued to be more practical. The fashionable 'business process re-engineering' (BPR) exhibits some of these tendencies. In essence a series of key issues, processes or opportunities for improvement are identified and then task forces or project teams are established to work on the issues. Of course, each team is educated and trained in techniques to accomplish their allotted task. To some extent a culture change does take place by the very nature of the activity. The danger is that the education, training and experience is not common and many functions such as administrative and financial are not wholly involved. There is also a tendency to create a large supporting quality organisation of full-time trainers and facilitators. In the broadest sense the new way of working does not enter the overall fabric of the organisation.

The real answer lies in the scope of the original assessment and planning stage of the process. The assessment will highlight both the culture change required and the immediate key success factors. The plan should then address an implementation strategy that ensures that both approaches are integral rather than competing. It will avoid the dangers inherent in each when taken as the sole route. Perhaps the integrated approach becomes more akin to parenthood rather than mere motherhood!

7. AN OBSESSION WITH TOOLS AND TECHNIQUES

A substantial armoury of tools has been developed over the years to support all involved in the quality improvement process. They range from relatively simple measurement and process analysis tools, through a series of problem-solving techniques, to very sophisticated use of statistical concepts. Many of these tools and techniques will actually assist the mindset change and are therefore an integral part of the improvement strategy. Others have their use in specific situations (for review see [6]).

However, quality will not be achieved by tools alone. Some organisations become so obsessed with the tools themselves that they forget that tools are there only for a purpose. Trying to measure every element of a process from the outset will drown the organisation with facts that it cannot use or take action on. When measurement charts are being used as an alternative to wallpaper it is a reasonable bet that nothing much will change. Some people spend so much time filling in charts and collecting statistics that there is little time left to complete their real work.

Many proponents of Statistical Process Control (SPC) seem to believe that the use of this undoubtedly powerful tool is all that is needed to achieve excellence. Of course SPC contains a range of measurement tools which need careful selection to meet given circumstances. They are all designed to assist in the control of work processes, which is the central core of

continuous improvement. Nevertheless, control is not the only factor in looking at or managing the human element of work.

Similarly, national quality systems such as ISO 9000 are useful disciplines but by themselves will not ensure quality of service. Too many organisations go through the task of certification to such systems for marketing reasons alone: in other words, as suppliers to other organisations they need such certification to remain in business. They will improve but unless they see the wider ramifications of quality they will not achieve what they might have expected. These systems can become another form of management cop-out: 'Good, now we have been certified we have dealt with quality.'

8. QUALITY WAS TOO CONSTRAINING

The word quality can be an impediment to even getting started. Too few executives see quality as a strategic imperative. They are more likely to see it as a task to be delegated to a quality department and in any case as an expense item to be controlled. They rarely see it as permeating everything that happens in the organisation. When quality does find a place on their agenda and they want to take action they are likely to adopt the quick fix route.

Competition has led many organisations to elevate quality to the strategic level. But here again the word 'quality' imposes constraints. Tremendous energy is thrown into the quality improvement process and everyone in the organisation is enthused but there is no real and lasting change. This level of comprehension will often lead to quality improvement becoming institutionalised into a self-perpetuating bureaucracy. The need to improve is first recognised through the competitive market need to provide quality services. That need will not be wholly met if quality is constrained by lack of comprehension of what is now meant by that word. Quality should be viewed as the outcome rather than the process.

9. QUALITY MANAGEMENT BECAME INSTITUTIONALISED

Using TQM as a process to achieve excellence does require some initial facilitative organisation to plan and support the process of change. However, that organisation should never be seen as responsible for quality, that is the responsibility of the normal structure of management and people working together. To emphasise that important concept the initial TQM organisation should plan the timing of its own extinction right from the outset.

Unfortunately, in many organisations fully committed to quality improvement a proliferation of quality improvement teams, facilitators and co-ordinators establish a permanent ownership of quality. Another fortress has been created and the normal structure of the organisation is soon throwing its quality problems over the wall to the 'quality people'.

This abiding sin of quality initiatives usually stems from a generalised and packaged methodology. Large sums of money are spent on this generic education or methodology and then even larger sums are expended over long periods of time on a semi-permanent TQM bureaucracy. This tendency is very prevalent in large organisations. Their culture inherently encourages empire-building (or at least until the next pruning exercise) and they have a natural tendency to purchase what they are led to believe are 'tried and proven methodologies'.

10. EMPLOYEE INVOLVEMENT WAS NOT MAINTAINED

This reason for failure is really the result of other causal factors rather than a root cause in its own right. However, it is often quoted as a cause of failure that it deserves separate consideration. Typical statements of companies experiencing this issue are as follows:

- 'Nothing really changed'
- 'The shop floor didn't actually do anything'
- 'Somehow it didn't really happen'
- 'Though initially greeted with enthusiasm, the workers never "bought in"'
- 'Deep down the workers were not interested'

Unless the education and training elements in the initiative are specifically designed to involve workers in the improvement of their own work process little will change (see also [7]). Every element in the plan should focus on real and specific improvement which the workers can recognise relate to their own work. This will rarely be achieved by motivational challenges. In reality the involvement of employees depends on a change in management behaviour. When they understand that their principal role is to help their people we are nearer the solution.

11. LACK OF REAL BUSINESS MEASURABLES

A central tenet of continuous improvement can be summed up in the phrase 'what you cannot measure, you cannot manage', to which could be added 'what you do not measure, you are probably not managing. Yet all too many total quality management processes are not measured in a meaningful way. Some companies mistakenly believe they are measuring the process by techniques such as the Cost of Quality (as described by [8] but few apply real business measurables as the criteria for success.

It is of interest that most of the successful pioneers in quality management who originally used COQ as the overall measure decided to stop using it many years ago. The original reason most companies invest in quality management is the competitive need to improve the quality of their products and services. At that stage COQ is a powerful tool to help their understanding that they will not achieve their aims by just increasing inspection or merely motivating their workforce. But the original deficiencies that must be improved are still present and should therefore be the basis for measuring improvement. For example, if the initial assessment stage in an insurance company shows that the turnaround time from proposal to issue of a completed policy is twenty days and the competitive need is to reduce this to five days then that is the measure. Milestones can be set for a staged reduction from twenty to five days over a given time frame. Achieving those milestones would be a real business measurable. Every organisation can establish a number of such criteria which can be used as the real measure of success.

There will be arguments within the organisation about whether all these improvements are wholly the result of the quality management process. Actually, the same could be said of COQ, but what does it really matter if the focused measurables are all being achieved? However, in addition to the business measurables (which should be defined in the original plan) there are additional measures which can be established to assist those managing the TQM process. TQM should be viewed as a business process in its own right. In other words, it will have inputs and outputs which should be related to requirements. These can be used as measures by those directly involved in managing the process of change. These measures will support progress or otherwise for the executives measuring the business parameters.

12. CONCLUSION

All of these disappointments can be avoided. The key to lasting success lies right at the start of the journey to continuous improvement. The effectiveness of the original assessment and the comprehensiveness of the plan to manage the change are the real basis for a successful journey.

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