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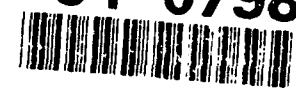
# Total Quality From The Top

Captain  
Lawrence W. Urbik  
U.S. Navy

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*Faculty Research Advisor*  
Dr. Rita Wells

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The Industrial College of the Armed Forces  
National Defense University  
Fort McNair, Washington, D.C. 20319-6000

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## ABSTRACT

Author: Larry Urbik, CAPT, USN

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Government and industry organizations have been experimenting with or attempting to embrace the concepts of Total Quality in an effort to improve organizational efficiency and enhance productivity. Some have achieved remarkable success; while others suffered dismal failures. This paper examines the experiences of well-managed firms that attempted to improve quality. It focuses on the skills required of senior level leaders to first get the quality movement going. Then what did it take to sustain the "quality climate" in their organizations. Finally, the paper will discuss why leading this quality movement is so different from leading the myriad other changes organizations go through.

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National Defense University  
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## TOTAL QUALITY FROM THE TOP

"The future isn't what it use to be."

Yogi Berra

### Introduction

We're in a world where change is so rampant that our views of a future unfolding logically from the past are no longer possible. The end of the 40-year Cold War, the unification of Germany, the collapse of the WARSAW PACT and the Soviet economy have set the stage for the 1990s. It's a new ball game. National companies previously content with serving primarily their domestic markets now are expanding more and more into the international market place. America's competitors are not next door but are around the world. A new global economic interconnectedness is forming that some refer to as the true "New World Order." Corporations are quickly finding out that what it takes to "win" is different from the skills and abilities and organizational systems that they used in the past. American manufacturing and service companies are discovering they can not afford to remain passive in the coming years. Under the growing pressure from foreign competition, American corporations have rediscovered "quality."

After decades of indifference to, and neglect of, what was happening in Japan and elsewhere in the world, the American

business community began its turnaround in the mid-1980s. At that time a few large corporations became convinced that quality products and services were their ticket to the future. By the late 1980s, talk about quality became the "in" topic.<sup>1</sup> And today you can't pick up a trade journal without at least one article devoted to quality.

As Allan F. Jacobsen, chairman and CEO of 3M, so aptly put it, "There are only three issues critical to business success - innovation, productivity, and total quality."<sup>2</sup> John Young, CEO of Hewlett - Packard and Chairman of both the President's Commission on Industrial Competitiveness and the Council on Competitiveness maintains, "In today's competitive environment, ignoring the quality issue is tantamount to corporate suicide."<sup>3</sup>

The shift to quality among large, high technology firms was, in effect, an easy first step. The Xeroxs, Motorolas and IBMs of the world made up their minds to adopt "quality first" management practices, and both the resources and talent to implement and improve their product followed. But, according to V. Daniel Hunt, author of Quality in America, "the time bomb ticks silently

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<sup>1</sup> V. Daniel Hunt. Quality in America: How to Implement a Competitive Quality Program. Homewood, IL:Business One Irwin, 1992. pp. 2-18.

<sup>2</sup> Y. K. Shetty and Vernon M. Buehler, The Quest for Competitiveness, Quorum Books, Westport, CT, 1991, p. 5.

<sup>3</sup> Ibid, p. 5.

away in thousands of medium and small size manufacturing and service firms that may be less sophisticated, and financially strapped."<sup>4</sup> He questions whether they can shift to a quality approach in time, before competition, or more aptly a lack of it, drives them out of business.

By the turn of the century the pros and cons of a "total quality" approach for management may no longer be debated. U.S. leaders are focusing today on quality to restore the country's competitive edge. Even the U.S. military, forced to downsize by 25 percent and yet compete with the civilian sector, is turning to quality to maintain its readiness and support capabilities. Whether it is called Total Quality Management (TQM), Total Quality Leadership (TQL) or Total Quality Performance (TQP), "total quality" mentality is becoming a way of American life.

But talking quality is one thing, putting it to work, one organization at a time, is another. Renowned quality experts such as Philip B. Crosby, W. Edward Deming, and Joseph M. Juran and the success stories of many major corporations show that Total Quality (TQ) has to be clearly embraced, driven and led by the Chief Executive Officer (CEO)/Commanding Officer and his or her immediate top advisors or team.<sup>5</sup> But the literature also

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<sup>4</sup> Hunt. Quality in America, p. 5.

<sup>5</sup> J. Gerald Suarez. Three Experts on Quality Management. Arlington, VA:Department of the Navy TQL Office. July 1992. p. 20.



shows situations where, although a number of initiatives are underway, little is really changing. Many quality consultants offer courseware based on the Deming, Juran or Crosby approach and/or some combination of the best of each as if these were routine production processes - put people in here, follow the 14 steps, and out comes a quality organization. Deming is quick to point out, "What works in one organization might not work in another."<sup>6</sup> Each organization has a unique mission and a unique culture. Infinitely variable people cannot be put through a fixed process to get uniform, predetermined results. Any quality program must address the specific business environment, the strategies being pursued, the technology used and available, and the organizations culture. All of these, individually and in combination are unique to one organization at any one time.

The purpose of this paper is to examine critically what successful companies did to get the quality movement going. What common themes, experiences or behaviors that were exhibited by those that were successful? And, how did they keep the "quality climate" in their organizations. The focus will be on the leader or CEO of a Total Quality organization. What is required for the leader of an organization to make quality a way of life? The leader's role in cultural development and change. And, why is leading this change different from leading the myriad other changes organizations go through?

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<sup>6</sup> Suarez. Three Experts on Quality Management. p. 20.

## **Opportunity for Change**

The long-term success of an organization may become its Achilles' heel in the midst of our changing global environment. Past successes can easily develop a passive managerial style and prevent a corporation from reacting to changes in the business environment. The organization can easily fall into a: "If it ain't broke, don't fix it", mentality. Mr. Peterson, C.E.O. of Ford Motor Company, probably said it best when he stated: "It can be very difficult to make significant changes, especially when you have been in the habit of doing things differently for decades, and especially when the very success that brought you to positions you now hold was rooted in doing some things, frankly the wrong way. It is going to be hard for you to accept that you were promoted for the wrong reasons a time or two."<sup>7</sup>

A financial crisis, as we are experiencing today, both at home and abroad, may be the triggering element to force some adjustment. Our need for global competitiveness provides a window of opportunity for implementing change.

## **Organizational Culture**

According to Hunt, "American organizations are facing the

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<sup>7</sup> Nancy R. Mann. The Keys to Excellence. Los Angeles: Prestwick Books, 1987. p. 154.

prospect of massive changes in the basic culture that underlies how they do business."<sup>8</sup> Crosby, Deming and Juran agree that corporations need to change to an organizational culture with quality as its focus.<sup>9</sup> But what exactly is culture? The American Heritage Dictionary defines culture as "the totality of socially transmitted behavior patterns, arts, beliefs, institutions, and all other products of human work and thought characteristic of a community or population." Baker gave a more focused definition that defines culture as: "how people are expected to behave: what's right and what's wrong. It provides norms and principles to guide the behavior and judgment of members of the enterprise. It states values regarding people, product, and service: how customers and suppliers are to be treated and how everyone in the company should treat one another."<sup>10</sup> The culture of an organization has to do with its traditions, values, beliefs and customs.

A company's culture starts forming the instant the founders begin conceiving their enterprise. From the very moment of conception, the company's culture begins to feed on various characters, events, products, strategies, and competitive environments. Anyone managing a new enterprise must begin

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<sup>8</sup> Hunt. Quality in America. p. 32.

<sup>9</sup> Suarez. Three Experts on Quality Management. p. 16.

<sup>10</sup> E. M. Baker. "The Quality Professional's Role in the New Economic Age". Quality Progress. November 1987. p. 25.

constructing the foundation of excellence from the onset. In his research report on Leadership, Lieutenant Colonel Channell felt organizational culture was the newest and perhaps the most controversial of organizational theories. "The basic knowledge of how culture works is still very fragmentary, but there is no more important research agenda for organizational theory than culture dynamics. Cultural pragmatists generally see culture as the key to commitment, productivity, and profitability. They see organizational culture as not just another piece of the puzzle, it is the puzzle."<sup>11</sup> LTC Channell asserts if culture is the puzzle then people are the pieces of the organizational puzzle, and it is visionary leadership that holds the puzzle together. "Leadership is the fundamental process by which organizational cultures are formed and changed."<sup>12</sup> The puzzling nature of culture is echoed by Hunt. He claims many executives want to ignore culture. It is too nebulous, too difficult to "fix." "One of the most difficult tasks for top management is to understand the impact of culture modification on the near-term and long-term business strategy."<sup>13</sup>

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<sup>11</sup> Ronald Channel, Lt Col, USAF. "Leadership: The key to Successful Implementation of Total Quality Management". Maxwell AFB, AL: Air Command and Staff College. May 1990. p. 23.

<sup>12</sup> Edgar H. Schein. Organizational Culture and Leadership. San Francisco: Jossey-Bass Inc. 1985. p. ix.

<sup>13</sup> Hunt. Quality in America. p. 25.

## Cultural Change

Corporate structural changes usually disrupt the harmony between the structure and the culture of an organization. Most corporate changes bring tension, stress, confusion and sometimes disharmony.<sup>14</sup> People generally are comfortable with the status quo. Deming contends top management and everyone else must feel pain and dissatisfaction with past performance and must have the courage to change.<sup>15</sup> The problem is, we often want change, but not if it hurts. Change is always a threat when it is done to "me," imposed on "me," and one feels they're making "me" do it. But with change becomes an opportunity if it is "my" chance to be a hero, if it is "my" chance to help the company win by doing something a little bit innovative. "People don't resist change, they resist being changed. Transformation is a campaign for peoples' hearts as well as their minds. A change is successful because a critical mass has rallied around the proposed change. Creating such a loyal constituency is not ordinarily an undertaking permeated with logic. Nor can it be created through fear."<sup>16</sup> The real key in managing change is to create more opportunity for people themselves to take charge of change.

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<sup>14</sup> Monique Jerome-Forget. "Changing the Corporate Culture." Business Quarterly Winter 1992: p. 107.

<sup>15</sup> W. Edwards Deming. "Transformation of Western-Style Management." The Quest for Competitiveness. Ed. Shetty and Buehler. Westport, CT:Quorum Books, 1991. p. 59.

<sup>16</sup> Peter R. Scholtes and Huro Hacquebord. "Beginning the Quality Transformation". Quality Progress. July 1988. p. 31.

Employees will best understand the need for change if they participate in defining existing problems and have a say in creating solutions. When employees are then given the necessary authority to make decisions and initiate improvements to the processes in their workplace the company is on its way to becoming a total quality organization.

### **Freezing the Change**

Today's organizational restructures are perhaps the easiest way to implement the needed cultural changes in our industries and government agencies. Old rules get broken, both official and unofficial relationships dissolve and often new "corporate blood" brings with it new ideas and little "baggage." Yet is the fact one has restructured or reorganized their corporation sufficient to maintain the change? A review of the literature shows that many corporations have discovered recognizing the problem is only a first step. The restructuring, the cost-cutting, the new message can be effective for starters, but it takes follow-through to make sure the quality effort is more than skin deep. Coming up with a plan for change and a pronouncement from on high in the corporation will not go very far toward implementation. The Lewin/Schein model of change suggests an effective way of implementing and maintaining change.<sup>17</sup> Kurt Lewin and Edgar Schein maintain that three steps - unfreeze, change, freeze -

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<sup>17</sup> Monique Jerome-Forget. Business Quarterly. p. 107.

must be taken if change is to happen and be permanent. The last step, freeze the change, is the one most often neglected, they say, allowing people to revert to their former behavior patterns. The freezing requires strong and determined leadership.

Permanent change is both revolutionary and evolutionary. Unlike simple reorganizations or mechanical fixes, cultural change takes time and is hard work. When it comes to building quality into a company where it does not now have priority, there is simply no quick fix. A review of case study submissions for the President's Productivity Improvement Program for federal facilities has repeatedly confirmed how difficult it is and how long it takes for an organization to shift cultures. Most companies who have succeeded in integrating TQ as part of their culture have found that it takes at least five years. The Detroit automobile companies have been working on TQM for close to 10 years now, and have still not implemented TQM to the degree of most of their Japanese competitors. Motorola was one of the pioneers of TQM, and has been working on it for over twenty years, and they continue to spend time and money striving to make total quality a way of life in their organization.<sup>18</sup> It is easy to "unfreeze" the traditional values and beliefs of an organization and begin to change them. Its a totally different challenge to "freeze" the change. Many private firms simply do

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<sup>18</sup> Mark G. Brown. "An Executive's Action Plan for Implementing TQM." Prepared for: The Journal for Quality and Participation. p. 7-8.

not have sufficient energy or leadership to make the change. These are the ones Mr. Hunt predicts may not survive

### **Lead the Change**

As Lewin and Schein discovered, to continue a cultural transformation, strong leadership supporting the objectives is absolutely essential. Any hesitation on the part of senior management will jeopardize the effort.<sup>19</sup> Dr. Deming describes the new role for top management in Out of Crisis: "The job of management is not supervision, but leadership. Management must work on sources of improvement, the intent of quality of product and of services, and on the translation of the intent into design and actual product. The required transformation of Western style of management requires that managers be leaders. The focus on outcome must be abolished, and leadership put in place."<sup>20</sup> The overwhelming consensus of participants at the Conference Board's 4th Annual U.S. Quality Conference underscore the role of the senior executive as having to establish direction and embed quality values in an organization's culture. "The total quality journey is led from the top."<sup>21</sup>

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<sup>19</sup> Jerome-Forget. Business Quarterly. p. 110.

<sup>20</sup> W. Edwards Deming. Out of the Crisis. New York:Prentice Hall. 1988. p. 54.

<sup>21</sup> "Executive Summary". The Conference Board: Report 979. 1991. p. 7.



Often, the most difficult aspect of total quality leadership is to create an environment of "all one team." If a company is to excel in every activity, everyone in the organization must work together to improve processes and to execute them with energy, dedication and efficiency. The job of leading becomes one of getting everyone to move in the same or similar direction. Mr. Monteforte, Quality Manager in AT&T's Transmission Division, winners of the 1992 Malcolm Baldrige Award, gives credit for their successful quality culture to the "alignment and engagement of people." AT&T got their workforce "committed to what was important to the customer."<sup>22</sup>

A total quality effort requires a fundamentally different view of the relationship between employees and the organization. In order for all employees to be committed to the organization and its vision, the organization must be committed to its employees. Top management must recognize that its people are its most important asset. For some this may mean a significant paradigm shift. Dr. Myron Tribus, Massachusetts Institute of Technology, pointed out that an important difference between Japan and the Western World lies in the way a corporation regards its stockholders and its employees. "If there is a downturn in Japanese business, the dividend is decreased, then decreased again. Then, management takes a cut in pay and finally, the

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<sup>22</sup> Remarks in ICAF class by Mr. Louis E. Monteforte, Quality Manager for AT&T's Transmission Division. February 17, 1993.

hourly workers are given a cut. No one is turned out. A business downturn in the U.S. companies would usually result in actions in the reverse order: layoffs first and cuts in dividends last."<sup>23</sup>

### **Commitment**

When the leader of an organization kicks off a pilot TQ effort/project, we just assume that he or she is committed to the concepts, principles and practices of total quality. But is this necessarily so? What does it mean to be committed to total quality? Is the CEO or Commanding Officer, by definition committed just because he knows he needs to be?

A lack of management and leadership commitment is considered by Crosby to be the number one cause of quality improvement failure. According to Juran, every successful quality revolution has included the active participation of upper management. There are no exceptions. Deming agrees. He says the cultural transformation is top management's job and it cannot be delegated.<sup>24</sup> In Deming's words "it is not enough that top management commit themselves by affirmation for life to quality and productivity. They must know what it is they are committed

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<sup>23</sup> Channell. "Leadership". p. 16.

<sup>24</sup> Suarez. Three Experts on Quality Management. p. 22.

to - that is, what they must do."<sup>25</sup> Top management, the CEO, the Commanding Officer are all synonymous. They have to be involved as participants themselves - as coaches, facilitators, communicators, dissemblers of barriers and impediments. If the leader is not concerned with real improvement, no one else is.

### **Commitment or Compliance?**

A typical CEO shows up for awards ceremonies. Occasionally they make a speech or sign a proclamation about quality. When asked if they are committed the answer is usually: "Of course, look at all the time and money we are spending on this effort. What kind of leader would I be if I were not committed to total quality?"

Yet herein lies the beginning of an understanding of the problem that is at the heart of our corporate TQ failures. Just what is commitment? Peter Senge in his book, The Fifth Discipline: The Art and Practice of Learning Organizations, describes commitment as the degree of buy-in associated with organizational change. And the more complex or significant the change, and the more the change requires employees to act on their own initiative to make change successful, the stronger the

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<sup>25</sup> Harry Gatanas, Lt Col, USA. "Leadership and Total Quality Management". Carlisle Barracks, PA: U.S. Army War College. 15 April 1992. p. 12.

commitment must be.<sup>26</sup> Shearson Lehman Brothers comments:

"Commitment is what transforms a promise into reality. It is the words that speak boldly of intentions. And the actions which speak louder than words. It is making the time when there is none. Coming through time after time, year after year. Commitment is the stuff character is made of."<sup>27</sup>

One can get a sense for how the Federal Quality Institute (FQI) judges commitment on the part of the senior executive by looking at their criteria for the President's Award for Quality and Productivity Improvement.<sup>28</sup> Top management's leadership is evaluated by "sustained, visible and personal executive involvement," their "ownership and reinforcement of the policy on quality," and their communication of the quality vision to all levels in the organization.<sup>29</sup> What distinguishes a "world-class" outfit from those with a sound program are proactive, committed leaders that directly get involved vice just participate in quality councils. Leaders that reinforce "ownership" of the quality effort instead of just following its principles. And leaders that provide significant resources

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<sup>26</sup> Susanne Thompson and Charlotte Roberts. "Leading Total Quality". Journal for Quality and Participation. July/August 1992. p. 47.

<sup>27</sup> ICAF "TQM Seminar Lesson Guide". 19 November 1992. p. 15.

<sup>28</sup> "Criteria and Scoring Guidelines for the President's Award". Federal Total Quality Management Handbook. June 1990. pp. 8-10.

<sup>29</sup> Ibid, p. 8.

(time, training, dollars) vice just adequate support. Implementation of TQM will initially require several million dollars in a large corporation. A common mistake made by executives is to look for the quick fix. When Crosby says that "quality is free"<sup>30</sup> what he means is that the cost of a TQM effort is paid for by a reduction in rework, scrap, and other costs associated with non-conformance to requirements.

Commitment is different from compliance because it is generated from within, rather than imposed or accepted from the outside. A person who is committed to something feels compelled to take a personal stand to make their vision a reality. When a leader is truly committed to changing what a company stands for - its culture - he or she does not have to be reminded to "walk the talk" - they cannot help but do so.<sup>31</sup>

Because commitment comes from within a person, there is little that traditional change management strategies can do to make people be committed. Rather, the only way to evoke commitment from others is to be committed yourself. Neither can CEOs/commanding officers make themselves committed. Just as corporations have a unique culture, so do humans have individual values. They must shape and choose the change they intend to

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<sup>30</sup> Shetty and Buehler. The Quest for Competitiveness. p. 109.

<sup>31</sup> Thompson and Roberts. Journal for Quality and Participation. pp. 48-52.

lead in such a way that it carries within it those values and beliefs about which they already care deeply. Experience has shown people will put their best effort into doing whatever they value. The more the value the more energy, imagination and initiative goes into the effort. Feigned commitment is readily apparent to one's subordinates and will kill any total quality effort.

### **Level of Commitment**

What does the quality culture transformation effort demand in the way of commitment/compliance? What level or spirit of enthusiasm does one need from employees if they are to become a total quality organization? And perhaps even more importantly, what level of commitment/compliance is therefore required from the leader?

If the leader says, "Of course I am committed to TQ - I have to be," or "It seems like a good idea to me, so tell me what you want and I'll do it - and more if I can." Are these expressions of compliance or commitment? And if compliance, would compliance be sufficient to create the organizational culture change that is needed?

The answer depends largely on what is meant by the words "total quality." Is it a change in methods and procedures as

many executives believe, or new values, mission or vision of an organization as Deming contends?

### **Defining the 'TOTAL' in TQ**

Credit for originating the term goes to an American, Armand V. Feigenbaum, in 1961. He pointed out that the ability of a company to provide quality to the customer requires a focus on quality in every function and activity of the company. The simple addition of the word **total** created a revolution in thinking: "No longer could we think of the organization simply as a collection of separate line and staff functions operating in often poorly balanced tension with one another, trying to accomplish their individual and, frequently, mutually exclusive goals. No longer could we think of quality as something to be delegated, or left to those people"<sup>32</sup> Total quality came to mean a commonality of purpose throughout the entire organization; the aim to satisfy the external customer.

One of the main strengths of the Deming philosophy is his view of organizations as systems. "A series of functions or activities within an organization that work together for the aim of the organization." He adds, "Without aim, there is no

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<sup>32</sup> Thompson and Roberts. Journal for Quality and Participation. p. 48.

system."<sup>33</sup> This systems approach to total quality, therefore, means changes in one part of the organization naturally lead to pressures to make changes elsewhere in the system. Total quality is about fundamentally rethinking and redesigning the process and relationships within an organization to align with a new and totally different view of the customer and the business. As pointed out earlier, simply adopting and applying new techniques will not change the underlying beliefs and values of an organization, and it will not achieve a total quality organization.

And yet, these are the very approaches that most action oriented leaders are inclined to pursue. They visit other companies, read articles and listen to "expert" consultants describing the techniques total quality companies use. They believe that by simply throwing some resources at the problem and adopting these outward forms of change, without rethinking core organizational beliefs and practices - the culture - they can produce similar business results. Employees are not dumb. They have seen many management programs come and go over the years, and often believe, with good reason, that the TQ effort is only another short-lived program that will be this year's fad.

TQ can take on a new meaning for a CEO when he or she stops seeing it as something he or she is trying to "do to" the

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<sup>33</sup> Suarez, Three Experts on Quality Management. p. 21.



organization and begins seeing it as a description of the character of the organization. TQ is not so much about what an organization does, as it is about what the organization becomes. That is why it is described as a fundamental paradigm shift.

If total quality is really going to be total, if it is going to be systemic, and if it is going to mean rethinking and changing all corporate practices that do not serve the customer, then is compliance by the top executive good enough?

#### **Views on Commitment**

The leader must be committed in a way that is different from just about any other organizational commitment he or she has made before. They need to go beyond the "I'll do it - and more if I can." stage to one professing "This is what I stand for. I'm going to find a way to make this happen." Tom Peters, co-author of two best-sellers on corporate excellence, believes the leader must give quality all their attention. "Attention is all there is. You are what you spend your time on. You're as focused - or unfocused - as your calendar says you are."<sup>34</sup> Peters writes that if the CEO is interested in launching, and then sustaining, a program of quality improvement through empowerment of people,

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<sup>34</sup> Tom Peters. "Making it Happen." Total Quality Selected Readings. Department of Defense.

"that theme had better be reflected unmistakably on their calendar, hour to hour, day to day, year to year."<sup>35</sup>

This same benchmark is used by the chief of statistical methods at Watervliet Army Arsenal. He contends he can tell how committed top managers are to TQM by looking at their calendars. "If they are spending most of their time working on system-wide quality issues, then they are committed.... If they are spending most of their time firefighting, attending endless meetings on other issues, or just making speeches about quality, then you have to question both their understanding and commitment to their role as quality leaders."<sup>36</sup>

When the Chief Executive Officer of XEROX, Paul Allaire, described commitment he said: "Senior management must embody the quality strategy... We spend a lot of time benchmarking companies not only in Japan but also throughout the United States, and the common denominator among companies who have successfully implemented a total quality approach is a deep understanding and commitment to quality among the company leaders. Senior

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<sup>35</sup> Ibid.

<sup>36</sup> David Carr and Ian Littman. Excellence in Government: Total Quality Management in the 1990s. Arlington, VA:Coopers & Lybrand. 1990. p. 132.

management must lead by example... The CEO particularly must be a role model."<sup>37</sup>

At Cadet Uniform Services, a uniform design and rental company in Toronto, the president, Quentin Wahl took the above action item to heart. He actually carried a flag reading "Cadet Uniform, We Do It Right The First Time" to the top of Mount Aconcagua in Argentina, the highest mountain in the Western Hemisphere. "It showed the employees I was passionately committed to the quality process. When they first start to feel you're satisfied, that's the end of TQM."<sup>38</sup>

At the Conference Board's 1991 Quality Symposium a group of distinguished CEOs discussed that year's theme: "Leadership and Empowerment for Total Quality." Nothing as radical as Cadet's experience surfaced, however two points stood out: First, reenforcing an earlier theme, quality is not about to go away. It has become the primary concern of any company, anywhere, that wants to stay in business. And secondly, the CEO must be the visible source and champion of the quality movement - and employees have to know it.<sup>39</sup> The Symposium's moderator and KPMG

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<sup>37</sup> Paul Allaire. "Leadership Through Quality at Xerox". The Conference Board: Report 992. 1992. p. 13.

<sup>38</sup> Kevin Doyle. "Who's Killing Total Quality?" Incentive. August 1992. 12.

<sup>39</sup> "Executive Summary". The Conference Board: Report 992, 1992. p. 7.

Peat Marwick's CEO, Jon Madonna, believes if "we as leaders don't set the standard, don't provide the enthusiasm for the program, don't constantly show that it is being invoked and that we're measuring it, we won't have a quality program because it's much easier for employees to conduct business as usual. The CEO must keep the pressure on."<sup>40</sup> Someone has to be willing to make a career stand on the effort - to lead with a sense of mission, to take the variety of actions required. When a top executive fulfills this commitment, he or she shapes and sustains the quality process.<sup>41</sup>

But Crosby, Deming and Juran caution, not only should the CEO create a vision for the corporation but he or she needs to choose what's right for themselves. What he or she personally can be committed to.<sup>42</sup> Leaders must be candid with themselves about what they can or cannot expect to achieve. As many executives are discovering, they cannot expect to reap the full benefits enjoyed by the handful of true TQ companies by giving it less than a total effort. If the CEO/commanding officer doesn't have "the religion" they stand to be disappointed and frustrated. Not every company, or every leader, is ready to take on the total quality transformation.

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<sup>40</sup> Ibid, p. 7.

<sup>41</sup> Carr and Littman. Excellence in Government: Total Quality Management in the 1990s. p. 129.

<sup>42</sup> Suarez, Three Experts on Quality Management, pp. 16-22.

## Conclusion

Crosby, Deming and Juran are the leading change agents, spreading the notion that business and government leaders can, and must, learn to build quality performance into their organizations. They point out that quality is neither a matter of chance nor an act of magic; it is needed to survive in the new global competitive environment. But since change involves risks for individuals and organizations alike, with each new idea also comes resistance to change. Familiar habits and beliefs are traded in slowly for new ones. Culture change takes years, not days.

In a Guide for Implementing Total Quality Management, the ITT Reliability Analysis Center (RAC), summarized the rôle of top management in implementing TQ best when they said: "RAC recommends the top-down model because it has the highest probability for success, although it doesn't guarantee success. The top-down model fosters management commitment, the single most important requirement for ...success.... Top-down implementation requires management leadership as well as commitment. Management must lead the effort, providing...vision and philosophy for the organization. Management must lead the cultural change required.

The top-down approach assures the availability of the resource support that is crucial for success. Time, money, and

people are going to be required.... The bottom-up approach sends the message that quality management is something for the employees, but not necessarily for management."<sup>43</sup>

Top management in an organization is responsible for ensuring the quality is a perpetual commitment. Every member of the organization should know with certainty that total quality is not just another fad that management will soon forget. Everyone should understand that getting on board is mandatory and that it is not possible to "wait until this quality thing blows over." Each member of top management and each individual in the organization must recognize a personal role and responsibility and must be given a personal incentive in the quality effort. Actions that help with the process of aligning, establishing direction, and motivating and inspiring are limited only by the creativity, imagination and commitment of the leader. Fundamental is the idea of getting things done through people and taking care of people. Leaders should concern themselves with satisfying the needs of their employees and let the employee satisfy the customer. At Federal Express, where "every employee is the CEO's customer,"<sup>44</sup> the Vice President for Human Resources believes you must try to create an empowered work force because their customers' perception of quality is held in the hands of

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<sup>43</sup> Hunt. Quality in America. p. 30.

<sup>44</sup> Larry McMahan. "Federal Express Corporation." The Conference Board: Report 990, 1992. p. 17.

their people. "Each daily interaction with a customer is crucial. A positive interaction adds value; a negative experience can be devastating. So in trying to understand the service side of quality, one must necessarily grasp the human side of quality."<sup>45</sup> "Treating people - not money, machines, or minds - as the national resource may be the key to it all."<sup>46</sup>

So where to from here? Adapting a total quality program is a big decision and one that should be made with care. There are a lot of guiding themes, management philosophies, preferred leadership actions and approaches - and no one best way. A situational approach, where the organization's leaders match their unique organizational environment/culture to a customized quality program is probably the best. Honest, open communication is probably the key to creating a quality environment. However, the single most crucial step for the CEO preparing to adopt and implement a total quality program is an honest and frank assessment of his personal commitment to the effort.

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<sup>45</sup> Ibid, p. 17.

<sup>46</sup> Channell, Leadership, p. 45.

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