

TQM - A MUST FOR SURVIVAL

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Human Beings are innovative; they have evolved over centuries - from cave developers to multi-story dwellings. Their ability to change the environment to suit their needs has seen marvelous inventions and developments.

Why? Continuous Improvement-The very core of Total Quality Management.

The problem was not acute when the world population was small and the economies were restricted to their own spheres of operations, but with growth and almost borderless countries it became imperative for survival and growth to be more competitive. The consumers and customers have increased expectations, gone are the ages when any product was acceptable, now the people are more demanding and want value for their money, compelling organizations to do better or phase out - a situation which warrants serious measures.

The world economy is in transition, WTO is in force, and those organizations are dominating the world trade and domestic markets who can provide the right product to consumers at lower price (usually) and better quality. The organizations have to be smart, active with vigilant eye on the environments, adaptable, and Proactive - if they want to survive.

Pakistan is in RED - losing market shares to many multi - nationals or International companies and the menace of smuggling. Manufacturers are badly hurt particularly from Chinese imports who is providing higher quality products (or at par) at lower prices. Majority of firms - both manufacturing and service oriented are facing chaotic market conditions.

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Acquisitions, mergers, and deregulations have further dented the already dented economy. Jobs are scarce and contestants many, industrial development pitiful.

Major cause - the managers and CEOs short sightedness, and focus on short term objectives rather than strategic orientation. They have failed to analyze the world scenario and failed to realize there is a "new" way to manage the organizations - a way that yields much higher quality, higher productivity, higher adaptation, more and better jobs, and better return on investment.

TOTAL QUALITY MANAGEMENT

TQM manages any organization - be it a fortune 500 corporation, a college or a small restaurant. It promises sustained growth and competitive advantage not only in domestic market but also in global market.

Cost of the Pakistani organizations is focused on Management by Results - in which hierarchy and key control points are emphasized. The manager at each level is assigned the goals (short term and medium term). To achieve they in turn set goals and controls on the subordinates. The Director or CEO may simply be given a profit objective. This will then transcend to division head or SBU head resulting in quotas for each department. The sales department may be directed to increase sales by 12%, production to increase by 7%, purchase department to reduce inventory costs by 6%, recovery department to reduce bad debts by 20% - resulting in quotas at lower levels.

Management by Results has been quite successful in many economies owing to its simplicity, logic and consistency. However, the inherent flaws of the picture are apparent at close scrutiny. A few are:

- Controls dominated - accomplishments are measurable in short term, focusing on today and not tomorrow; losing sight of strategic orientation which is necessary for survival
- The system of controls will always create conflicts in an organization. Short term objectives will clash with short term objective of another department. Sales and

production are often at loggerheads - one promising which the other cannot keep. Engineering hastening productions before concept testing.

- Procurement procuring products warehouses can not handle. Directors and CEOs making programs which personnel are not equipped to provide. So each group struggles to conform to its controls independently of the others, sometimes at their expense.
- Unattainable, unrealistic and impractical controls result in fabrication of conformance. The orchestra plays so as not to look bad but melody is not there.
- This pretense of conformance fosters cautious communications, dishonesty. The more is pressure on fulfilling unattainable goals, the higher the probability of juggled figures - particularly when someone's career is at stake.
- The unavoidable inter - department control contradictions, gives birth to blame games, finger pointing, excuses and the blain of politics.
- This development of cover - your - rear philosophy leads to play it safe, non - trust, and escape goat if the situation results in system breakdown, and often putting a safe distance between the person under fire.
- The driving force of Management by Results is Fear. Fear of non - conformance, fear of losing face, fear of losing job, fear of reprimand, fear of penalty and the more strict the control system is the more is the depth of fear. This puts a person under stress, tension and on a ground that is insecure making him/her a coward forcing to comply rather than to take initiative, and to be creative.
- Management by Results forces an organization to cocoon itself relishing in the internal domain of hierarchy and controls losing sight of outward world where the customer is. Instead of delighting the customer with the product or service of the company, fulfillment and accomplishment comes from meeting the controls. Fulfilling the short term measurable goals is an indicator of success and the success of system of controls. The eyes open when it's too late and realization dawns that the indicators of control may be focused on wrong measurements.

A Few Examples

- An Electronics firm typically ships 30% of its production the last day of the month-in order to meet the monthly shipment quota. By expediting parts from around, by moving partially completed instruments ahead of their place in line, and, occasionally, by letting quality standards slip.
- A firm sometimes distributes incomplete instruments - a service representative then moves around the country installing the missing parts. The monthly quota is met and profits hold firm, at least on papers.
- A chemical plant reports inefficient running at mandated inventory levels, resulting in higher inventories until 30th June and December (when stock taking is done). For those days, it depletes the inventories to the desired level -may be losing days of production as a consequence
- Often safe goals are negotiated by managers, and some may include in their list of negotiable goals,
- Those they have clandestinely accomplished, prior to negotiation.
- Over production may not be disclosed till the time it may be required and used another day to meet the quota.
- A complaint clerk may leave his office on time, instead of exceeding his work standard
- Management may be kept in dark over creeping problems in hope they will not be noticed or disappear

The adage "When work is play it's a joy, and when it is a compulsion it's a misery" may seem appropriate in case of Management by Results.

TODAY'S SOLUTION FOR TOMORROW: TOTAL QUALITY MANAGEMENT

Total Quality Management has at its heart the Consumer- the very reason a company exists. It does not focus on providing products for satisfaction but to enchant. It focuses on Building excellence in each and every aspect of organization and not on end justifies means. The philosophy lies in everybody's involvement right from its inception, creating a family, a sense of belonging, removing barriers, overcoming roadblocks, encouraging and motivating all to be creative, innovative, and participative to accomplish the goals not only for the organization but also for their growth. Scientific methodology is applied to develop skills enabling employees to analyze and continuously improve every process for the accomplishment of tasks. Processes are usually defined in organizations as to how the work is done, processes of- production, sales, concept development, distribution, customer perception, wants, market information, new technological developments, market intelligence gathering, to name a few. These are the inputs for the outputs of new products and services. These impress upon other processes which create and test these new products and services and move them into routine production. Still others study costs and value addition. The interplay of hundreds or thousands of these processes determines the future of the enterprise. Total Quality Management emphasizes on the study of these processes, finding lacunae, rectifying and/or eliminating them, and implementing to generate better products and services to the enchantment of customers (value addition) at reduced costs.

Total Quality Management revolves around Quality - of each and every product and service and modus operandi of each process. Database approach is emphasized throughout focusing on quantitative analysis rather than on Qualitative. Scientifically each process is studied and described with the help of flow charts, problems are identified, root causes and not symptoms are identified and fool proof systems are developed. Statistical control is implemented Analysis of Variance is done and deviations are either eliminated or greatly reduced.

Success of Problem solving depends on proper use of appropriate tools in different stages of process. Three major stages in planning for problem solving are:

Stage	Focus Tools used
I Problem Definition	Affinity Diagram Relations Diagram

II Development of Strategies	Matrix Diagram Tree Diagram
III Formulation of Action Plans	Arrow Diagram Process Decision Program Charts (PDPC) Matrix Data Analysis

The concept of Family is pivotal to the success of TQM. The sense of Belonging as ONE TEAM, ONE FAMILY, and ONE'S BABY is to be inculcated in the employees - a difficult task but imperative. This creates an environment of trust, co - ordination, commitment, motivation resulting in effectiveness and execution of processes with vigor. This requires a paradigm shift in organization-employee relationship. These commitment quires what organization can do for employees. This teamwork is not possible in Management by Results.

THE KEY POINTS OF TOTAL QUALITY MANAGEMENT ARE:

- As Dr. Joseph Juran has argued since the early 1950s - at least 85% of the failures in any organization are because of systems controlled by Management. Fewer than 15% of the problems are actually worker related. TQM continuously improves every system
- It asserts work is not haphazard. Processes should be studied, analyzed, and scientifically dissected
- Standardization must be implemented, and standards followed. Variations identified and reduced and contributions from employees for improving the system should be received with open arms.
- Customer is the focus - the ultimate, an obsession with quality
- Requires improved relations with suppliers, recognizes both internal and external customers
- Forces process improvement instead of individual accountability
- Excellent communication systems as per the needs of work, and not to the requirements of hierarchy.

- Vision - the very reason an organization exists, must be clearly understood by everyone. This nurtures an environment of total commitment. Rewards go beyond simple benefits and salary to the belief "we are family" and "we do good work"
- TQM starts with customer, not what is on profit & loss statement.
- Data base approach calls for monitoring of thousands of variables both inside and outside the organization. Used to analyze the current status and guide for better performance.
- Vision is pivotal for TQM. It should be inspiring and acceptable to employees. It should make employees to stretch themselves to use their talents, skills, and knowledge to the maximum extent. It provides the road way between dream and reality. However, it will be possible only if employees are a part of vision formulation. To be evergreen the vision must be Futuristic, Progressive, Simple, Unique, Enthusiastic, and Creative, to nurture individuals to grow and become creative.
- True management teams should be formulated and developed. These teams are the key to maintain constancy of purpose, for eliminating roadblocks between departments, and for driving out fear from the managers themselves.
- Do not be hasty in improvement- extremely detrimental to TQM. People resist change; it should be a slow transition. Implement realistic and achievable targets stage wise.

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The first stage is the most common situation seen in several organizations. Few people work (achievers) denoted by arrows, while others relax with minimal work denoted by dots - an unhealthy situation. 2nd stage represents no dots meaning everyone is working but the focus is not there - a haphazard situation. 3rd stage represents all working in a focused direction but synergy is not there. 4th stage is the requirement, indicating cohesion, team work, the number of people has not increased but the team work has created synergic effect resulting in 5 times the effect if they were working as a group - a dramatic scenario, tremendous improvement in all spheres, with great strides in output with same input.

- Cross functional teams work to obtain objectives, a multifaceted approach utilized gives new insights, better perspective, constraint identification, and pooled analysis gives the best possible solutions
- Key resources are developed - senior statistician, senior organization development specialist, and intermediate level resources trained both in statistics and organizational development to coach project teams. Scientific analysis and investigation is thus provided facilitating spectacular changes in the organization, its management and its culture.
- The participation of the top management in the whole process is crucial, non - involvement or indifference will completely mar the implementation and success. TQM is not for one but for all. Everyone is part of the whole, if one gear stops functioning the entire machine will stop. The participation of all creates champions.
- Change is essential. Change oneself and others will follow for the betterment of not only the organization but for the ultimate - the customer.

Survival of the fittest is the game - a game best played by those who implement Total Quality Management

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