

Summary of Key Points and Terminology – Module 9

- Building and sustaining a TQ organization requires a readiness for change, the adoption of sound practices and implementation strategies, an effective organizational infrastructure, top management involvement, and cooperation of the workforce and middle management.
- Companies adopt TQ to react to competitive threats or take advantage of perceived opportunities. In most cases, threats have provided the incentive to act and change the company's culture. Successful adoption of TQ requires a readiness for change, sound practices and implementation strategies, and an effective organization.
- Gaining commitment for TQ from senior leadership is critical to success, but not easy. Successful strategies for selling the concept include aligning objectives with those of senior management and stakeholder goals, using quantitative arguments such as Return on Quality, developing sympathetic allies, getting early "wins."
- **Culture** (corporate culture) is an organization's value system and its collection of guiding principles. Culture is often reflected in mission and vision statements as well as the management policies and actions that a company practices. The Core Values and Concepts from the Baldrige Criteria are a useful summary of the culture defining a TQ organization and align quite well with the philosophy of Six Sigma. The culture of TQ organizations differs significantly from traditional management practices.
- Changing the culture of an organization is necessary if TQ is to take root. Change is easier when management has a clear vision, a focus on customers and continuous improvement, strong measurement, cross-functional orientation, and high employee morale. A clear understanding of the differences between TQ and traditional organizations helps define the cultural changes required, and managers must resist the temptation to simply adopt off-the-shelf programs and practices. Most successful organizations have developed their own unique approaches to implementing TQ.

- **Best practices** are simply those that are recognized by the business community to lead to successful performance. Five best practices are “universal” – that is, they can improve any organization. These include cycle-time analysis, process value analysis, process simplification, strategic planning, and formal supplier certification programs. Other practices depend on a company’s level of performance. Low performers must stick to basics such as process simplification, training, and teamwork, while high performers can benefit from benchmarking world-class organizations and using more advanced approaches.
- All employees play a role in TQ implementation. Senior managers must lead the effort and provide resources; middle managers must act as change agents to ensure that strategic goals are met; and the workforce must take personal responsibility for making it happen.
- Change is difficult to accomplish, and organizations should manage change as a three-stage process. The first stage involves questioning the organization’s current state and dislodging accepted patterns of behavior. The second stage is a state of flux, where new approaches are developed to replace suspended old activities. The final period consists of institutionalizing the new behaviors and attitudes.
- Organizations encounter numerous barriers to successful implementation. They need to recognize these barriers and avoid the common mistakes that stifle quality efforts, particularly the lack of alignment between components of the organizational system, and ignoring the financial impacts of TQ efforts. **Alignment** is the consistency of plans, processes, actions, information, decisions, results, analysis, and learning to support key organization-wide goals.
- Quality must be viewed as a never-ending journey. Implementation takes time as well as effort, and organizations must not regard TQ approaches as a quick fix. As such, organizations must continue to learn and adapt to changing environments. Organizational learning is a key aspect of building TQ organizations. Learning organizations have to become good at performing five activities, including systematic problem solving, experimentation with new approaches, learning from their own experiences and history, learning from the

experiences and best practices of others, and transferring knowledge quickly and efficiently throughout the organization.

- **Self-assessment** – the holistic evaluation of processes and performance – provides a starting point to build a quality organization. Self-assessment should identify both strengths and opportunities for improvement, creating a basis for evolving toward higher levels of performance. Thus, a major objective of most self-assessment projects is the improvement of organizational processes based on opportunities identified by the evaluation. The Baldrige criteria provide the most comprehensive instrument for self-assessment of organizational quality and management practices.
- Self-assessment naturally requires follow-up activities, specifically action planning and tracking implementation progress. Managers must prepare themselves for unpleasant findings and be able to take action to improve them. This requires serious discussion, understanding of institutional influences, and “grinding out” the follow-up activities.
- To implement ISO 9000, organizations should first develop a **quality policy**, document their processes in a **quality manual**, and develop a system of **internal audits** to maintain the system. Implementing Baldrige requires repetitive cycles of self-assessment, priority-setting, action planning to address gaps and opportunities for improvement, and reflection of results, all driven by an organization’s vision, strategic challenges, and capabilities. Implementing Six Sigma requires committed leadership; integration with existing initiatives, strategy, and measurement systems; process thinking; customer and market intelligence gathering; a bottom line orientation; leadership among all employees; training; and continuous reinforcement and rewards. Whatever approach an organization takes – whether it is ISO 9000, Baldrige, Six Sigma, or some other approach or combination – the approach should make sense and work in the organization.