

# Total Quality Management : A Journey Toward Excellence....

by

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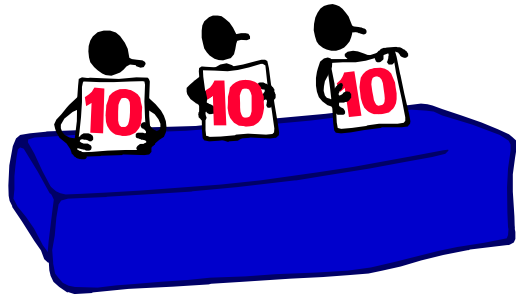
NPC, P.Jaya



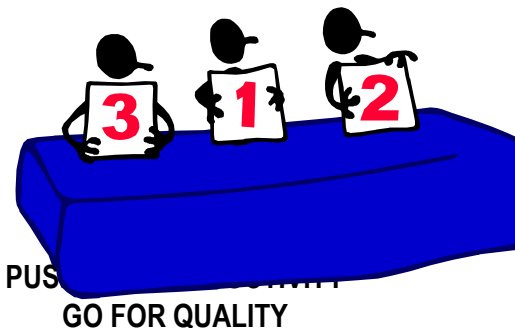
PUSH FOR PRODUCTIVITY  
GO FOR QUALITY

# Introduction to Quality....

# What is Quality?



**"Quality is neither mind nor matter, but a third entity independent of the two...even though quality cannot be defined, you know what it is."**



# Some Definitions of Quality

**"Quality is fitness for use" J. M. Juran *Quality Control Handbook***

**"Quality is conformance to requirements"  
Philip B. Crosby *Quality is Free***

**"Quality means best for certain customer conditions. These conditions are (a) the actual use and (b) the selling price of the product."**

**Armand V. Feigenbaum *Total Quality Control***

**Quality is meeting and exceeding customer expectations" TQM philosophy**

# “Product-Out” Vs “Market-In”

- SELLERS’ MARKET

- Supply < Demand

- TQM is not necessary

- BUYERS’ MARKET

- Supply Capacity > Demand

- TQM is necessary

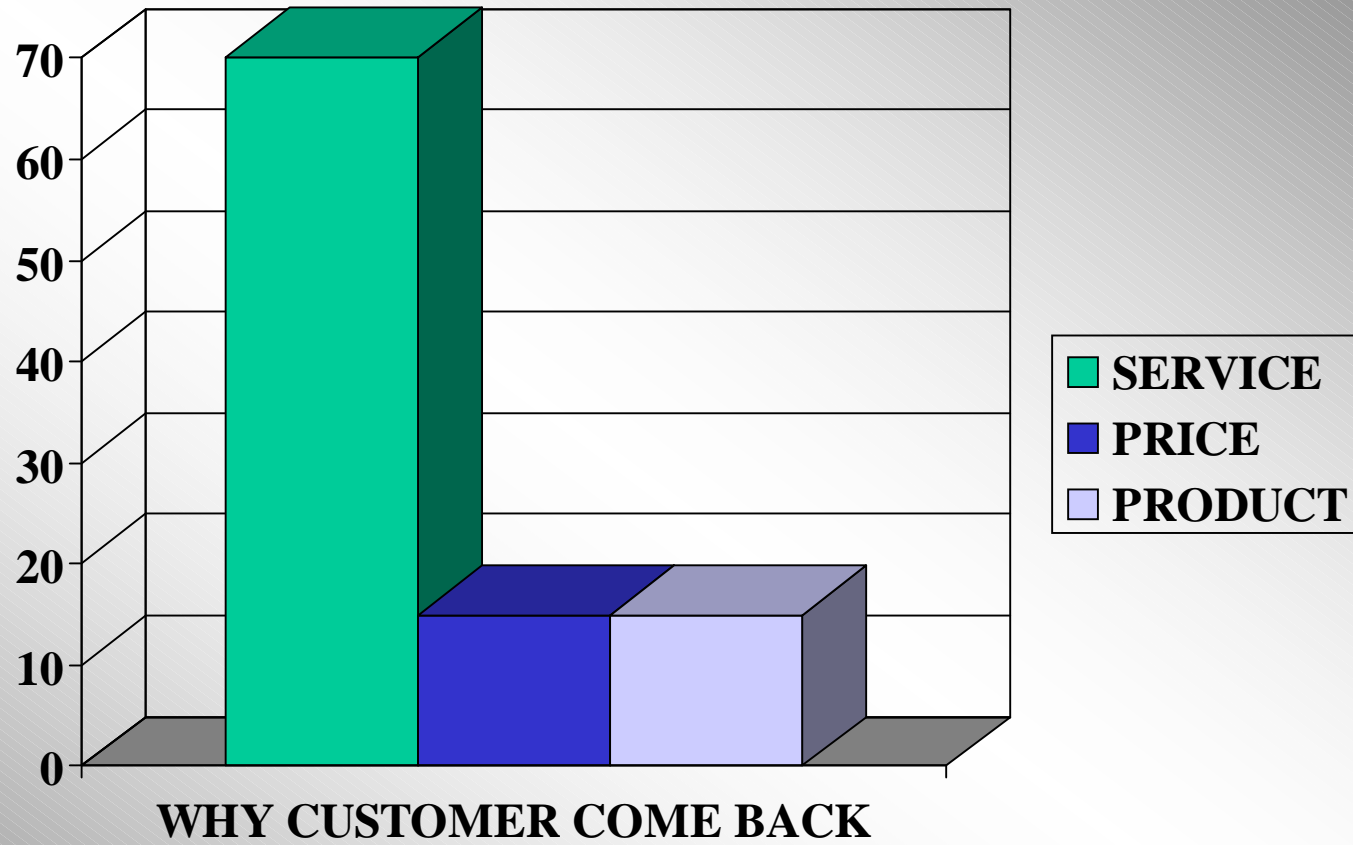
**“It is not the big that  
is eating the small,  
it is the fast that is  
eating the slow”**

# Why Quality....

# Why is Quality Important ?

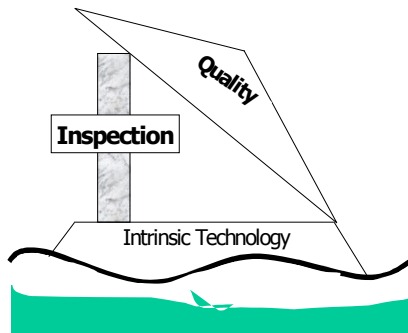
- ↻ Customer surveys show that
  - Only 4 out of 100 dissatisfied customer will complain to manufacturers.
  - The rest will not buy the products again.
  - It costs at least 5 times as much to attract a new customer as it does to keep an existing one.



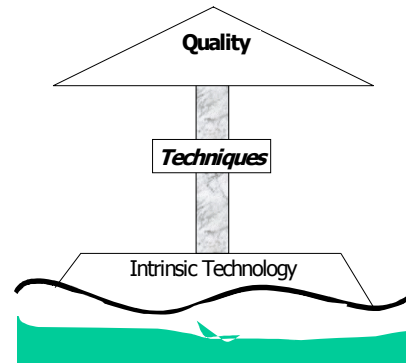


# Quality Management Evolution ....

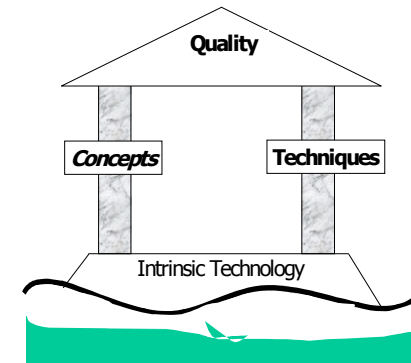
Before Modern Quality Control



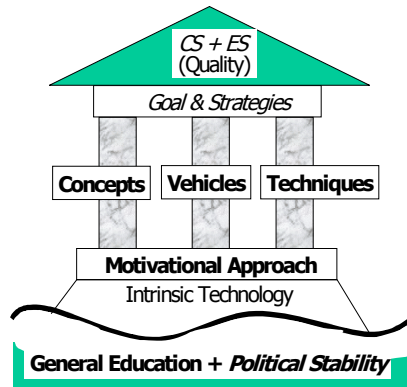
The House of SQC~ 1950's



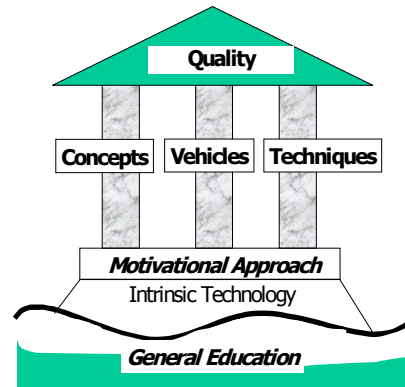
The House of TQC~ 1960's



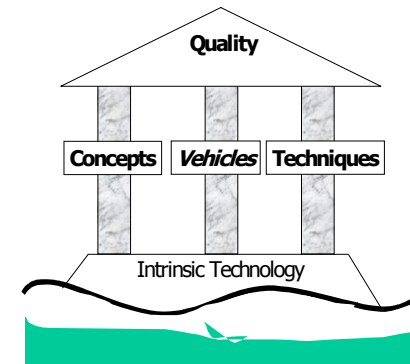
The House of TQM~1990's~



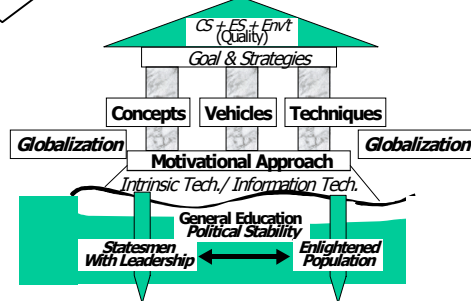
The House of TQC~1980's~



The House of TQC~ 1970's



The House of TQM~Today~

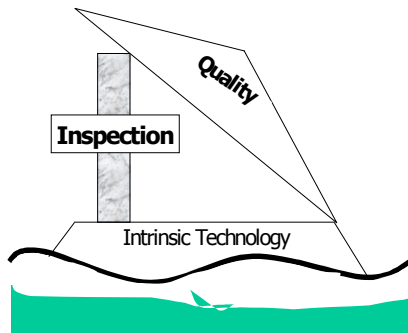


Where are your organization now

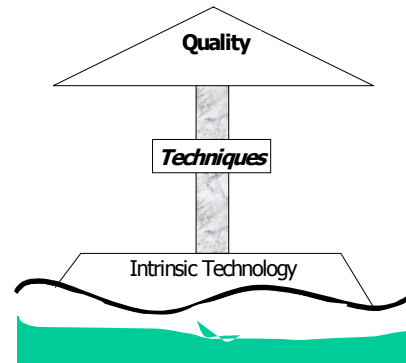


PUSH FOR PRODUCTIVITY  
GO FOR QUALITY

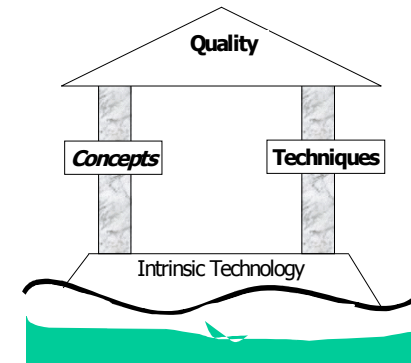
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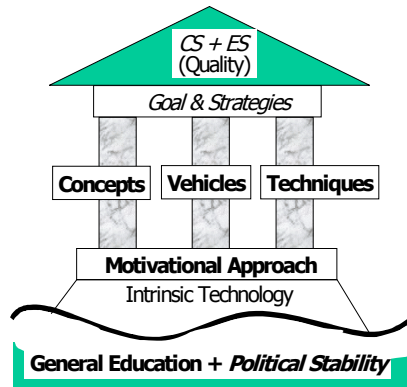
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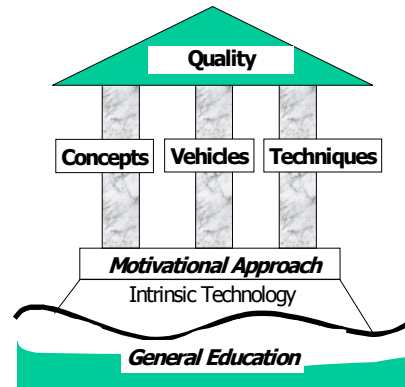
The House of TQC~ 1960's



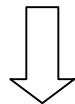
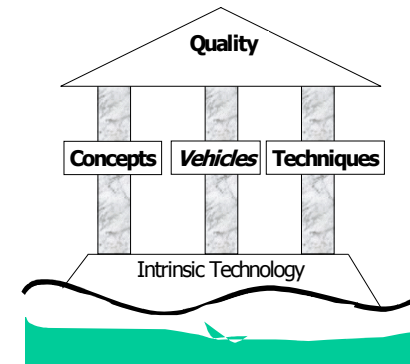
The House of TQM~1990's~



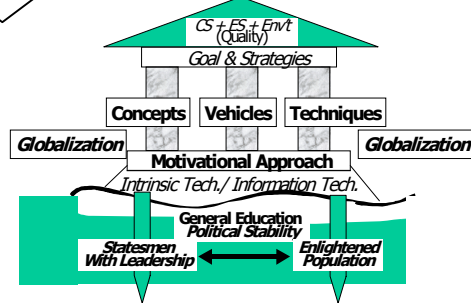
The House of TQC~1980's~



The House of TQC~ 1970's



The House of TQM~Today~



Where are your organization now



PUSH FOR PRODUCTIVITY  
GO FOR QUALITY

10A

# The House of TQM

Purpose

CS + ES  
(Quality)

Goal & Strategies

Means

**Concepts**

**Vehicles**

**Techniques**

Motivation  
Base

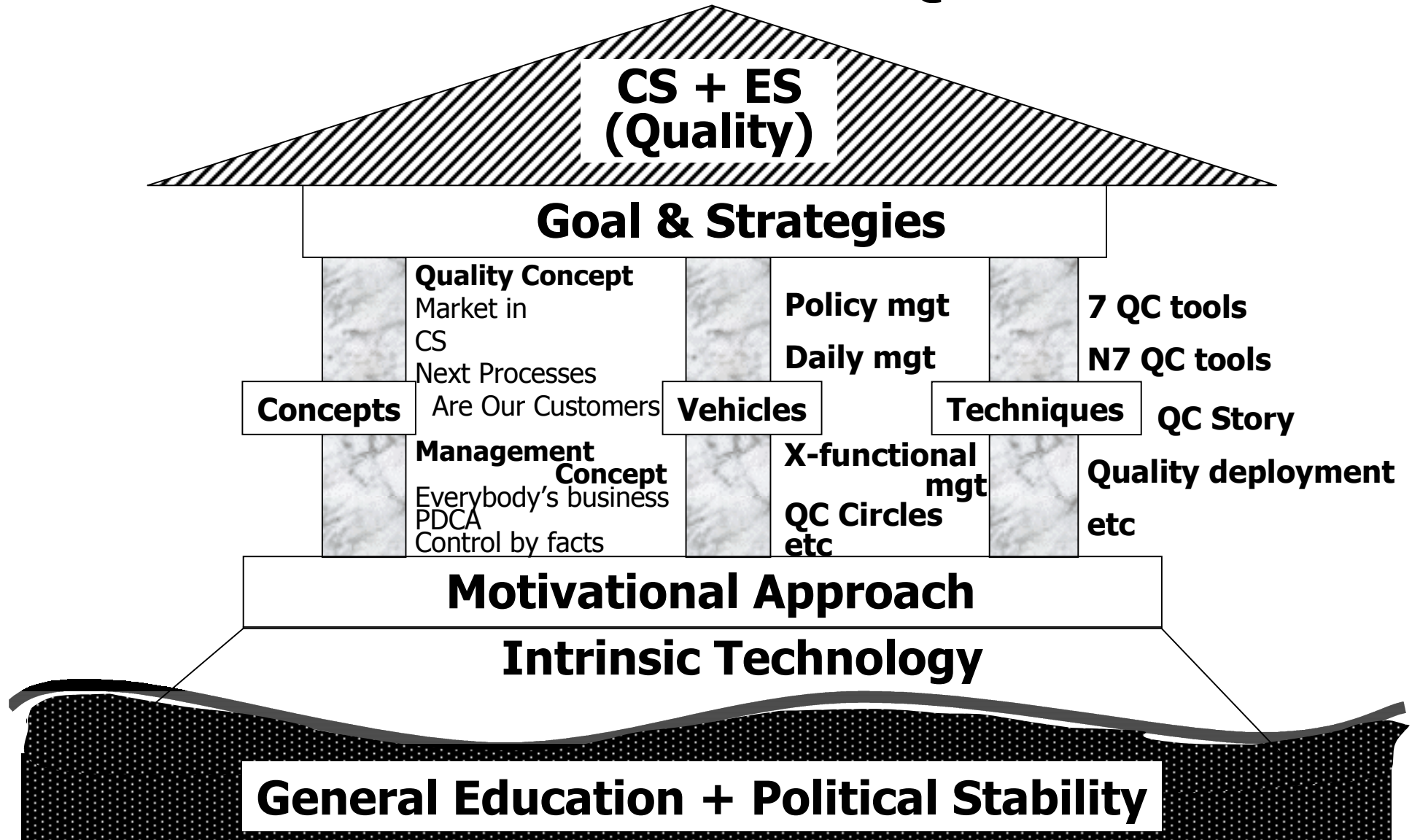
Motivational Approach

Intrinsic Technology

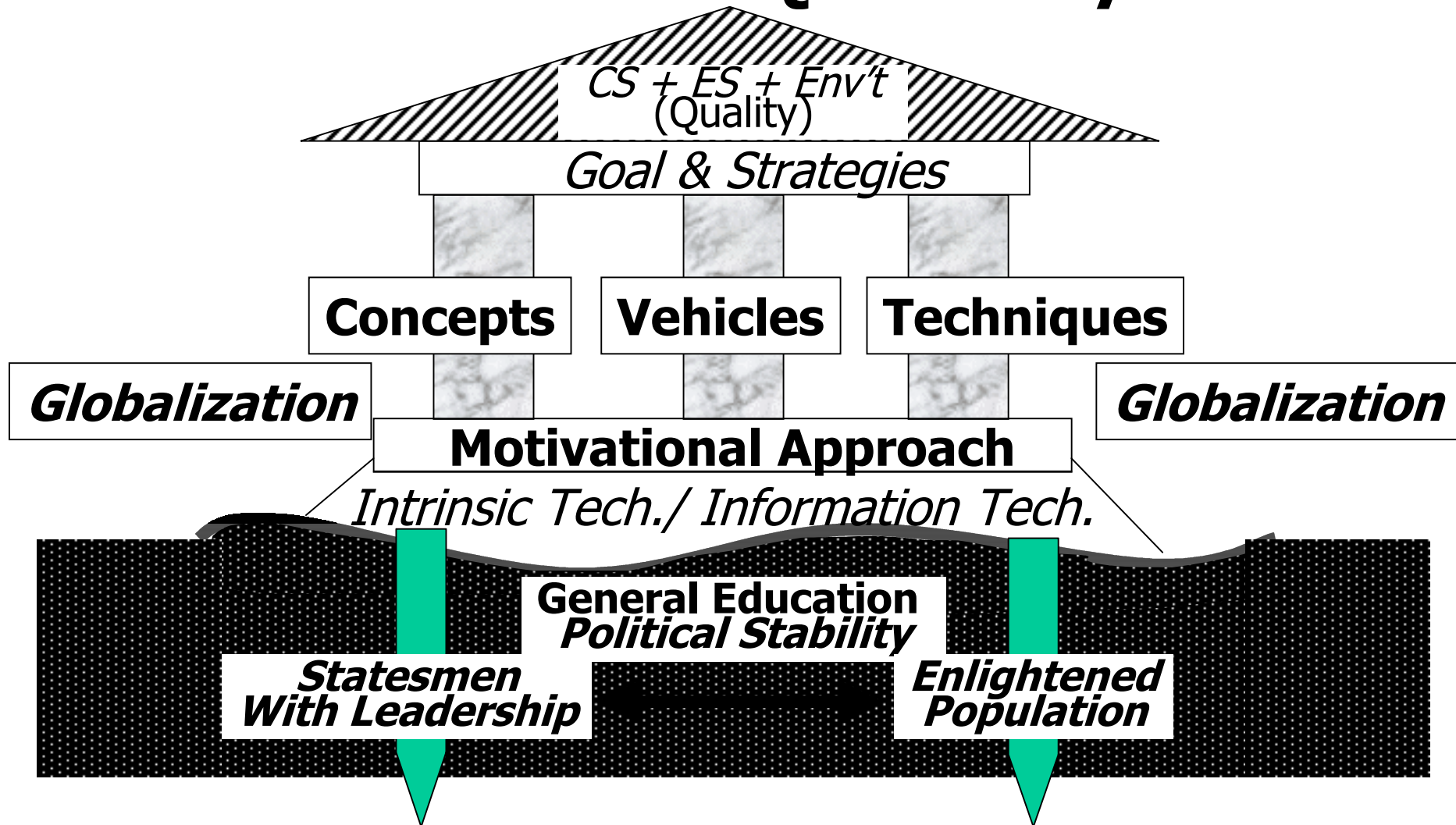
Infrastructure

**General Education + Political Stability**

# The House of TQM



# The House of TQM ~ Today ~



# What is TQM....



“ Total Quality Management is a *people focus* management system that aims at continual increase in *customer satisfaction at continually lower real cost*

Total Quality Management is a total system approach and an integral part of high level *strategy*; it works horizontally across functions and departments, *involves all employees*, top to bottom, and extends backward and forward to include the *supply chain* and the *customer*.

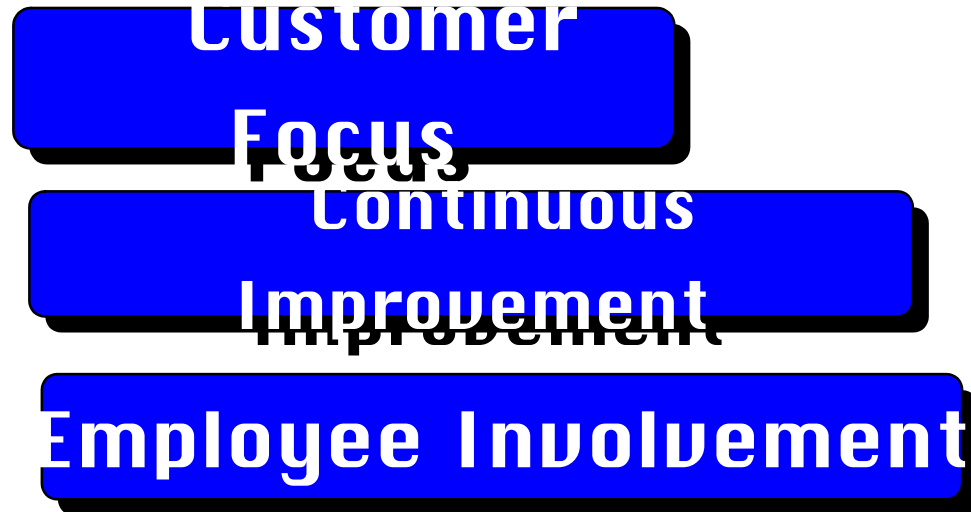
Total quality management stresses learning and adoption to *continual change* as keys to to organizational success.”

Procter  
&  
Gamble  
Definition.



# TOTAL QUALITY MANAGEMENT

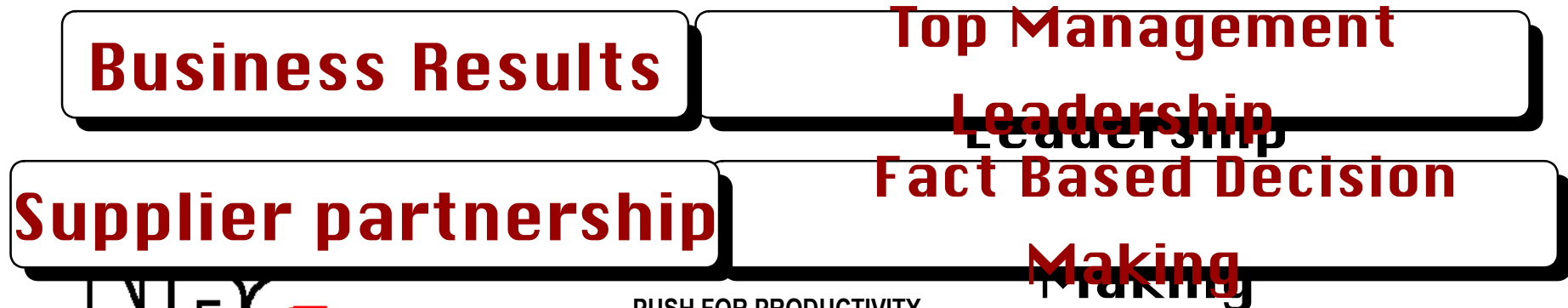
## THE CORE



*Quality is meeting and exceeding the expectations of the customer*

# TQM

## THE SUPPORT



# World Class organizations focus:

- Customer focus
- Process focused
- Employees focus

*-George Eckes,  
Six Sigma for Everyone*



# TQM STRATEGY

<b>PRINCIPLES</b>	<b>ACTION</b>
<b>The Approach</b>	<b>Management Led</b>
<b>The Scope</b>	<b>Company Wide</b>
<b>The Scale</b>	<b>Everyone is Involved</b>
<b>The Philosophy</b>	<b>Prevention Not Detection</b>
<b>The Standard</b>	<b>Right The First Time</b>
<b>The Control</b>	<b>Cost of Poor Quality</b>
<b>The Theme</b>	<b>Continuous Improvement</b>
<b>The Method</b>	<b>Statistical Thinking</b>
<b>The Support</b>	<b>Quality Management System</b>

# TOTAL QUALITY MANAGEMENT : THE PARADIGM SHIFT....

**From**

**To**

**Control**

**Commitment**

**Commanding**

**Coaching**

**Hands**

**Heads/hearts**

**Product**

**Process**

**Inspection**

**Prevention**

# TQM IS....

## PHILOSOPHY

- Prevention Not Detection
- Zero Defect
- Quality Culture etc.

## SYSTEMS

- SOP
- KPI
- PDCA



PERBADAMAN PRODUKTIVITI NEGARA

+

## METHODS

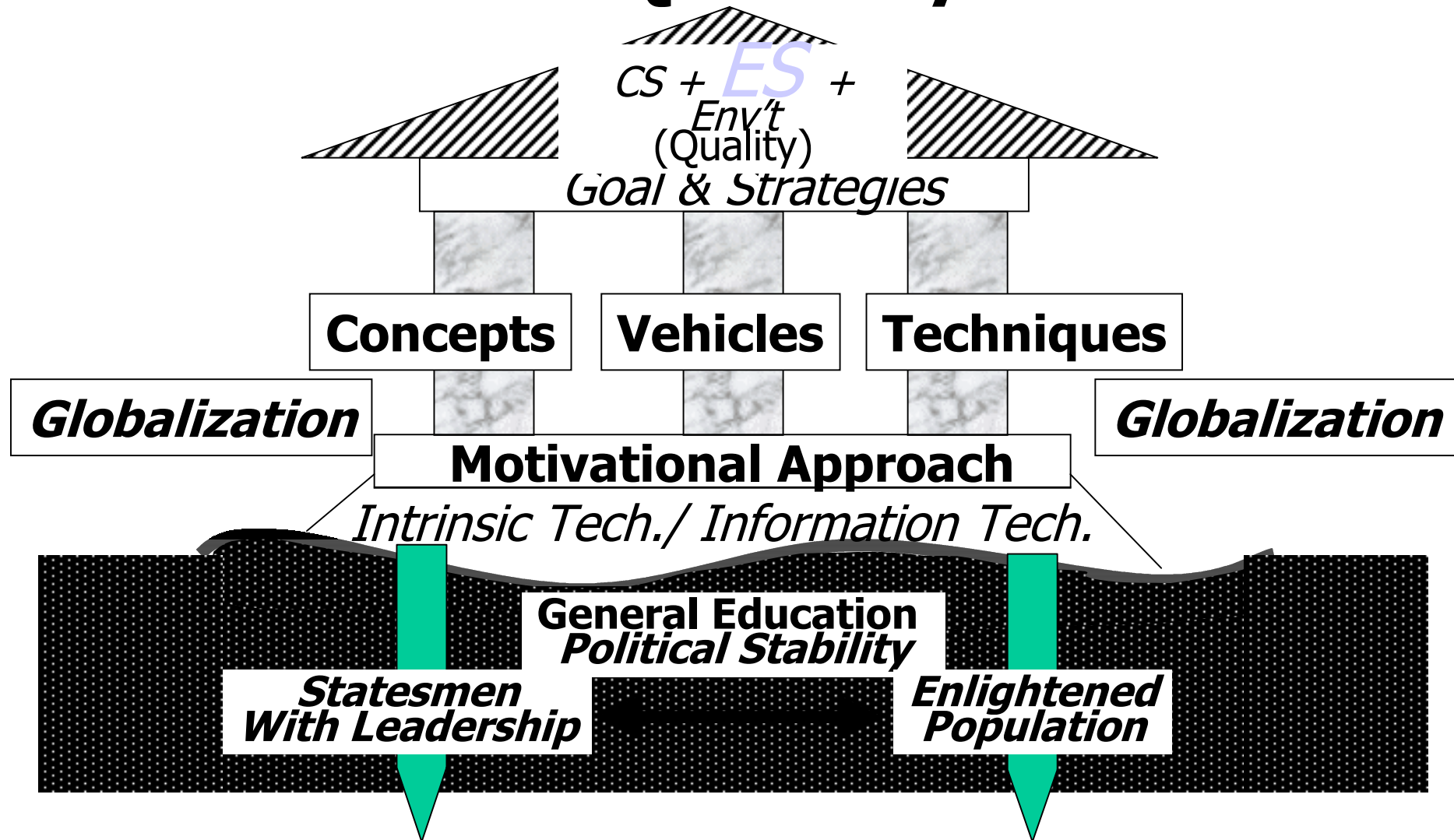
- PMS
- Empowerment
- Employee Involvement

## TOOLS

- QCC/QIT
- QFD
- SPC
- Bench Marking
- Kaizen etc.

PUSH FOR PRODUCTIVITY  
GO FOR QUALITY

# The House of TQM-Today ~ Dr. Kano

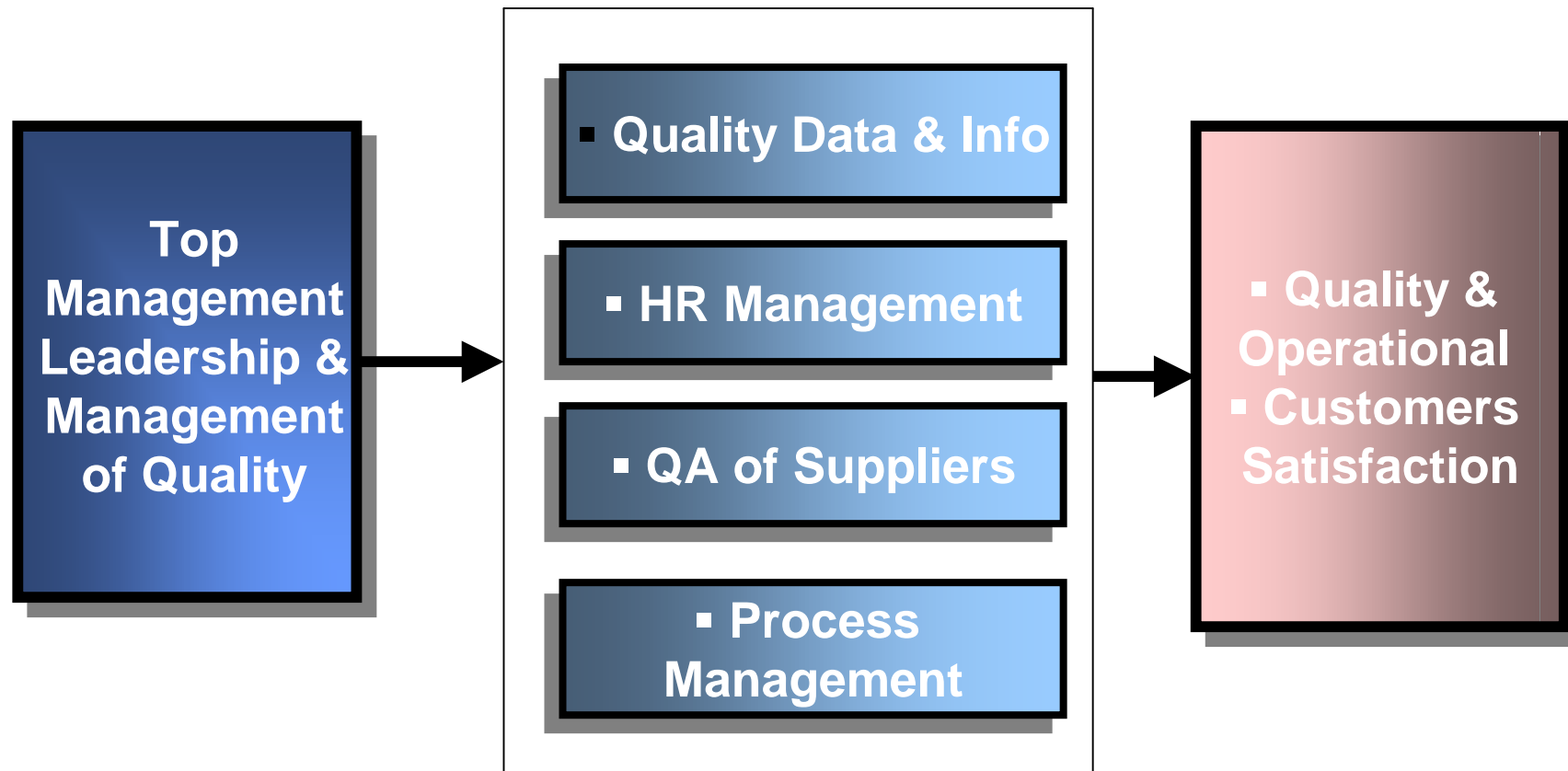


# Baldrige Award Criteria Framework





# PM QUALITY AWARD MODEL FOR EXCELLENCE

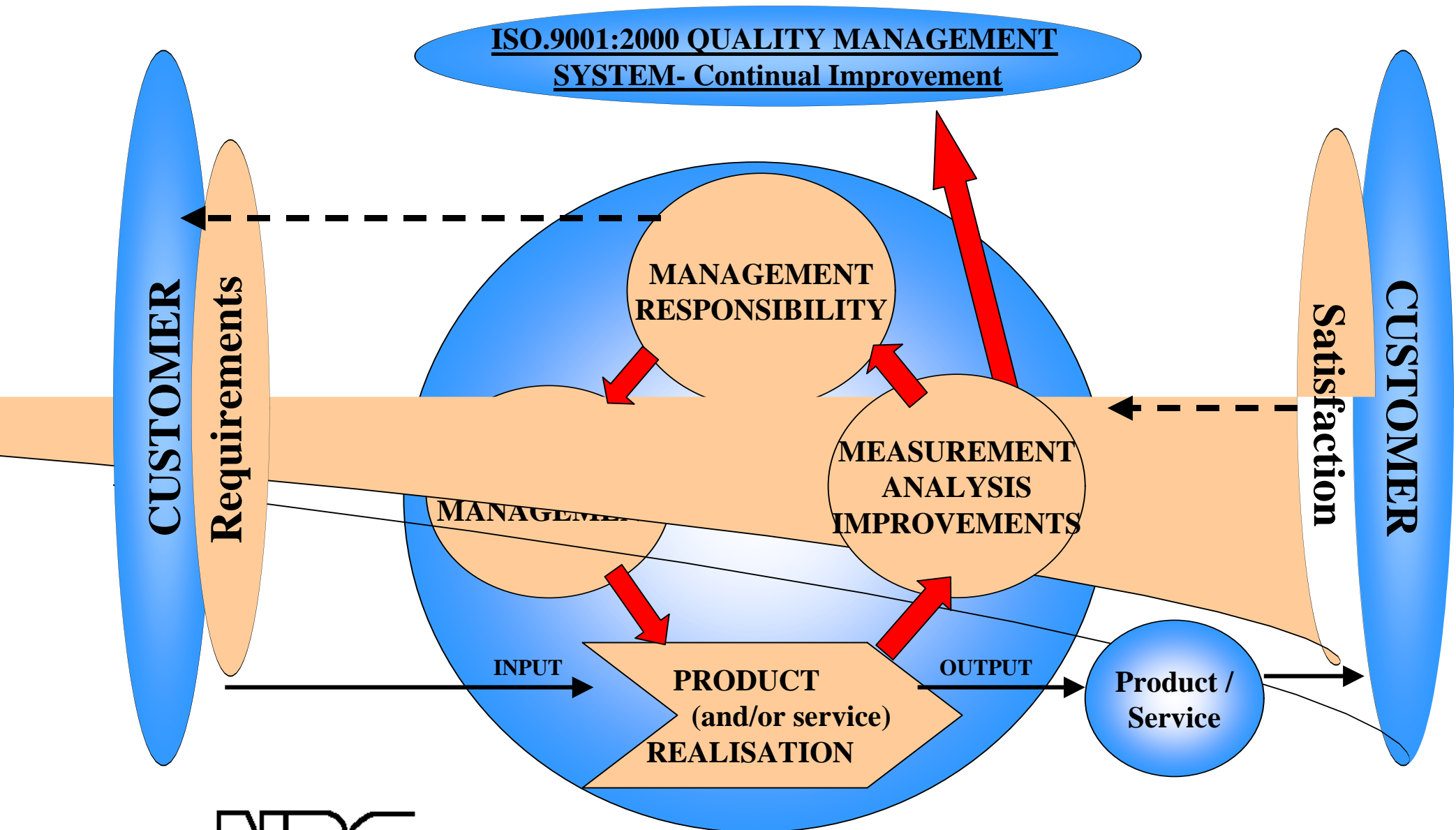


Driver

Deployment

Results

# ISO.9001:2000 QUALITY MANAGEMENT PROCESS MODEL



# TQM Guru's and Their Approaches ....

# **The Quality Gurus**

**W. Edwards Deming**

**Joseph M. Juran**

**Philip Crosby**

# Deming's 14 Points

1. Statement of Purpose
2. Learn the New Philosophy
3. Understand Inspection
4. End Price Tag Decision
5. Improve Constantly
6. Institute Training
7. Institute Leadership
8. Drive Out Fear and Innovate

9. Optimize Team Efforts
10. Eliminate Exhortations
11. Eliminate Quotas and MBO; Institute Improvement; Understand Processes
12. Remove Barriers
13. Encourage Education
14. Take Action

# Components of Popular TQM Approaches

## Crosby's 14 Quality Steps

1. Management commitment
2. Quality improvement teams
3. Quality measurement
4. Cost of quality evaluation
5. Quality awareness
6. Corrective action
7. Zero-defects committee
8. Supervisor training
9. Zero-defects day
10. Goal-setting
11. Error cause removal
12. Recognition
13. Quality councils
14. Do it over again

# Components of Popular TQM Approaches

## The Juran Trilogy

Quality Planning	Quality Control	Quality Improvement
<ul style="list-style-type: none"><li>• Set goals</li><li>• Identify customers &amp; their needs</li><li>• Develop products &amp; processes</li></ul>	<ul style="list-style-type: none"><li>• Evaluate performance</li><li>• Compare to goals &amp; adapt</li></ul>	<ul style="list-style-type: none"><li>• Establish infrastructure</li><li>• Identify projects &amp; teams</li><li>• Provide resources &amp; training</li><li>• Establish controls</li></ul>

# Similarities and Differences

## ➤ Similarities

- **Quality requires a strong upper management commitment**
- **Quality saves money**
- **Responsibility is placed on managers, not workers**
- **Quality is a never-ending process**
- **Customer-orientation**
- **Requires a shift in culture**
- **Quality arises from reducing variance**

References Book : *Managing Quality by V. Daniel Hunt*



Customer Focus....

# Customer-Driven Change

Create an urgency to change by **listening to customers and communicating their concerns to employees**. Customer-driven change motivates employees to engage in continuous improvement.



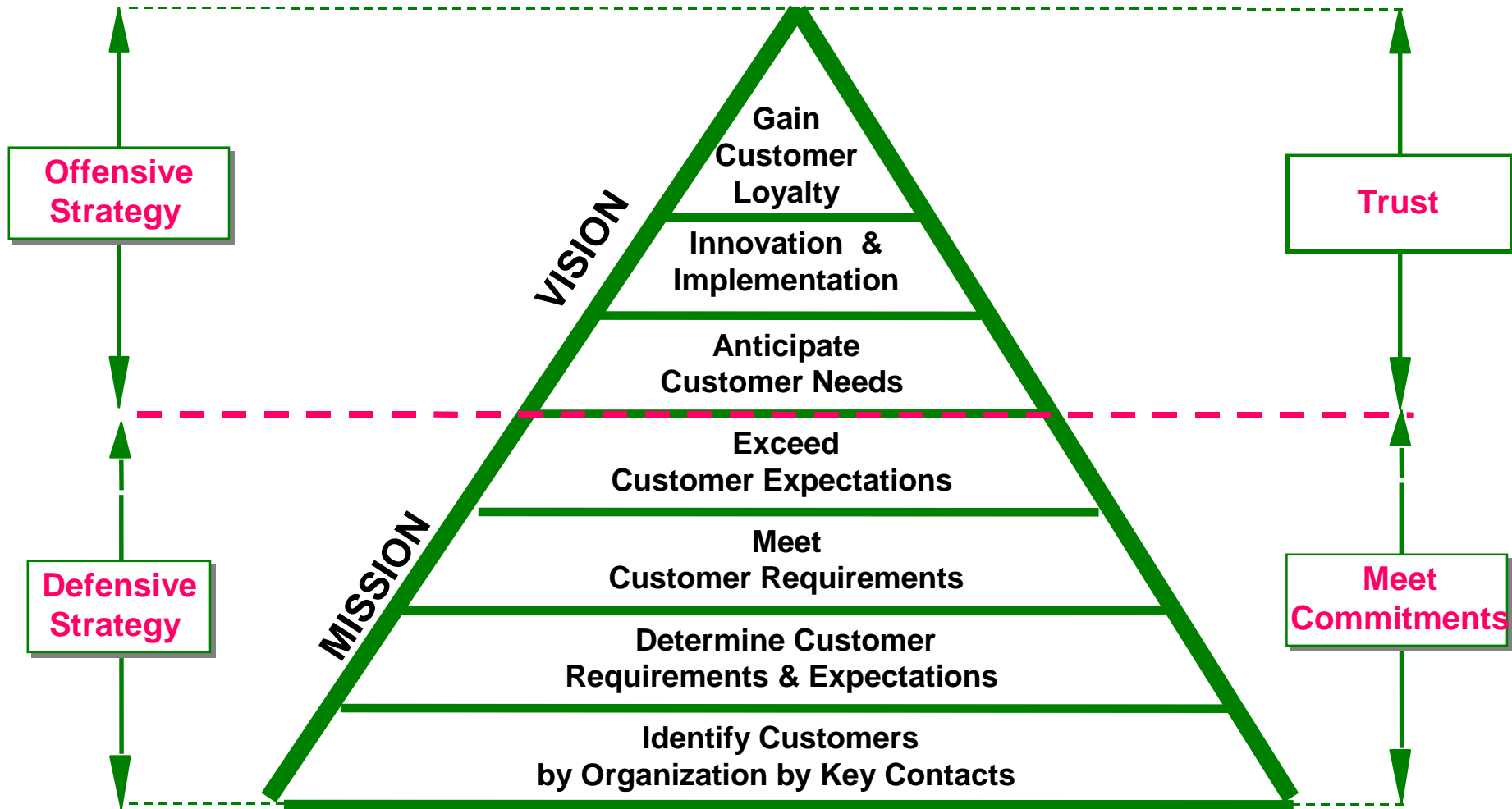
Courtesy of Continental Airlines

# Listening & Learning From Customers

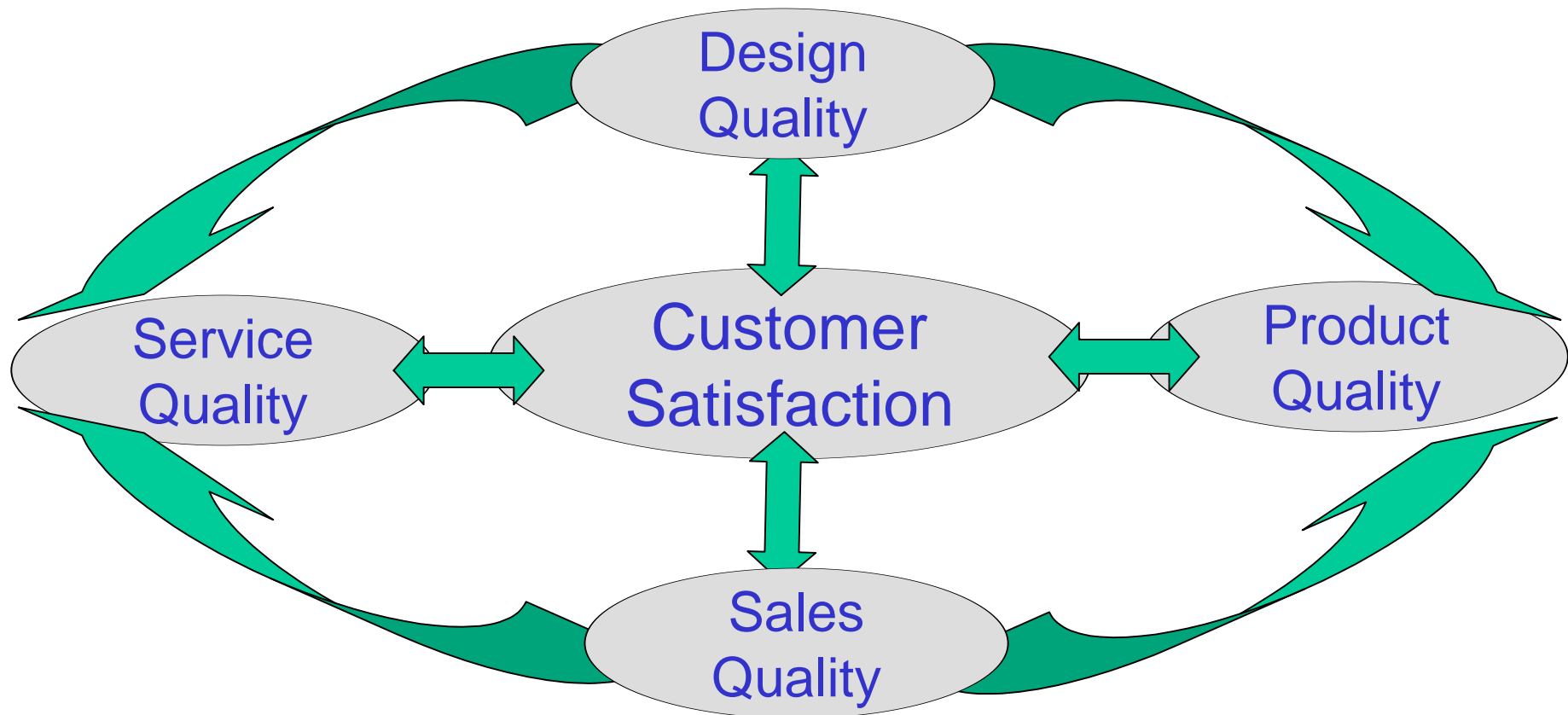
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- Gather data on requirements & expectations of customers.
- Complaint Data and Analysis of Lost Customers.
- Data on customers.
- Anticipating future requirements.
- Enhance information gathering/analysis on customers.

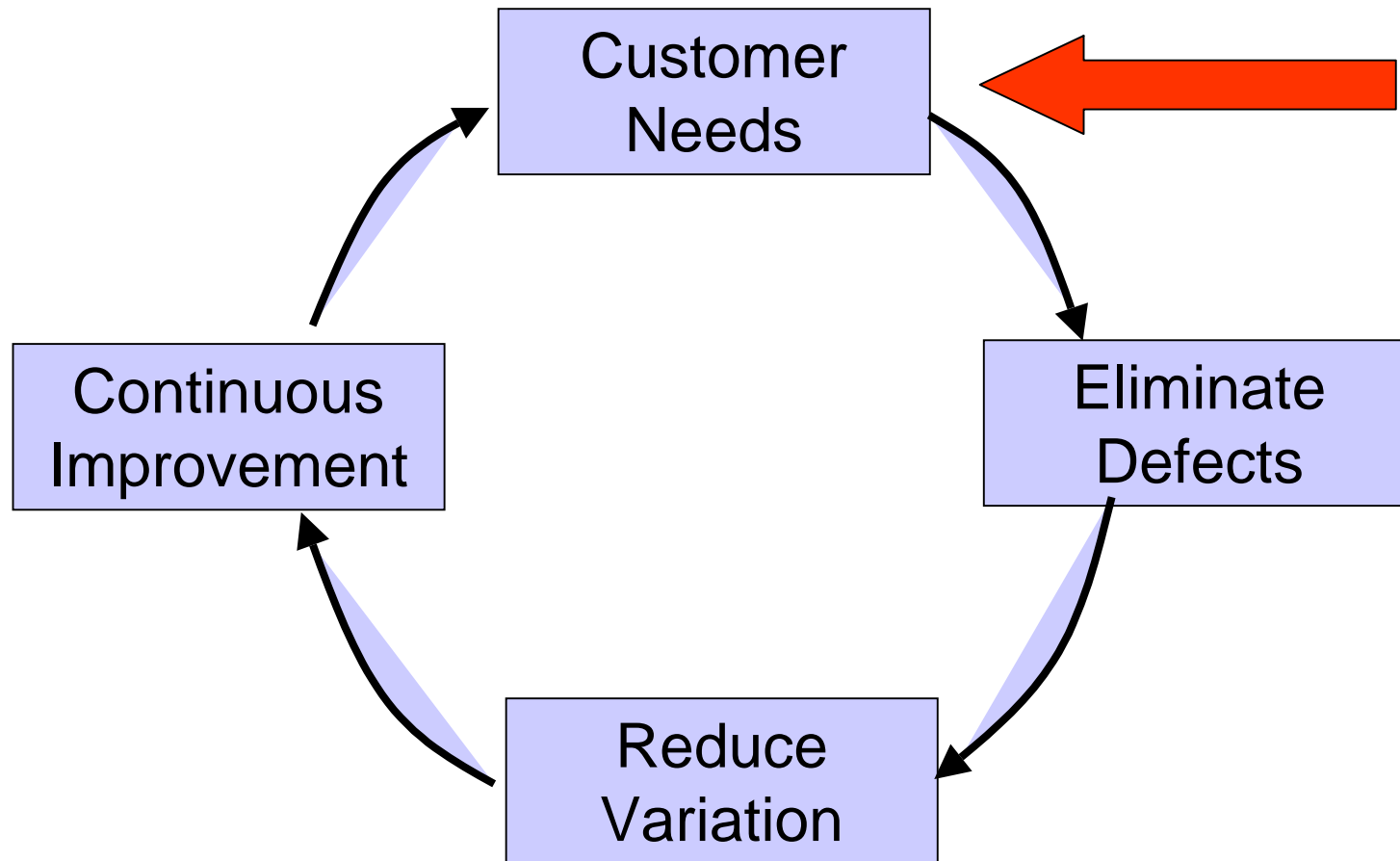
# Hierarchy Of Customer Satisfaction



# Customer Satisfaction



# Customer Driven Company



[Macdonald & Piggott, 1990]

**Peter Drucker stated,**

**“The customer is the foundation of the business and keeps it in existence”.**

# Initiatives

- Customer Satisfaction Survey
- Customer Day

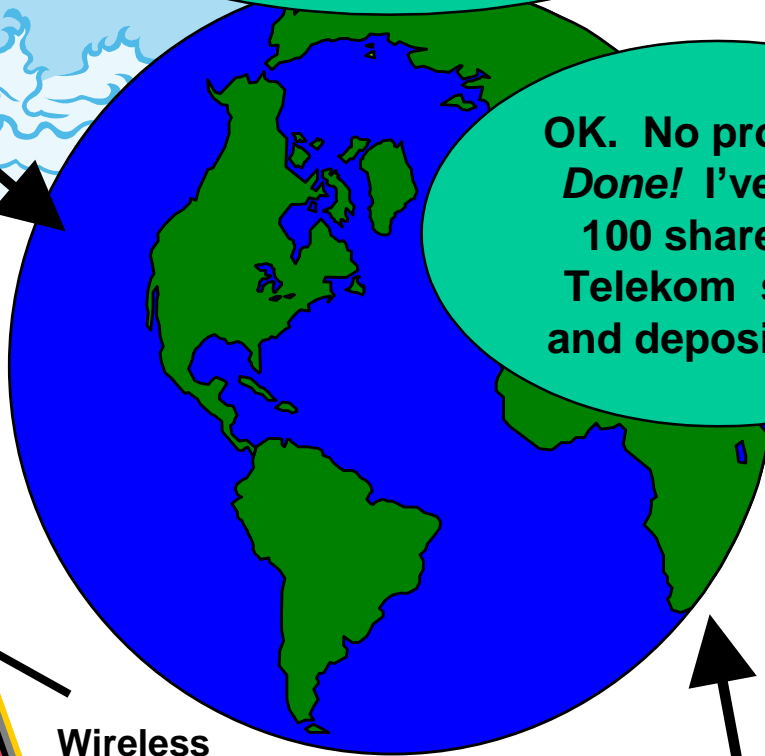


# Continuous Improvement....

Hawaii



Mom! Today we need to deposit \$100,000 for my first semester at Stanford!

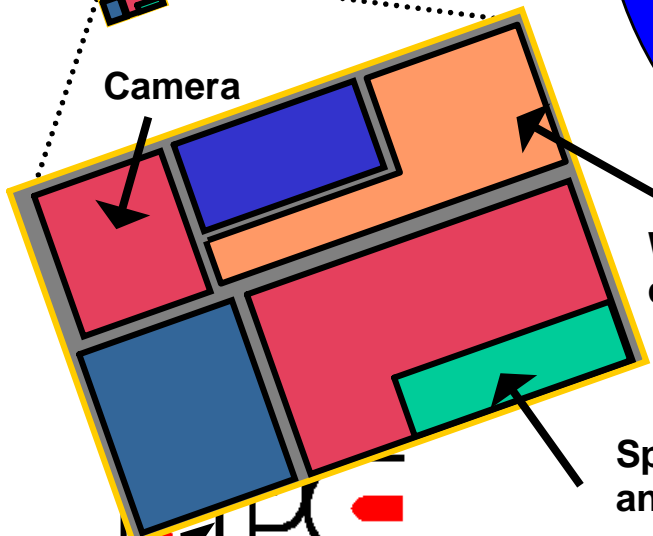


OK. No problem. Done! I've sold 100 shares of Telekom stock and deposited it!

Wallet PC



Camera



Wireless communication

Speech recognition and translation  
FOR PRODUCTIVITY  
GO FOR QUALITY

Fingerprint ID  
PERBADAMAN PRODUKTIVITI NEGARA



Malaysia

# Old Analog Designer

I will never get this converter to work! @#!%!

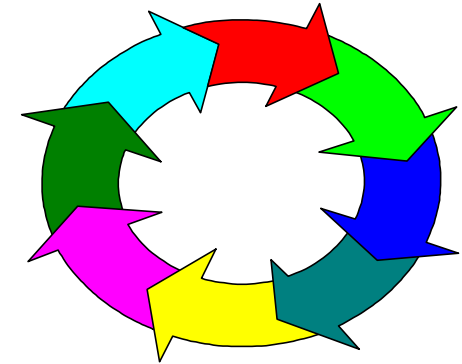


# Future Analog Designer

Computer: I want to create an 180 MS/s, 10-bit A/D converter. Show me some possibilities NOW!

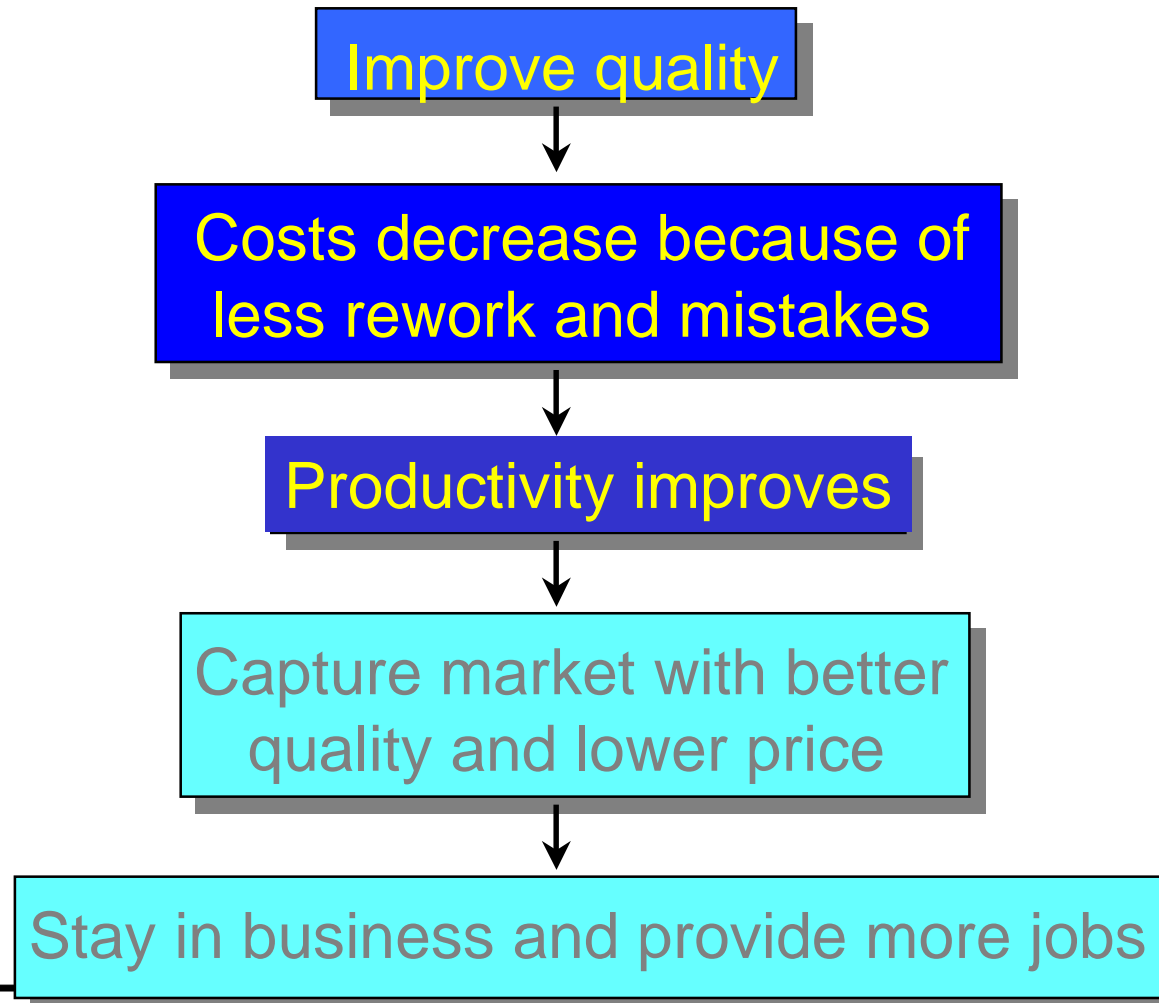


# CONTINUOUS IMPROVEMENT



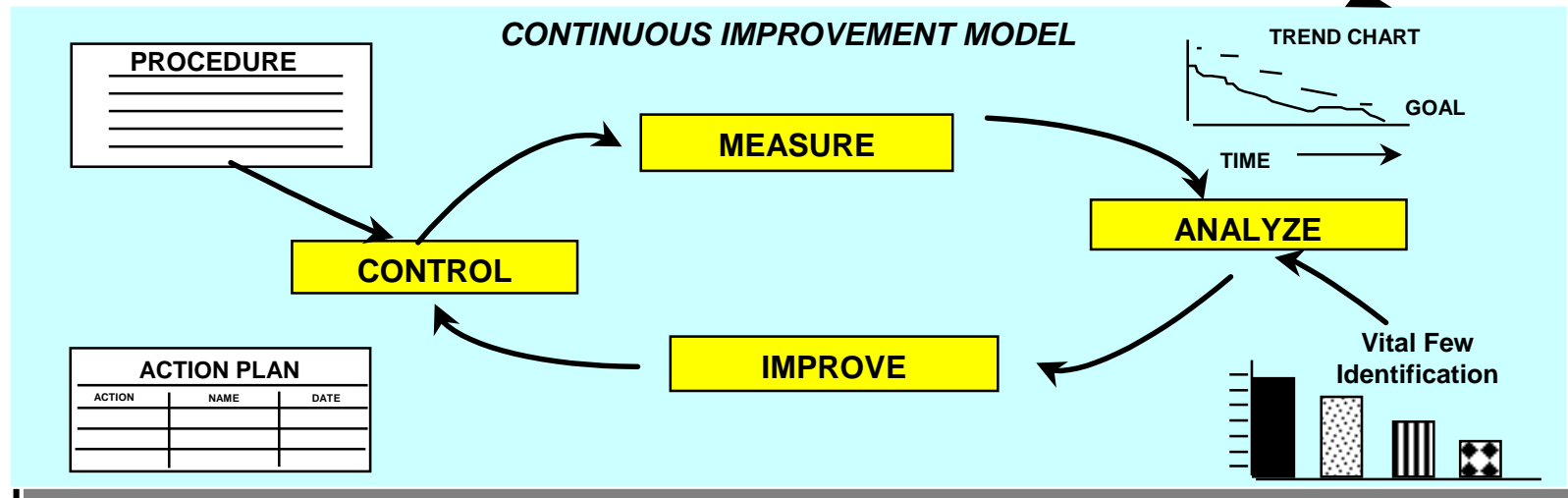
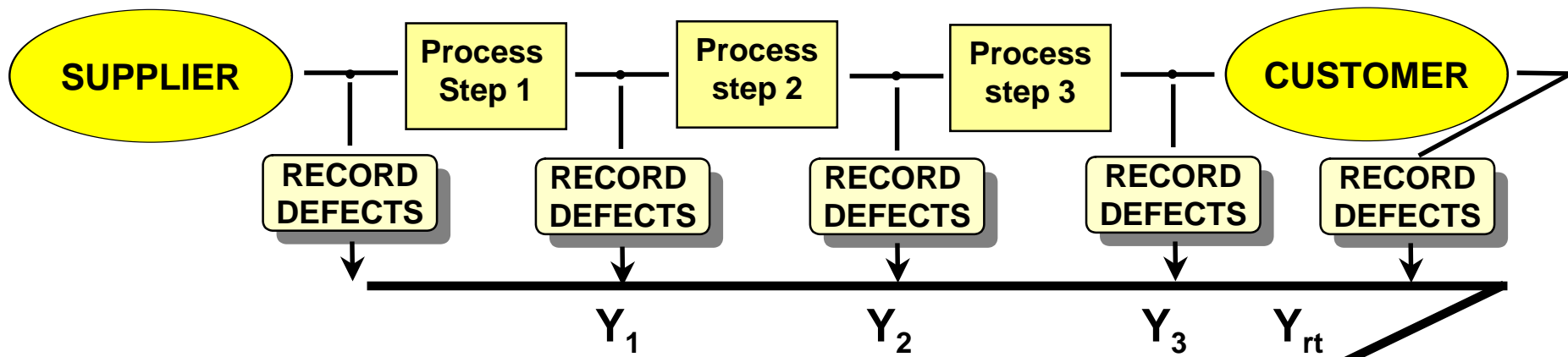
**The continuous, ongoing effort an organization makes to *meet and exceed* its customers' changing expectations.**

# Deming Chain Reaction



PUSH FOR PRODUCTIVITY  
GO FOR QUALITY

# Continuous Improvement



**“QUALITY is both thinking why something is done, and why it is done that way; then thinking differently to improve it”**

Mr. Ohno,  
Chairman of Toyota



**“As long as you’re green  
you’re growing; as soon as  
you’re ripe you start to rot”**

**Ray Kroc, Mc Donald  
Founder**



# Worker Involvement ...

# Issues Involved in Changing Organizational Culture

Managers who strive for excellence products and services understand that they must **involve the keepers and holders of the culture**, build on what all organizational members share, and teach new members how to behave.

*"We involved our people from the very beginning...the implementation was achieved in record time...the company has changed the way it works"*

**Project manager,  
Mercedes Benz.**



**“An employee is our strategic - partner, a change - agent, an organisation - builder, a process - facilitator and above all , a champion -of - excellence.”**

# The Real Lever of Excellence--- People

- The last and the most important lever of excellence is the people of the organization
- Organizations are nothing but people....
- No initiatives is possible unless the people in the organization enact, support and sustain it.
- People – Leader, Manager and Employees

**"Corporations need to become people factories—places that develop people—not human warehouses that only produce window watchers"**

- A. William Wiggenhorn (Motorola University)

*“The best way to have a good idea is to have a lot of ideas.”*

*- Linus Pauling, 1958*



# Employee Involvement

- *Cultural Change*
- *Customer-Centered View*
- *Teamwork*
- *Empowerment*
- *Individual Development*
- *Awards and Incentives*



# *New Behavior*

Control

Freedom

Vet and veto

'Yes' we...

Uncertainty

Clarity

Hierarchy

Team

Consultation

Buy-in

'Wait'

'Go'

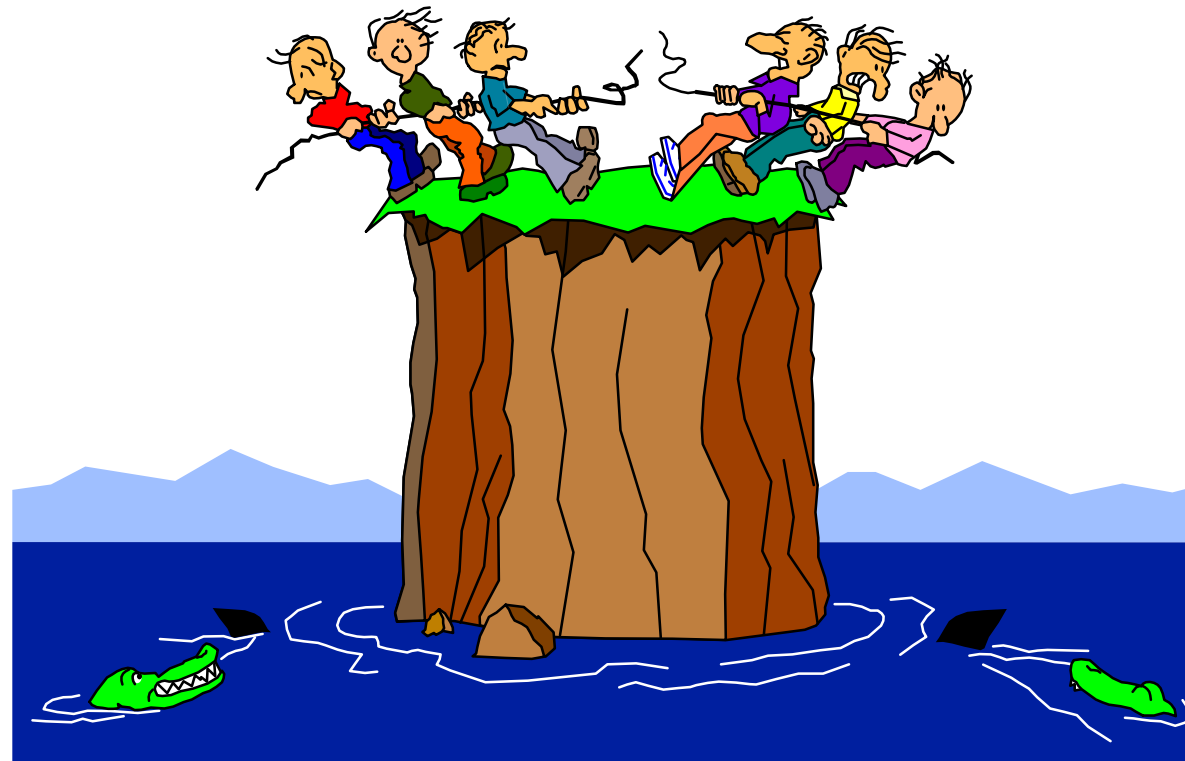
PUSH FOR PRODUCTIVITY  
GO FOR QUALITY

## REALISING G.O.D

- When quality is missing, when market is down, when there is economic crisis, when there is a challenge and in all situations seek the **GOD** .
- **GOD** is the ultimate solution. **GOD** is the gate. **GOD** is the Guru. There is nothing, which **GOD** cannot solve. **GOD** is supremely capable. **GOD** can achieve success in difficulty.
- Depend on **GOD**. Surrender to **GOD**.

- **GOD is G.O.D. G.O.D. is *Group, Organization and Direction.***
- **Group** is the greatest resource. There is no problem for which group cannot find solution. All solutions are within Group, which includes us. No one else can find solutions to our problems.
- **G.O.D. is the solution. When Group is Organized and is with Direction it becomes supreme team and all is possible.**

# *Teamwork takes practice*



# The Power of Teamwork

“There are many objects of great value to man which cannot be attained by unconnected individuals, but must be attained, if at all, by association.”

- *Daniel Webster*

# **JURAN SAID...**

**“All quality improvement occurs on a project-by-project basis and in no other way.”**

I'm glad the hole is not in my end!



**“ QUALITY IS 90%  
ATTITUDE AND 10%  
KNOWLEDGE”**

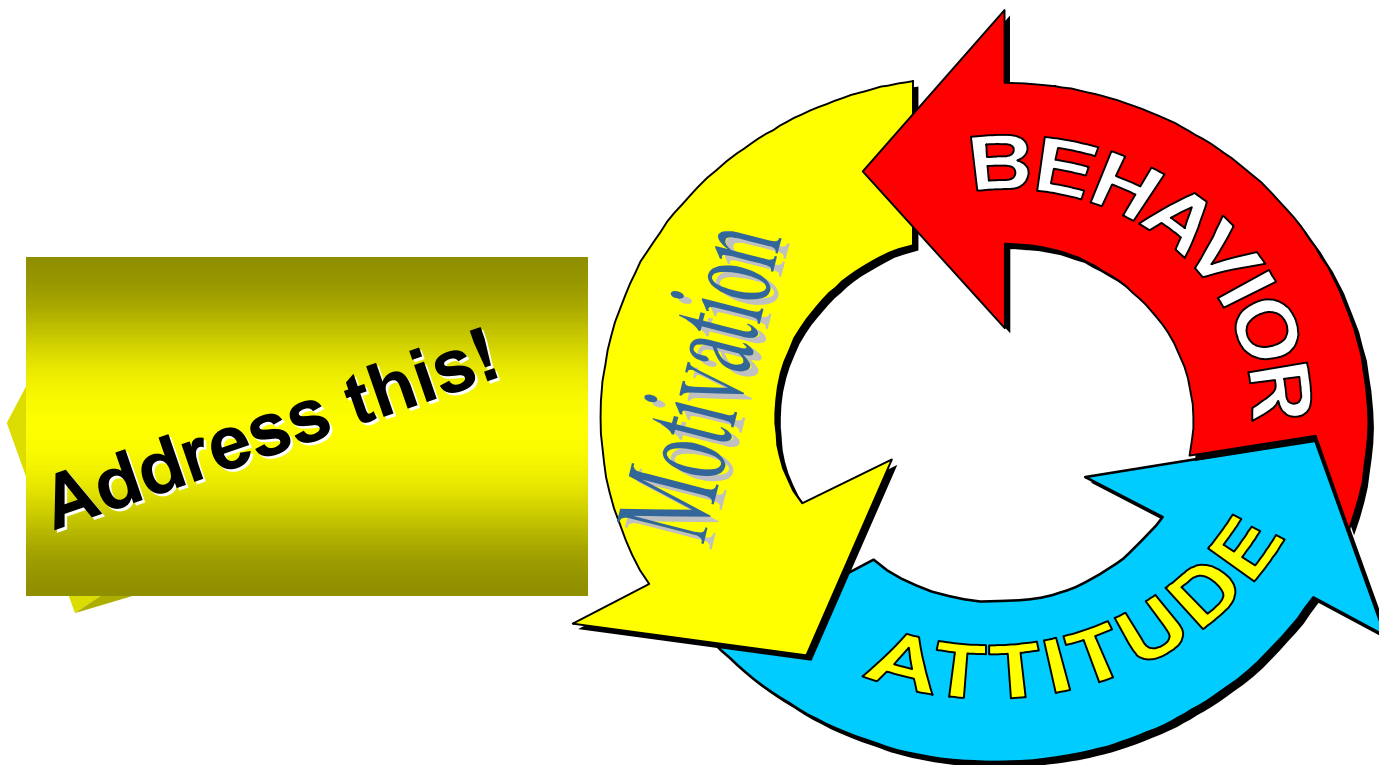
■ Dr. Juran



**“Numbers and values. We don’t have the answer here – at least I don’t. People who make the numbers and share our values go onward and upward. People who miss the numbers and share our values get a second chance. People with no values and no numbers - easy call. **The problem is with those who make the numbers, but don’t share the values....** We try to persuade them; we wrestle with them; we agonize over these people.”**

**Jack Welch  
CEO, General Electric**

What a person does is a function of what makes them happy....



**Recognition is about finding people doing something right, and reinforcing that behavior by showing you appreciate it.**

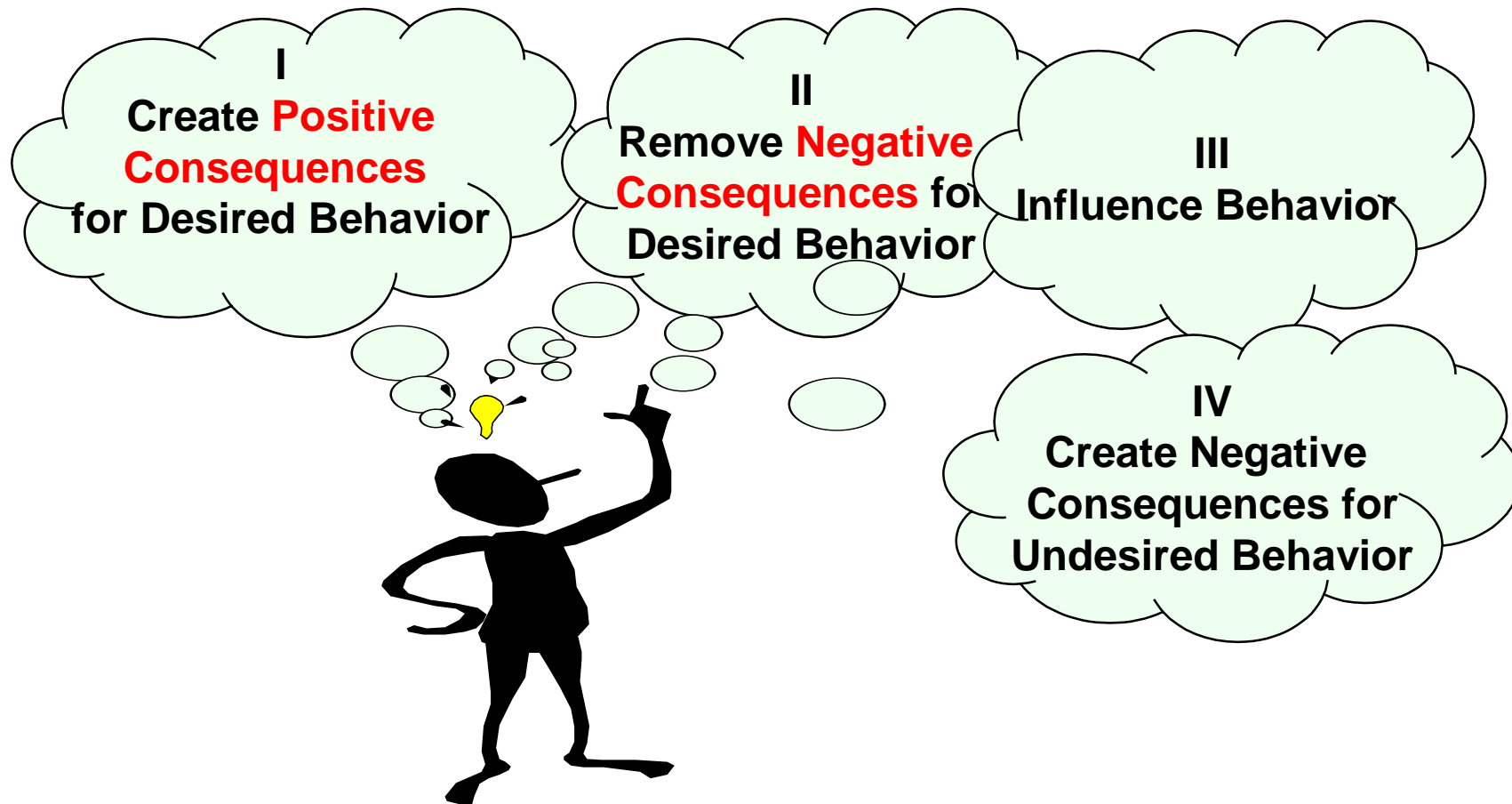
**In most companies, staff find they get most attention from their manager when they do something wrong. Such companies have a *'blame culture'*. This do not work..**

**At the human level, there are all kinds of rewards and recognition that encourage and shape our behavior.**

**These include money, admiration of others, prizes, promotion, pleasing the boss, certificates, being trusted with more responsibility, medals, and so on.**

**Remember, the behavior that gets rewarded gets repeated.**

# The Recognition Strategies



# Top Management Leadership ...

**Senior Managers must recognize that the quality function is no more responsible for product quality than the finance function is responsible for profit and loss.**

**Quality--like cost and service--is the **responsibility of everyone** in the corporation, especially the CEO and top management. To achieve never-ending quality improvement, the CEO must be **visibly and directly involved** in the organization and quality improvement activity. **Quality start at the top.****

Unless the **LEADER** are committed to customer satisfaction, it's unlikely our staff will be.

If we consistently place other concerns (administrative, short term financial, etc) above customer-related considerations, our people will do just the same.





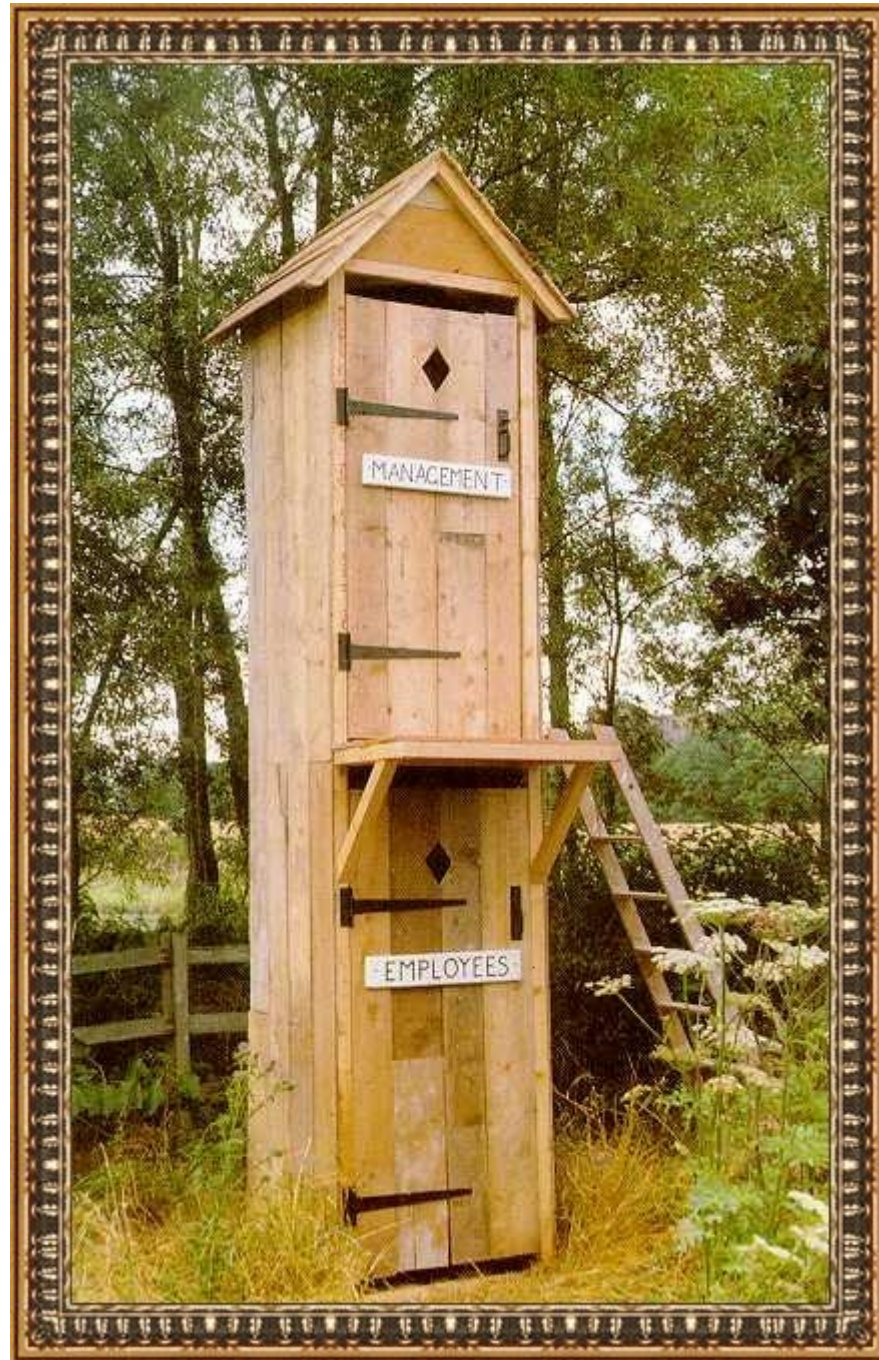
## Remember to . . .

*Watch your definitions -  
**they become thoughts***

*Watch your thoughts -  
**they become words***

*Watch your words -  
**they become actions***

*Watch your actions -  
**they become your destiny***



*This leadership style is a recipe for failure.*

PRODUCTIVITY  
QUALITY



**The journey towards excellence culture depends not on consultants or techniques but on **making the strongest possible commitment to it....****

**Quality has to be designed in at  
every stage of the  
process....and the authority for  
that belongs firmly in the  
hands of management!**

# Management by Fact ...

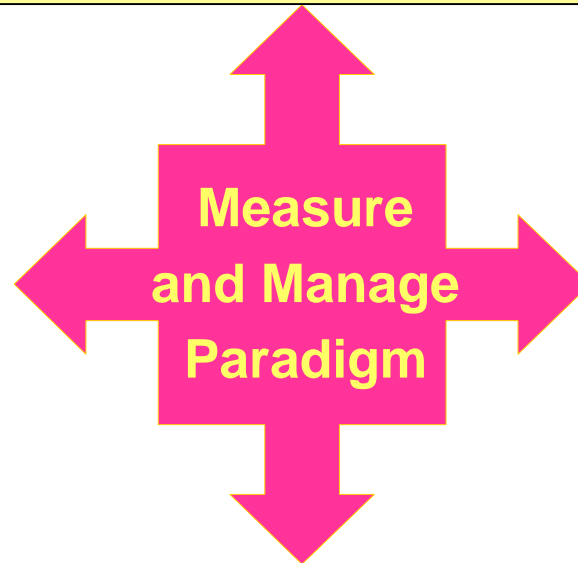
**Achieving company quality and goals requires making decisions based on reliable information and analysis of data.**

**It is a key part of the infrastructure for TQM. The data collected must be realistic, measurable, actionable, reliable, quickly updated and easily assessable to all who require it.**

*" We don't know what we don't know  
We can't act on what we don't know  
We won't know until we search  
We won't search for what we don't question  
We don't question what we don't measure "  
Hence, Please Measure !*

# Measure & Manage Paradigm

**We can't manage what we can't measure.**



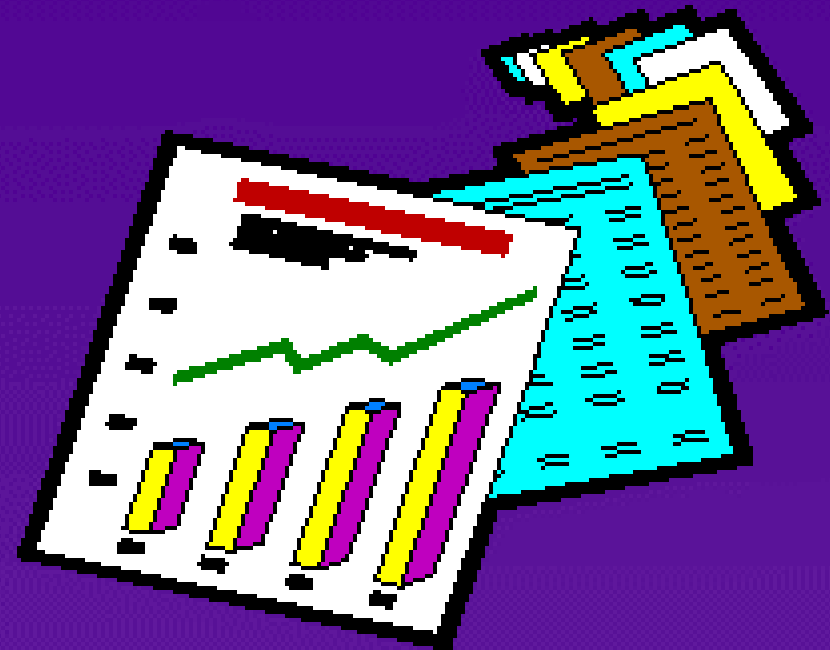
**We can't improve what we can't measure**



# What Areas Should Information Systems Address?

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- Customer data
- Operations data
- Employee data
- Supplier/partner/collaborative ally data
- Financial performance data



# Business Performance Measurement

## -- Some Statistics

**“...Only one in ten dissatisfied customers complain.  
The other nine simply tell ten of their friends.”**

....Service America

**“Companies can boost 85% - 100% profits by  
retaining just 5% more of their customers”**

....Philip Kotler

*Are we really measuring Customer Satisfaction?*

# Business Performance Measurement

## -- Some Statistics

“Companies achieving higher levels of employee satisfaction than their rivals **outperform** them by  
22% in terms of productivity,  
38% in terms of customer satisfaction,  
27% in terms of profitability and  
22% in terms of employee retention”

Gallup, 1998.

***Are we really measuring employee satisfaction?***

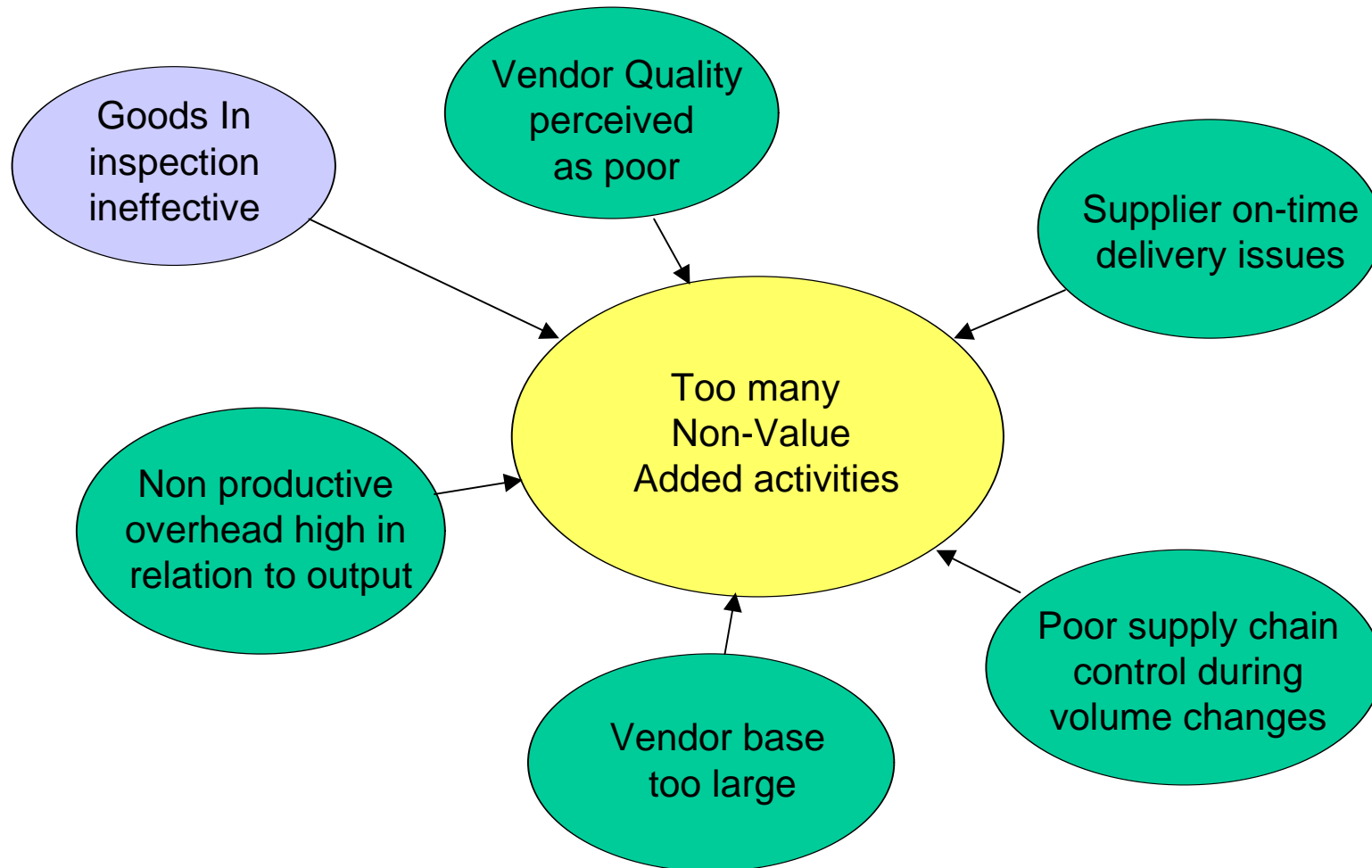
# Supplier Partnership ...

The net **quality of a company's products depends on its own quality system and those of its supplier.**

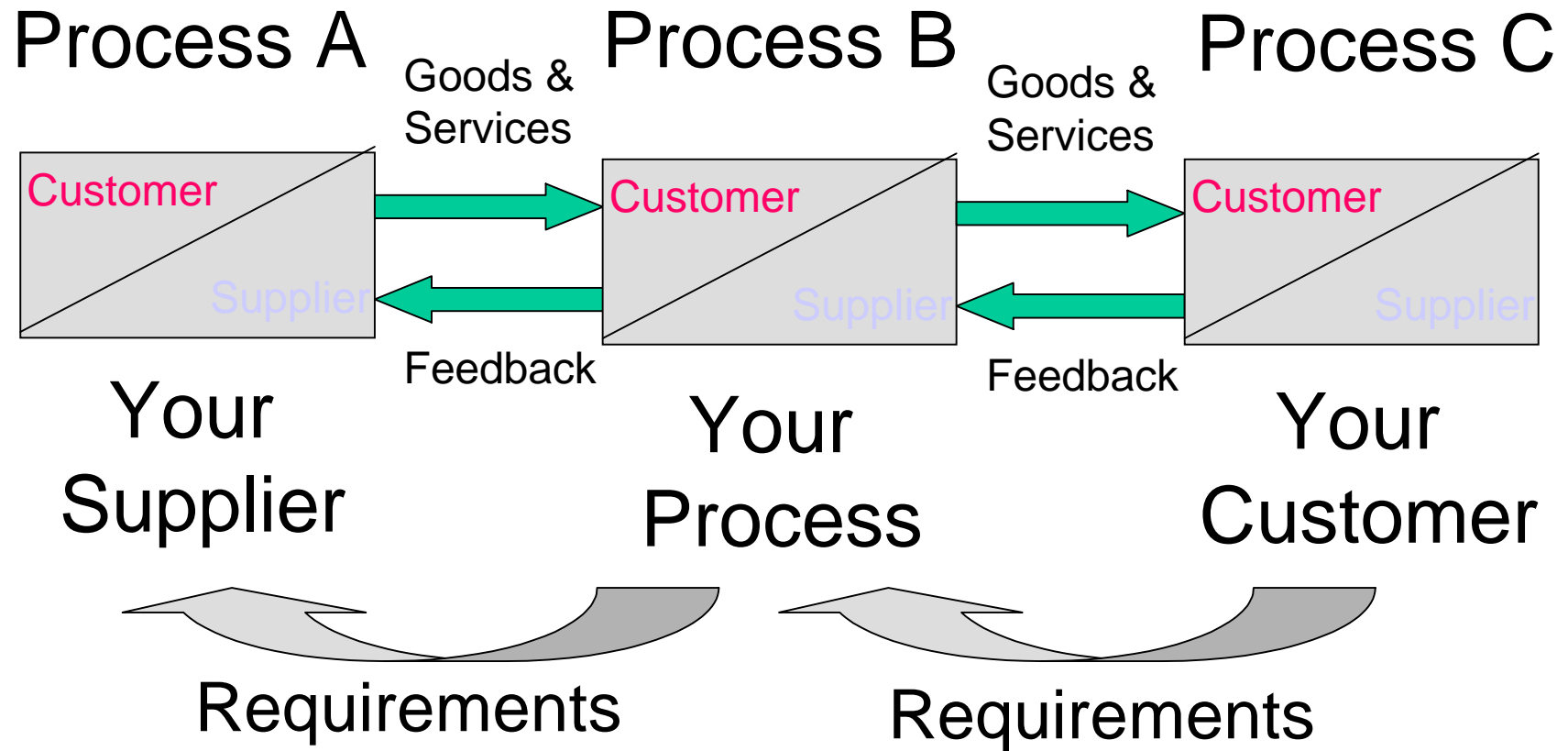
Therefore, a necessary component of TQM organization is a total quality approach throughout the supplier network.

A **long term relationship and partnership** instead of the short term with the supplier is necessary as it might permit the blending of an organization's core competencies or leadership capabilities with the complementary strengths and capabilities of partners thereby enhancing overall capability, including speed and flexibility.

# Supply Chain Improvement Issue



# Customer Supplier model



# Conclusion ...



# WAY TO SUCCESS....

*“DON'T JUST DIET FOR A  
WEEK OR TWO, CHANGE  
YOUR LIFESTYLE.”*

# Future is in our Hand !



***"Success is never final and TQM  
is a Journey"***

# Questions?

Thank you for your time. If you have any other questions, please feel free to contact me through my website at:

[kabir@npc.org.my](mailto:kabir@npc.org.my)



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