WHY TQM FAILS

(And What You Can Do About It)

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Abstract

Many TQM efforts fail for the simple reason they never get
started. Top Management support is generally regarded as essential
for a TQM program. Before providing it these gentlemen want to know
what they are going to receive in return. Usually in dollars and
cents for the current quarter with specific projections for the rest
of the fiscal year.

In this light a TQM sales pitch is a lot like telling your
neighbor his car would run faster and get better gas mileage if he'd
paint his front fenders red, switch the two rear tires and remove
the back seat. Basically, your promises of improvement against his
risk in making changes which may not make any sense at all from his
point of view. On the other hand, if he lives 20 miles from the
hospital, only has a half gallon of gas and has just broken his leg,
he might be very interested in hearing about boosting his car's
mileage. But if he runs out of gas anyway, you know what he's going
to say as he limps the last few miles.

Another example of TQM failure comes when management announces
"we're going to implement a TQM program," provides a written
procedure and then waits for the benefits to come rolling in.
Sometimes they wait quite awhile. Some employees will see the
program as "just another ____ thing I gotta do," some as "the new
flavor of the month," while others will become so engrossed in the
mechanics that the details become more important than the intended
results.

Of course, with all the quality conferences, books and
consultants now available we know a lot more about implementing TQM
programs. But why do we still find top managers insisting they're
in full support of TQM while the rest of their employees are equally
convinced they're not? Why haven't we seen the 'quality revolution'
sweep through all our companies? Why have some of the quality
'success story' companies fallen prey to the same hard times
affecting the rest of us?

The good news is that there's an answer. The bad news is it's
not a sure-fire, 100% money back guarantee, cure all panacea. It's
just an answer. You may also not like hearing about the amount of
effort it can require on your part. But it's worth it.

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Back to Basics

To begin with, TQM is nothing more than a very popular buzzword. One that means a lot of different things to different people in different situations. We're not really interested buzzwords. What we want to do is to make things happen, specifically improvement. "Right," you say, "improvement in what?" Well, just what exactly are you, your employees and all that expensive equipment trying to accomplish every work day?

If your answer isn't "to make money," or some variation of it, you're kidding yourself. Even a non-profit service organization is concerned with making the best use of limited resources, which is the same thing.

So how do we make money? Apart from extortionists and robbers, by providing a product or service someone is willing to pay for. Successfully doing this is a balancing act between making a product customers just can't wait to get their hands on and one that sells for less than what it costs to produce. How is this balancing act accomplished?

That's a very good question. At this point we pull out our organization charts, mission statements and procedures. All very fine stuff and very thoughtfully produced. Except somewhere in the middle of it things aren't going quite as well as we'd like and we don't know where or why.

A few weeks ago I decided the only way I was going to stop the leak in the kitchen sink was by replacing the faucet fixture. Although I'm not a professional plumber I have done this a few times before. I know what tools to use, about how much time it takes and how to do it. However, after crawling under the sink I discovered the flexible connecter lines to the feeder pipes were part of the original fixture. As my replacement fixture required separate lines an unscheduled trip to the hardware store was necessary.

The connecter lines at the hardware store were too long and had the wrong type of fitting on one end. To finish the connections I had to buy adapter fittings and make loops to take up the extra length. When I was done it leaked more from the connections than the old fixture had from the tap. After redoing them with more teflon tape the leaks gradually stopped.

I was not surprised by the unexpected hardware stop, the makeshift parts or the leaking connections. Annoyed, but not surprised. I knowingly risked my inadequate understanding against the expense of hiring a professional and accepted the results as part of the cost of that decision. I would not have gracefully tolerated similar results from a real plumber.

Are we professionals?

Take another look at your organization charts, mission

statements and procedures. Think about all the individual actions, decisions and agreements involved in the entire process of producing your product. Now, how many people in your organization are thoroughly familiar with how all of these actually happen as opposed to how your charts and procedures say they happen? Or are you more like me replacing a leaky faucet? Is there any duplication of effort in your organization? Inconsistent processing? Persons working at cross purposes? If you don't have at least one individual whose full time job is tracking the actual operation of all functions and processes how can you really know?

Military contractors are very careful about time card charging practices. One of these has a procedure for backing out weekly hours worked over 40 but less that the minimum 48 that overtime is paid for. Even if employees know exactly what project overtime was for the back out is to be spread over all accounts charged in the week. This requires recalculating every entry on the card, rounding to the nearest tenth of an hour. Following another procedure regarding strike outs and initialing changes leaves the card looking like a battlefield when the process is completed.

Because of this most employees susceptible to overtime make a guess every Monday afternoon as to whether they'll put in more than 8 hours of overtime by the end of the week. If the answer is 'yes' all hours worked are recorded. Otherwise, no matter what the actual hours, only 8 hours of effort is marked at the end of each day. This saves the time and hassle of following the procedure, but technically represents a fraud as overtime hours are neither accurately recorded or 'properly' backed out.

The potential legal liability, inaccurate reporting and time expended by those who guess could be avoided by having the accounting system check for the 'over 40 but under 48' condition and automatically provide the necessary calculations. However, until management bothers to discover most of their employees are bypassing the procedure in the first place, that's not likely to occur. How many things are wrong with this picture?

There are NO insignificant details.

Have you ever tried to fix a problem that stuck around no matter what you tried or how many books you read? Have you ever tried to bake something from a recipe in a cookbook?

No I'm not changing the subject. I learned to bake bread from a fellow who I think gave Fanny Farmer her first measuring cup. After how much salt is in a 'pinch' or butter in a 'dab' the most important thing I learned was when dough was 'right.' I later realized many of the things he taught me related to variables that are simply not mentioned in any cookbook. For example, no matter what a recipe says, the actual amount of flour needed to make dough 'right' depends on its texture, the humidity and the altitude. Similarly, baking time and temperature are dependant on the type of crust you want, whether your oven is gas or electric and how old it

is.

A recipe either guesses at the times, temperatures and amounts most likely to produce an acceptable result or simply reflects what was successful for the person who wrote it. In either case you have to tailor it for your own conditions to get the best result. But you must first know what those conditions are. You can't optimize something without knowing all the variables that affect it. Otherwise you end up swatting at symptoms while the real problem keeps coming back over and over again.

Think about your competitors for a minute. How many of them could tell you the exact temperature and type of oven they use to bake bread? You can bet the ones who consistently produce crisp, perfectly browned loaves can. If you want to produce the bread that everyone wants to buy you'll have to know all the little details that make it that way.

Maybe you're still not convinced an understanding at the lowest level of detail is necessary to effectively run your business. Besides, why haven't all the consultants mentioned this? Primarily because they assume you already know your company that well or will figure out you need to by the time they're done. And more significantly, how much would you pay a consultant who did tell you this?

One thing consultants could tell you is how often they've heard a client say "I never realized . . ." or "We were amazed to find . . ." or "You mean that's the way it's being done?" or "How long has this been happening?"

Earlier I mentioned the difficulty of selling a TQM effort without details regarding the expected benefits. The catch-22 of the situation is these are the same details the improvement effort must discover to be successful. On the other hand, without this information you won't have to face up to the fact you're not doing as well as you could.

How? What? Who?

How did we get in this situation and what can we do about it? The first part is easy. We got bigger. In organizations of 500 or less top managers have a pretty fair chance of knowing what everyone is doing. If they wants to, that is. In the 'good old days' senior managers usually worked their way up from the bottom. A fairly reliable method of getting a thorough grasp of the works in most small companies. In the multi-thousand-plus companies of today a top executive is more likely to be brought in from another division, hired from a similar company or recruited from the ranks of 'matured' middle managers, many of whom were originally hired right out of college. Even if employees did aspire to 'rise from the ranks' it's unlikely they'd become familiar with any significant fraction of the entire organization before reaching retirement age.

So what we need is a person or persons capable of collecting an enormous amount of data, organizing it, and then processing it into a workable model of the company that encompasses the perspective of your entire system. Impossible? Have you ever read "War and Peace" by Leo Tolstoy? Did you know a computer program as big as "War and Peace" would be considered only about average sized? If Tolstoy had made an error in one of his sentences the effect of the entire story would still be pretty much the same. Single mistakes in computer programs have been known to have much more disastrous results.

Because of this computer professionals have developed a wide range of tools and abilities to greatly reduce the chance of even a single error occurring in very large quantities of data. Other tools have been specifically created to collect, link together and clearly document the incredible amounts of data used to build successful software applications. There are people who can handle the collecting and processing of the amounts of information we're talking about. Maybe even in your own company.

Getting the data

Of course to get this information you're going to have to do quite a bit of talking with your employees. The ones who spend all day making the decisions and doing the work. If you haven't made a habit of talking to them before now they'll be asking a few questions of their own. Like "Why are you asking me this?" and "What charge number do I use while I'm collecting this information?"

Remember the employees who don't believe their managers support TQM? Lets suppose one of them is given a job on Monday which needs to be done by Thursday. Let's further suppose, like most of your employees, this fellow is conscientious and knows his job pretty well. In fact, he's even got an idea on how to do the job in two days instead of the usual four. However, spending two days on his idea won't leave time to redo the job the old way if it doesn't work. Will he be willing to risk not finishing on time to try out his idea? Even if he does, will he be willing to explain what he's doing on Tuesday if you ask why he's not following the standard procedures?

Culture

All of this relates to the culture of your organization. In this context 'culture' is defined as the current balance of all variables affecting the environment in which you create your products. This includes procedures, facilities, how clean the rest rooms are, your employees' skills, what they had for breakfast, everything. Fortunately this rather large scope can be divided into two groups. The things you can control and your employees' reaction to them.

Allow me to say that a little more clearly. Your employees'

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reaction to the things you control is not one of the things you control. As an old psychology joke puts it, "Under the most exactly controlled conditions of stimulus and environment the test subject will do whatever it darn well pleases."

While the overall response of all employees to your policies, procedures and facilities will follow a general pattern the response of individual employees will vary according to their prior experience, background, temperament, health, how well their shoes fit, and so on. When a process isn't being followed in the manner you require don't just write another procedure saying "do it like this or else!" First find out why it isn't being done the way you want. Then figure out what can be done to work around the problem. This may require a change to the procedure, an aspect of the work, or maybe doing the whole thing another way. Obviously you'll need to be very familiar with your technology in order to come up with alternate solutions to problems. There may be more than one way to skin a cat, but only an experienced cat skinner is likely to know what they are.

You try, they respond. If it doesn't work try something else. Even when it does work a change later on may require trying another approach. This is why I defined culture as a 'balance of variables.'

As employees realize your discovery process isn't aimed at collecting grounds for disciplinary action they'll become increasingly willing to provide information. By this time you'll have enough to realize there's a rational basis for nearly every departure from expected performance. An employee who consistently turns in poor quality work may be reacting to the dilemma of "Do you want it done or done well?" Inadequate support by a department may be due to fear the reduction in resources will lead to declining performance of their own; with the possibility of poorer ratings, smaller raises, or greater susceptibility to layoffs. People want to do good work. Fear of reprisals, inconsistencies in direction, and lack of information often keep them from doing it.

Change

The discovery and improvement process should not remain the sole responsibility of one individual or group. This suggests the process is not something the rest of your organization needs to worry about. Creating exactly the opposite impression is one of the first changes you should plan on working into your culture. Besides the obvious advantage of having a lot more people looking for 'better, faster, cheaper' you'll find people are much more willing to accept a change when they had a part in coming up with it.

A change in your organization's culture isn't any different from any other change you'll try to make. Some people will worry about it taking away their prestige. Some will be afraid it'll require them to do things they aren't good at or don't like. Just about everyone would rather just keep things the way they are for

one reason or another.

The first part of any change is to have your top manager tell everyone what you want to happen. This should be clearly stated in terms of what's happening now and what you want to change to. This assumes that you have already studied the problem and understand the change yourself. In this case we want our employees to go from thinking improvement opportunities are either somebody else's job or something they only think about occasionally to something they're always on the lookout for as they perform their daily tasks.

A major effort to begin this on your part will be helping every employee understand how their jobs contribute to the job of the units, how the units contribute to the departments, and so on all the way up to being paid for a final product. This can be a very large educational process, but how else will your employees have the background needed to come up with rational improvement suggestions outside their own job scopes? If you want significant plant-wide improvements you're going to have to see that everyone has a plant-wide perspective.

Support

One important result of this step is also one of the major requirements for a successful change. By having your top manager clearly identified with setting things in motion you have established the authority basis for the change. Delegation of this authority, I regret to say, will simply not suffice. If you can't establish and periodically reinforce that the proposed change is backed by the highest recognized authority in your organization then you might as well pack it all in and go back to square one.

Without visible support there will always be some level of fear the 'top dog' is reserving the right to hold everyone else responsible if the change backfires. It also generates a reluctance to petition mid level manages for support and an attitude of "Well, I guess they're not really too serious about all this after all." Not the type of cultural variables conducive to promoting an active awareness of improvement opportunities.

Conclusion

Improvement is a state of mind, not a process or a thing. Things change. They always have and always will. There are no laurels to rest on. You need to be making changes when you see the need for them instead of when the changes force the need on you. The information you will discover about your people and processes must be kept current as long as you plan on being the one with the products the customer wants most. The amount of effort you put into the discovery and improvement process should only be limited by how much you want to be the best. Just don't wait until you've broken your leg to start.