
QUALITY: FROM WHERE TO WHERE?

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Summary

In the late eighties and nineties, quality management enjoyed enormous popularity as a focus for organizational change and strategy. This interest has waned somewhat since the mid nineties, yet quality still has a key role to play in enterprise competitiveness. This paper looks at where quality has come from, where it currently is and suggests some future scenarios based on trends in the business world.

Keywords: *Quality management, past, present and future*

Introduction

Whether an organization is large or small, public or private, profit or not for profit, it must continuously seek better ways of operating to keep up in a highly competitive world. Survival depends on doing more or the same with less and seeking competitive advantages. Porter's (1985) work focused on two strategies which firms can use to gain such advantage, namely, cost leadership or differentiation. Most consumers are, of course, seeking both low cost and high quality in their expectations. The adoption of quality principles in organizations can lead to cost reductions and at the same time better quality and hence higher customer preferences for products and services. Advantages can also be achieved through superior product design, innovation, service, flexibility and a range of other attributes.

Quality came into force throughout the Western world in the late eighties and early nineties. It made headlines although the Japanese had practiced quality well before this time. Zairi (2002) has identified four

major periods in the evolution of quality from quality control in the 1960s and 1970s, through quality assurance in the 1970s and 1980s, quality management in the 1980s and 1990s to TQM since the 1990s. It was the periods of quality management and TQM which drew widespread attention to the importance of quality for competitiveness.

By the mid to late nineties, the interest in quality has started to decline. Even in the early 1990s, writers such as Yoshido (1995) was suggesting that interest in quality in the Western world was receding, yet not so in Japan. He cited a decline in the number of Baldrige Award applications and two-thirds reduction in the number of published articles between 1991 and 1994. In 1992, The Economist was exposing the "cracks in quality". Micklethwait and Wooldridge (1997) were talking about "witchdoctors" largely referring to the UK scene, Wilkinson et al (1998) coined the term Partial Quality Management to suggest that full benefits of TQM had not been achieved since organizational politics had got in the way.

If we look at the academic literature on fads and fashions, Larson's (2001) Garbage can life cycle model of quality management suggests management ideas move through stages and whilst they may decline in prominence, there are still deposits (Van der Wiele, 1998) left behind which ensure there will be forward movement with quality.

Several editorials in the TQM Magazine in 2001 by Peters (2001, 5) and Zairi (2001, 82) talked of a TQM Renaissance and the 3 E's, e-commerce, excellence and empowerment. Peters also talks of a metamorphosis of the total business environment with movement to focus on

“managing the quality of management, not just the management of quality” (2001, 5). Has this happened?

This paper examines some possible future directions for quality after providing a summary and overview of where it has come from and the current state of play.

Where have we come from?

Whilst quality management has been around for many decades, it became headline material in the late eighties and early nineties in the US, UK, Europe and other countries such as Australia. Quality was marketed and promoted most aggressively under the TQM banner with ISO 9000 also playing an important role. Consultants sold it, managers wrote books and did seminars on it, academics conducted research, governments and specialist agencies promoted it (e.g. quality awards), organizations, large and small, adopted it. Of course, there were the cynics; however, it was very difficult to argue against the intuitive logic of quality principles and all the good news case studies being aired at the time.

Both ISO 9000 and quality as promoted through the TQM product were the primary quality pursuits during this time. Whilst certification and quality assurance had been around for some time, this period saw a rapid increase in the number of worldwide certificates issued. Broad, company wide quality management programs were pushed through the TQM product, although in some cases there was more emphasis on hard tools and in other cases, the soft human resource management focus. Many organizations adopted TQM as the core of organizational change and culture driven strategies.

How and why did it become so popular so quickly? Timing – US competitiveness declining, global competition, rising consumer expectations (expect lower prices, higher quality). Managers were looking to make their mark with change programs in organizations. The prophets of TQM made all sorts of grand promises. So called airport books and consulting companies all had good news stories to promote. Consultants also promoted the concept of TQM in particular.

The spread of quality was also facilitated through the establishment of organizations interested in promoting it, particularly at the national level through quality awards and self-assessment processes, e.g. national quality organizations such as EFQM and the Australian Quality Council and government agencies such as with the Baldrige Prize in the USA.

Where are we now?

Quality today has many versions and considerable variations between countries, industry sector and companies. Sun (2000) has suggested, for example, that quality in Chinese manufacturing companies places most emphasis on quality control and statistical methods and lesser emphasis on customer satisfaction. ISO 9000 certifications showed a growth in many countries yet are declining in Australia. Six Sigma was limited to a few high profile organizations such as Motorola in the early 1990s and in recent years has enjoyed increased attention. Links of quality to sustainability and environmental issues in Europe in particular have received increased attention with the EFQM adding this to the model.

What is the evidence for quality and competitiveness? Are there any definitive conclusions? We have a range of studies which purport to show the links between quality and performance including; Powell (1995), Easton and Jarrel, Hendricks and Singhal (2001), Terziovski and Samson (1999). Despite criticisms of methodology and other aspects, including the fact that they often only look at large private sector organization, they do show some evidence that quality management produces positive benefits for the organization. Questions about just what is a quality strategy and how long does it take for benefits to materialize are often raised. In some cases, it is not only just quality practices but also good management practices such as those relating to leadership and human resource management. Much like Powell (1995), Youssef and Zairi (1995) found that management commitment, clear direction, participative management and culture change were important critical factors in TQM before the more specific TQM tools and techniques came to being. The evidence clearly shows that it is the quality management practices and not simply whether there is a formal program in place which determines performance (Prajogo and Brown, 2004). It is often the “soft” aspects of management which tend to deliver performance and these are not unique to a quality approach. Much of this relates to various theories of competitive advantage such as resource based theories of the firm, core competencies and strategic capability.

Irrespective of the popularity of quality in organizations, the following practices are relatively widespread in organizations today which can be largely attributable to the quality movement:

- Regular measuring and monitoring of customer satisfaction
- Performance management linked to organizational strategies
- Improvement teams (process or work area)
- Process mapping and process improvement
- Measuring business results
- Supplier-customer management
- Benchmarking
- Training and development
- Statistical and process control

Better strategic planning, human resource management and quality-focused cultures have become the standard focus for organizations now primarily due to the quality movement of the nineties. In many cases, the word quality is not used as a label. The quality award models have been modified to reflect the broader business excellence concept.

Where are we headed?

To address this question, a brief look at some organizational trends which have the potential to impact on quality is warranted. Many of these suggest the need for even greater attention to be placed on quality.

Networked organizations

Many organizations have subcontracted and outsourced many of their activities and functions which are deemed to be non-core. This places more pressure on suppliers to deliver quality and for the purchaser to monitor quality. What

arrangements do companies have to manage this? Do they rely on legal contracts which offer penalties? Should one party be in breach? Do they rely on personal contacts to manage the process? Supply chain quality becomes even more critical in this context.

Globalization

Globalization places increasing pressure on organizations to survive largely due to increased competition. At the same time, it presents opportunities for niche based quality companies to be suppliers in this global supermarket. It also brings about movement of people looking for better job opportunities in different parts of the world impacting on labor supply.

Shorter product lifecycles

Fads and fashions continually present both opportunities and threats to companies. Fit for purpose is a very appropriate definition of quality in this context.

Organizational sustainability

Issues such as stakeholder value and building the sustainable organization become critical considerations.

Environmental Issues

Socially responsible business practices and better environmental care have become significant influences once more. Organizations need to increasingly consider the community impact of organizational actions.

Electronic or e-business

What quality issues are important to customers in these contexts? Security, delivery time; what organizational structures are behind these businesses and

what are the implications for quality? Increased competition results from this trend as conducting business becomes borderless.

Work and well-being, quality of work life issues in organizations.

Employees reassess their lifestyles and commitment to work vis-à-vis other things in their lives. What impact does this have on motivation to engage in quality related activities such as empowerment?

Consumerism (expectations) exists especially in markets/market sectors where quality is a primary decision factor for consumers. Competing on price, Chinese products dominating global markets in many sectors, yet at the same time there are many opportunities for niche markets and quality products.

Corporate governance

Concerns about corporate governance are drawing greater attention to the need for effective processes and systems in organizations to prevent fraud and other inappropriate behavior.

Business performance measurement

There is increased attention on business self-assessment and also measuring/tracking performance. The quality movement over the past decade has raised the bar and the need for organizations to engage in self analysis and self-assessment.

There are also forces at work which tend to hinder increased attention to quality. Some of these include:

- Discontinuity of management/ leadership. The need to “show” something unique in relatively short

periods of time does not help promote on-going concepts like quality.

- Focus on price alone (some markets logical to do so). This was one of the complaints against ISO 9000 where certified firms were overlooked for contracts awarded to non-certified firms which provide cheaper quotes.
- Deregulation, downsizing, etc. organizational change/transformation. Discontinuity in organizations is often regarded as the norm and again, does not encourage on-going long term quality efforts. Such change is usually linked to discontinuity in management.
- Minimalist approaches to ISO 9000 with the desire only for the certificate on the wall rather than any genuine quality efforts.

What then might some future scenarios for quality look like? In a global setting, there is scope for significant variations for a variety of reasons, not least of which are the industrialization, culture and global competitiveness.

Continuation

ISO 9000

The bar has increased, and organizations generally will need an ISO certificate to compete even though it may provide limited competitive advantage and be seen as a normal part of doing business. For many organizations it will be seen as a cost (minimalist approach) and for the enlightened ones as a discipline for continuous improvement.

In some industry sectors, specific sector forms of quality certification seem to have become dominant. For example, HAACP in the food industry, universities in many countries come under accreditation or quality standards e.g. EQUIS, AACSB, AUQA, hospitals with their own and so on.

TQM

It is an acronym used with varying frequency in different parts of the world. The push for TQM did much to promote quality in the early 90s but in many places it became yesterday's buzzword and this makes it difficult for organizations who have previously adopted quality as a focus, to continue with the same title. It was often the basis of change programs and for a strategic focus in organizations. Its use is likely to vary across countries and industry sectors.

Quality Management

Quality principles and concepts such as continuous improvement and technical tools tend to have become the province of operational areas of organizations and it has happened in many which embraced organization-wide quality programs. It has moved from being strategic to operational.

Business Excellence

Business excellence frameworks and self-assessment are still being promoted and this is likely to continue. Whilst the number of companies actually applying for awards has not grown, the use of frameworks for self-assessment is still relatively widespread.

Specialization

A move to more specifically titled quality based activities is another trend in organizations with a focus on things such as:

- Six Sigma
- Customer Relationship Management (CRM) and Customer Centric
- Benchmarking
- KPI monitoring and organizational performance
- Process mapping and process improvement
- QFD
- Specific techniques such as 5S, SPC, quality circles

This may have the advantage of providing focus for quality and tailored to the particular product or service provided by the organization. On the other hand, these may sometimes be seen as fads and fashions.

Integration (Broadening)

Brown (2002), made the point that organizations were moving to IQM or integrated quality management whereby quality principles and techniques had been integrated with other organizational activities such as;

- Quality and corporate sustainability
- Quality and environment
- Quality and innovation
- Quality and corporate governance
- Quality and HRM

Quality has embraced issues such as corporate sustainability, environmental quality, safety and health through the standards e.g. ISO 14000 and the business

excellence frameworks. Quality and broader social issues have been integrated into the Australian Business Excellence Framework and has success and sustainability as one of the core elements of the framework. The increased attention given to corporate accountability has also raised the profile of quality.

An outcome of this trend is a movement away from the jargonistic titles like TQM.

Organizational culture, change and self-assessment

Quality doesn't tend to be the focal point of organizational cultural change attempts anymore and given previous experiences in some organizations with quality programs that failed, the word quality is something to be avoided. Whilst this may be true of some organizations, they have pursued quality principles under a different guise. Other foci including balanced scorecards, sustainability and customer centricity have all had their place as well. So what we are likely to see is the use of quality practices and principles under a different banner, if any.

What is still strong is the use of organizational self-assessment along the lines of business excellence and/or quality management frameworks.

Limited to industry sectors

Organizations in some industry sectors in particular, such as, healthcare, education and local government have often been successful recipients of Business Excellence Awards. This may be partly related to issues of safety and accountability which drives some of these sectors.

Whilst quality is no less important to the small and medium enterprise, quality may tend to be informal as North, Blackburn and Curran (1998) have shown. Many SMEs have though not been enthused about ISO 9000 for various reasons including cost vs. benefits.

Conclusion

We have moved from the simplistic notions of quality being the recipe for organizational success. This was probably never believed by many managers anyway, but like many magic fixes, quality was adopted by many without much serious thought and true commitment. They were influenced by the quality mania of the time and the case presentations of organizations experiencing success.

Quality is an essential ingredient for success and competitiveness, but not the only ingredient. Price, innovation, and marketing all play important roles and of course, quality links with these. Quality permeates most organizational activities and functions. It is the jargon, the programs which are gone, the principles which have been embedded into regular activities. The benchmark for organizational quality and performance has been raised where it is no longer an optional consideration. Maybe this partly explains why it is no longer headline material, nothing new, not that it ever was, but is still just as essential as it ever was. Most quality management principles and practices are simply good management practices and the most enduring impact of the quality frenzy in the nineties has been to bring this to the attention of managers. This is the critical point.

To use Pfeffer's (1994) words, "the quality movement is fundamentally a way of using

language and ideas to mobilize actions that are often talked about but not as frequently implemented", the quality movement "provides people with a model, social support, and powerful language – and the evidence is that it works." The message here is that organizations should adopt and adapt the language to suit their particular needs. It is the principles and practices of quality which are important

If we take the life cycle idea of Larson or Ettore, we might conclude that TQM has reached the stage of hard core, where a limited number of organizations are persisting with quality. If we accept Van der Wiele's (1998) notion of deposits left from former activities, then, after a decade of more of TQM organizations are now in a position where issues such as process improvement, continuous improvement and customer satisfaction are taken as givens rather than "nice to do".

The challenge for those who are passionate about quality is to ensure that it does not get lost in the continuously emerging management concepts and ideas and for academics to continue with their research into the emerging quality issues. There is still much work to be done around the themes identified above.

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