

Developing A Quality Orientation

John L. Warne

I have recently had the pleasant experience of participating in a half-day seminar on the subject of quality.

The subject was, "Developing a quality orientation throughout the firm."

The key issues were:

- Developing quality goals and responsibilities.
- Achieving commitment to quality.
- Measuring quality performance
- Sustaining a quality orientation over the long term.

These are all tough issues with which I have wrestled for a long time. I have arrived at some very definite conclusions about them in my own mind and would like to briefly share some of them here.

High quality can be a powerful competitive weapon, particularly when quality is viewed from today's perspective. Today's test of quality is when the customer is totally satisfied with the product in every respect; when the customer is totally satisfied with the product's functional performance, aesthetic appeal, reliability, durability, customer service during and after delivery, etc. In other words, quality is all of those things connected with the product that impact the customer's senses positively.

Total Quality Control is control over all of the things connected with the products that are likely to impact the customer's senses either positively or negatively.

Customer-In Quality Control

I think the term for this is "customer-in" quality control. This is in contrast to "product-out" quality

control which we have traditionally practiced here in the United States. Here, quality control has been largely a manufacturing function to ensure that our products are made to specification regardless of whether or not the specification truly meets

Total Quality Control is control over all of the things connected with the products that are likely to impact the customer's senses either positively or negatively.

the customer's needs.

As I see it, the companies that are the most successful are those where top management, including the chief executive officer, fully understands the power of quality as a competitive weapon—where top management also understands the new definition of quality and how it is achieved. In my opinion, no quality program will ever succeed without a complete commitment by top management to use it as a major competitive weapon. The use of quality becomes an important part of the company's competitive strategy. Therefore, the very first step in developing a quality orientation throughout the company is to thoroughly educate all of the top officers in all of the aspects of quality as we view it today.

The chief executive officer must be the principal sponsor of the quality program. He must provide the leadership and the drive. He must show total commitment. He must be supported by all of the officers, VP marketing, VP finance and administration, VP engineering, and VP manufacturing, sales, customer

service heads, material management, purchasing, and supply. All of these managers must be thoroughly educated in every aspect of quality control. They must believe wholeheartedly in the competitive advantage it will provide. They must lead the implementation of a quality control system into every function of the company.

Essentials of Quality Control

I like to look at quality control as having seven separate aspects.

1. *Education*—Everyone in the organization, top to bottom, must be educated in all aspects of quality. This is absolutely vital. A substantial budget must be established for it. You can't do a company-wide education program for nothing.
2. *Responding to the voice of the customer*—Establishing an effective formal feedback system from the customers so that their level of satisfaction and dissatisfaction can be accurately and regularly measured. This is the ultimate measure of quality performance. And then having an effective system for taking corrective action quickly when that is required.
3. *Quality control during manufacture*—This area includes the various methods of process control we use today. Statistical process control is one of the tools.
4. *Inspection after manufacture*
—The quality audit function. ▶

5. *Quality costs* — The cost of scrap, rejects, rework, warranty repairs, production delays, and the hidden and difficult-to-quantify cost of customer dissatisfaction.
6. *Product and process design* — As a rule of thumb, 40 percent of all quality problems, as the customer sees them, stem from inadequate designs that do not satisfy the customer's requirements. Thirty percent of quality problems stem from problems in manufacturing processes. These come from poorly-designed processes, inadequate tooling and machines, and product designs that are just too hard to make. The other 30 percent stem from defects in parts and materials received from outside suppliers.

As a rule of thumb, 40 percent of all quality problems, as the customer sees them, stem from inadequate designs that do not satisfy the customer's requirements.

7. *The quality control system* — This overall, formalized quality control system ties the company-wide quality effort together and keeps it on track. It measures performance both from the "customer-in" and the "product-out" point of view. It also provides the publicity and hoopla to keep visibility high — lots of opportunities for management to recognize publicly the contributions made by individuals.

From what I have already said you can gather that I strongly believe I have the answer to two of the issues: achieving commitment to

quality and sustaining a quality performance over the long run. The solution to these two issues is to have the total commitment and involvement of top management and the CEO. I do not believe anyone in middle management positions can do it.

I am not alone in this belief.

- Deming believes quality for the customer is 85 percent–90 percent management's responsibility.
- Juran believes it is 85 percent management's responsibility.
- Crosby believes it is 100 percent management's responsibility.
- Japanese quality experts simply believe that if errors and defects happen within a company, it is management's responsibility.

However, management responsibility does not let other people off the hook. High levels of customer satisfaction can only be achieved when every individual, from the person doing the most humble task right up to the company president, is equally committed to achieving the company's objective. It includes all of the activities connected with achieving total customer satisfaction.

Company-wide Commitment Is Needed

Therefore, the achievement of high quality depends a tremendous amount on the commitment and dedication of the people. When all of the people in the company are strongly committed to helping the company achieve its quality goals, ideas and suggestions for improvements come from all directions.

There are some rules on randomization which I found of interest recently.

Rule One:
Intelligence is randomly distributed throughout the organization.

Rule Two:
Good ideas for improvements are randomly distributed throughout the organization.

Rule Three:
Organizational improvements for increased customer satisfaction are random events.

A very large portion of the Japanese manufacturing superiority is due to the enormous amount of

commitment and dedication Japanese workers have towards their company and to achieving their company's goals. Visitors to Japanese factories, when noticing this tremendous spirit, sometimes conclude that this work ethic is a natural cultural characteristic of the Japanese people. They are just hard workers and naturally love their company, visitors contend.

The truth is that Japanese workers are normal human beings who respond to their environment, very much like the typical American, German, or British worker. The real reason Japanese workers are so enormously motivated is because of the environment in which they work. Their response is positive because of the way they are treated within the company. In other words, they are motivated by the climate within the company that management has established.

The environment within the company, in which all of the people work, is entirely created by management. Management and management alone has the power to establish the environment within the company. All of the people respond to the environment management establishes.

The Japanese managers recognize that the only way to be totally successful at achieving their goals is to have every individual person in the organization pulling strongly for the company's success. Managers systematically, and with great care, established the environment within their companies that builds this worker commitment and the "want to make the company succeed" spirit.

I think we in the United States are inclined to look at all of the new quality control and manufacturing techniques and systems and to believe that their implementation will bring us the results we need.

I have spent much of my time over the past five years studying the Japanese systems and implement-

ing many of them in American plants. I have spent one day in each of 42 different Japanese plants. I have come to realize more and more, as time has progressed, the tremendous contribution the highly committed Japanese workers make to their quality efforts and their productivity. I have discovered it is the wonderful environment that management has created in those plants that continually builds and nurtures worker commitment.

The real point I want to make is that the techniques and systems alone will not do it for you. To really achieve the success we all desire, we must build a company culture or an environment that is conducive to a high level of commitment to

As I see it, the major goal must be to totally satisfy the customer in every respect. This, of course, can be broken down into specific things you want to provide the customer.

achieving the company's goals. In other words, there are physical and social sides to achieving quality. My guess is that each side contributes about equally to the success of the company and the company's quality performance.

Key Issues

In conclusion, I would like to return to the four key issues.

- *Developing quality goals and responsibilities*

As I see it, the major goal must be to totally satisfy the customer in every respect. This, of course, can be broken down into specific things you want to provide the customer. Each product will have a different list of customer needs. The next goal should be the reduction of quality costs. This objective also can be broken down into specific areas. In regard to responsibilities, I have already made my point about management, and top management in particular.

- *Achieving commitment to quality*
The only really satisfactory way to get the required commitment to quality is for top management to be strongly committed to using high quality as a competitive weapon. It must then become part of the company's long range competitive strategy and written into the long-range strategic plan. In my opinion, a middle management driven quality effort will surely fail.
- *Measuring quality performance*
One of the most important parts of a quality control system is to establish an efficient formal customer feedback system. Data collected from this feedback system must be tabulated weekly and properly analyzed by competent people who can quickly determine where the weak spots are. Quick action should then be taken to correct the weak spots regardless of their source. This system, when properly established, enables you to measure the customer's level of satisfaction and dissatisfaction with your product. Your performance against your list of specific customer needs can be measured monthly.

The other important measure of quality performance is to measure the cost of quality, as I have mentioned before.

- *Sustaining a quality orientation over the long run*
A quality orientation can only be sustained over the long run when top management and the chief executive officer fully understand all of the quality issues and are wholeheartedly committed to using high quality as an important part of the company's competitive strategy. In addition, the company must have a culture that is conducive to the commitment of everyone in the organization to achieving the company's quality goals.

A quality orientation can only be sustained over the long run when top management and the chief executive officer fully understand all of the quality issues and are wholeheartedly committed to using high quality as an important part of the company's competitive strategy.

Author: John L. (Jack) Warne is the retired president and chief operating officer of Omark Industries, Portland, OR. He has developed a videotape series produced by McDonnell-Douglas Corporation, "Jack Warne's Just-In-Time Training Course."

