The Process of Organisation Change: Case Studies of the Implementation of TQM within Four Medium-sized Manufacturing Organisations

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SUSAN TODD
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Abstract

The aim of this study was to understand the processes involved with the implementation of TQM within manufacturing organisations. A major contention being that TQM implementation constitutes an organisational development intervention, the implementation of which constitutes a process of planned organisational change. The study suggests that TQM implementation is not a simple and straight forward activity as suggested within the literature. Instead it is a complex and ongoing process, which is influenced by a number of factors, both internal and external to an organisation.

A case study approach which consisted of four medium-sized manufacturing organisations in New Zealand was employed. Data was collected by way of in-depth interviews, direct observation of people and the organisations and a review of documentation.

The study focused on those processes and contextual factors which influenced the method of implementation employed and which also served to constrain or facilitate the TQM implementation process. The interpretation of these processes and factors was informed by theories and concepts relating to TQM, implementation and organisational change. The study suggested that TQM implementation has a dynamic, iterative and cyclical nature which supports an emerging, processual perspective of organisational change, rather than the traditional rational and linear theory. Furthermore, it identified that factors such as resistance and a cursory knowledge of TQM acted to constrain the implementation process while the management of factors such as leadership, education and training and job enrichment determined whether they acted to constrain or facilitate the process.

The study supports the need for a greater understanding to be had by those charged with the role of leading and managing the TQM implementation process. A greater appreciation of the cyclical characteristic of the change process and the holistic nature of TQM will enable management more effectively manage the processes inherent within the change process and which influence the organisational members accept and routinise the principles and procedures of TQM.

The study concludes with a review of the methodology and then the managerial implications for future TQM implementation efforts are discussed. Finally, areas for future research are identified and presented.

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Introduction

> *That word quality threatens to become seriously overused and badly misunderstood. But quality is going to be the key to our future international competitiveness* (Tyson, 1992: 2).

Although the above statement made by Janet Tyson was directed at the New Zealand Meat Industry, it is relevant to all New Zealand businesses. Increased competition from imports and legislation such as the Consumer Guarantees Act 1993 and the New Zealand Fair Trading Act 1986 have helped to improve the standard of products available within New Zealand by protecting consumers against inferior quality. However, perhaps a significant impetus for the "quality" movement within New Zealand has been overseas customers demanding their suppliers have ISO 9000 accreditation, and the subsequent follow-on effect among domestic customers. The subsequent emphasis being afforded "quality" by customers and a growing awareness of its benefits has contributed to organisations seeking to introduce Total Quality Management[1] as a means to not only improve the quality of the goods and services provided but also the strategic capabilities of the organisations within the global business environment.

TQM is a managerial philosophy that assigns the responsibility for quality to the entire organisation and focuses upon customer satisfaction. It incorporates various statistical tools and techniques and a participatory style of management to create an organisation that is able to effectively respond to the changing consumer needs and consistently produce a product or service that satisfies customer demands. However problems and obstacles within the implementation process is frequently resulting in the failure of TQM to deliver the expected results and benefits. This feeds a negative impression and believe amongst management and employees alike that TQM is yet another fad that is destined to fall by the wayside and to be replaced when a new managerial system is developed.

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[1] Hereinafter, Total Quality Management will be referred to as TQM.

Setting the context

Recent decades have witnessed a significant change within the international business environment. Technological advancements, the disintegration of political and social barriers, and a world-wide trend towards economic deregulation have combined to alter the composition and complexity of the international marketplace. Barriers of trade and political natures have reduced as countries opt for more liberalised economic policies, rather than the protectionist policies which had restricted entry into most markets. Although change within the business environment had been predicted by many commentators, the speed and magnitude with which this world-wide change transpired, has been largely unforeseen and exceeded expectations (Drucker, 1989). The changes within the business environment have generated competitive markets, with increased levels of both foreign and domestic competition, while at the same time providing consumers with a greater variety of competitively priced products and services (McKenna, 1988). The new environment has also forced organisations to reassess their processes and strategies in order to remain competitive (Crocombe *et al.*, 1991).

The increasing level of integration occurring within the global economy is being driven, to a large degree by technological advancements, which have infiltrated all facets of an organisation (Hamel & Prahalad, 1994; Schermerhorn, 1993). Perhaps, one of the most important areas of technological advancements has occurred within telecommunications and information systems. Mediums such as facsimiles, satellites and electronic mail are providing people with the means to communicate instantaneously, through the immediate transfer of information both domestically and internationally. This, provides the ability to update and communicate information and business decisions audibly, visually and/or in writing, almost immediately and often at less cost (Clark, 1994; Hamel & Prahalad, 1994; Schermerhorn, 1993; Jaikumar, 1991; Russell, 1991).

The freer flow of information is having a major impact upon consumers. They now have ready access to world news and product information through the media, and this is being augmented through their own experiences, such as international travel. Consequently, consumers are fast becoming global citizens in their knowledge, needs and preferences (Schermerhorn, 1993; Ohmae, 1989). As such, consumers have become sophisticated and discerning in their purchase decisions and they are demanding a greater variety of products from which to choose and greater value for money (Maxwell, 1994; Russell, 1991; Ohmae, 1989; McKenna, 1988).

Technology is providing the means to meet the changing consumer demands by

> ...creating the promise of "any thing, any way, any time." Customers can have their own version of virtually any product, including one that appeals to mass

> identification rather than individuality, if they so desire. (McKenna, 1991: 72).

Accordingly, the internationalisation of consumers' needs, preferences and knowledge is forcing a reconsideration of the terms upon which organisations compete. While cost considerations remain important, increasingly the ability to successfully compete is being based upon an organisation's propensity to be flexible, innovative (Hamel & Prahalad, 1994; Crocombe, *et al.*, 1991; Inkson *et al.*, 1986) and react quickly to change (Beatty, 1990; Prahalad & Hamel, 1990) as well as the ability to continually improve its products and processes.

Automated systems such as CAD (computer-aided design) and CIM (computer-integrated manufacturing), are creating flexibility and efficiency throughout manufacturing processes, as well as allowing a wider range of options and product designs to be produced (Barnes, 1993). Benefits derived from the use of these systems filter through all facets of an organisation, from reduced costs and improved quality of products (McKenna, 1988; Hayes & Jaikumar, 1988) to reduced delivery times to customers, due to shortened design and manufacturing cycles (Barnes, 1993). Distribution systems have similarly experienced advancements which have improved the supply of goods and services. Extensive distribution networks have arisen from enhanced information systems and advancements within the transportation modes, facilitating more efficient delivery of products to a broader geographical area (Bedeian & Zammuto, 1991). Consequently delivery times have decreased while at the same time the availability and breadth of coverage have increased (Russell, 1991). Technological advancements have pervaded the packaging of products, reducing breakages and damage and accordingly allowing the transportation and exportation of perishable commodities such as fresh cut flowers and fresh seafood (Bedeian & Zammuto, 1991).

The need for organisations to be innovative, flexible and able to react quickly and effectively to changes, is forcing management in many companies to re-evaluate their strategies, management systems and organisational structure (Hamel & Prahalad, 1994). In the 1990s, 'successful companies are becoming market driven, adapting their products to fit their customers' needs and demands' (McKenna, 1991: 66). Strategies are being reassessed and altered in favour of developing a strong customer emphasis and refocussing upon developing and capitalising upon their core competencies (Prahalad & Hamel, 1990).

Management systems and organisational structures have similarly altered to reduce rigidity and promote flexibility plus responsiveness to customers rapidly changing needs. Organisational structures have reduced in size through flattened hierarchies (La Rooy, 1994; Penny, 1993; Jaikumar, 1991) which capture 'individual capabilities and motivate the entire organisation to respond co-operatively to a complicated and

dynamic environment'(Bartlett & Ghoshal, 1990: 140). These management systems are now focusing upon "quality" as the means of improving flexibility, effectiveness, efficiency and profitability as well as being the method with which to generate and sustain a competitive advantage (Corbett, 1990; Kanter, 1989). Quality, concentrates on maximising customer satisfaction through the provision of goods and/or services that meet, and where possible, exceed customer expectations (Rosander, 1989).

Although the concept of quality 'has been with us for millennia'(Garvin, 1988:3), quality as a formal managerial function, has only recently emerged. Its evolution can be traced through four distinct "quality eras": inspection, statistical quality control, quality assurance and total quality management (Kanji & Asher, 1993; Lascelles & Dale, 1993; Garvin, 1988; Binstock, 1981). Inspection based quality emerged with the rise of mass production and the need for interchangeable parts (Garvin, 1988). It comprised a team of inspectors examining, measuring or testing a product and comparing it to a product standard, at all stages of the production process. However this system was costly, inefficient and frequently failed to identify substandard products (Kanji & Asher, 1993).

In 1931, the publishing of W.A. Shewhart's book, *Economic Control of Quality Manufactured Product,* marked the development of statistical quality control (Garvin, 1988). In this book, Shewhart introduced statistically based techniques to monitor and control manufacturing processes, and suggested methods of improving quality. Nevertheless, it was not until World War Two, when reliance upon inspection based systems within the aircraft and ammunitions industry proved unacceptable, that the use of statistical quality control became widely accepted and used (Kanji & Asher, 1993; Garvin, 1988).

Quality assurance emerged with a shift in emphasis from product control to systems control. Problem prevention remained the primary goal, yet this was accomplished through systems which encompassed quality manuals, quality planning and advanced document control (Kanji & Asher, 1993). While the focus of quality remained on the prevention of defects within the production processes, this largely ignored the advantages that could be attained through the application of quality principles to all areas of an organisations, such as marketing and strategic planning (Kanji & Asher, 1993; Lascelles & Dale, 1993; Garvin, 1988).

The inclusion of the planning function in quality improvement activities led to the evolution of TQM by 'extending quality management from the realm of operations to that of strategic planning'. Thus moving the responsibility of quality management away from the quality assurance department and/or operations management to the senior management team (Grant *et al.*, 1994: 28). TQM is a managerial philosophy that focuses upon customer satisfaction and continual improvement, through the use of quality management principles, tools and techniques (Bohan, 1995; Dobbins, 1995;

Grant *et al.*, 1994; Dawson & Palmer, 1993; Lascelles & Dale, 1993). TQM reassigns the responsibility for quality from a single person or department, with all employees from the chief executive officer through to shop floor employees sharing the accountability (Grant *et al.*, 1994; Garvin, 1988). It recognises the skills and knowledge of employees, encouraging contributions from all members of an organisation's workforce to the continual improvement of processes (Penny, 1993; Raman, 1993). This is achieved through removal of interdepartmental barriers, the employment of a participatory managerial style, the promotion of excellent customer relations and the realisation that quality embraces not only the quality of a product, but everything that an organisation does (Raman, 1993).

Alongside changes to the business environment another motivation for organisations to implement TQM can be attributed to Japan's meteoric rise within the world economy. Once an obscure nation with a reputation for the mass production of inexpensive, low quality products, it is now one of the most powerful economies in the world, and a leader in many industries (Jablonski, 1992; Imai, 1991; Walton, 1989). The success experienced by Japanese organisations can largely be attributed to the influence of two Americans - Joseph Juran, and engineer and statistician and another statistician, W. Edwards Deming (Sullivan, 1994a). Both travelled to Japan in the years after World War Two in order to teach Japanese business leaders about quality management and assist them implement its philosophy, tools and procedures within their organisations. As a result, organisations all over the world are endeavouring to emulate the success of Japanese businesses and so are seeking to adopt the very recipe which the Japanese have employed to their advantage (Jablonski, 1992).

Consequently, many organisations have, or are in the process of, implementing TQM as it has come to be regarded as the key ingredient for the cultivation and maintenance of a competitive advantage, within the deregulated and highly competitive business environment of the 1990's (Spitzer, 1993; Garvin, 1988). In doing so, many have looked to embrace Deming's philosophy, which is grounded in Shewart's statistical process control theory and is based upon the premise that the customer, not profit, should be the focus of an organisation. Indeed, Deming contends that profit is merely a reflection of the ability of an organisation to satisfy its customers (Walton, 1989). Deming developed a series of 14 Points and Seven Deadly Diseases to guide the development of a quality management system within all organisations (see Appendix One). But it should be noted that while many tend to regard Deming's 14 Points as a set of definitive steps to TQM implementation that can easily be applied to overcome an organisation's problems, they are instead foundation principles which need to be integrated into an organisation's rationale and culture (Dobbins, 1995; Covey, 1992; Walton, 1989).

However, there are some problems associated with TQM. Firstly, it essentially conflicts with established Western managerial paradigms. Therefore in order to

succeed and generate the expected advantages, it requires a complete transformation of conventional managerial practices (Grant *et al.*, 1994). Another problem arises because the breadth and scope of TQM has meant that it lacks a universally accepted definition (Dawson & Palmer, 1995; Sullivan, 1994a; Zairi, 1994; Wilkinson & Witcher, 1993). The absence of a definitive definition generates confusion when examining the problems associated with TQM and its implementation, as practitioners and academics tend to interpret the difficulties and problems from their own perspective of TQM (Zairi, 1994).

However, the TQM Institute describes TQM as

> the management philosophy that seeks continuous improvement in the quality of performance of all processes, products and services of an organisation. It emphasises the understanding of variation, the importance of measurement, the role of the customer, and the involvement of employees, at all levels of an organisation, in the pursuit of such improvement (TQM Institute, 1993: 1).

This definition is useful as it does not confine the interpretation of TQM to a narrow perspective. It appreciates the expansiveness of TQM where its meaning and process of implementation are unique to every organisation. Accordingly it is used as the definition of TQM throughout this research.

This research is centrally concerned with the implementation of TQM. A major assumption is that TQM is an organisational development intervention, the implementation of which constitutes a process of planned organisational change. Preceding literature on TQM has tended to focus on statistical methods of quality improvement, describing organisation's "success stories", and providing practical guidelines for implementation within predominantly large organisations (Dawson & Palmer, 1995; Sullivan, 1994a). In fact, Dawson & Palmer note that there is a distinct lack of empirical data on the implications of TQM for the theory of organisational change. The study is, therefore, concerned with investigating the processes involved in the initiation and implementation of TQM within medium sized organisations, with the aim of describing the *process of organisation change* experienced when implementing TQM. In doing so, it is intended that a comprehensive description of TQM and the processes involved in its implementation will be provided, thus differentiating it from previous studies.

The remaining sections of this chapter examine the growth of TQM and how it has succeeded in capturing the interest of New Zealand managers. It then proceeds to define the major problems encountered in the implementation process and provides a definition of the research problem. This is then translated into three broad research questions which relate to how organisations implement TQM and the effect problems within the implementation process have upon its acceptance. Having stated the questions that guided the data collection, the chapter then moves to discuss the

methodology employed in the research. Given that the underlying theme was to examine the process by which organisational change is managed when TQM is implemented, a comparative case study methodology, comprising the examination of four organisations was employed. The chapter then proceeds to describe other methodological issues, such as the selection of research sites and gathering of data, and how the collected data was analysed.

Chapter Two, examines TQM, using the criteria of the New Zealand National Quality Award as a framework. Having described the integrated nature of TQM and its impact upon all facets of an organisation, the discussion proceeds to identify why many attempts to implement TQM falter, and sometimes even fail. An underlying cause of problems to TQM implementation is identified as being the commercialisation of TQM along with the prescriptive nature of its literature. This has resulted in people not fully understanding the TQM paradigm and the process of organisational change that its implementation necessitates. The chapter concludes with the identification of an implementation gap between what *is* occurring in practice and what *should* occur.

In order to remedy the implementation gap identified in the previous chapter, Chapter Three examines the theory of organisational change. Lewin's Three Phase Model of organisational change is presented and used to guide a review of traditional literature in the topic. However, the traditional view of organisational change is not without its limitations and so two recent, processual models of organisational change are presented. It is argued that they are more representative of the organisational change process which occurs within the complex and continually changing contemporary business environment. The chapter then proceeds to examine the issue of cultural change and the importance organisational members have within the diffusion and routinisation of TQM within an organisation.

Chapter Four, provides narratives of the TQM implementation process employed by the four case organisations. For each case a brief descriptive account of the history of the organisations, the background of the organisation's decision to implement TQM, the method of implementation and any problems encountered during the process.

Chapter Five, identifies and interpret patterns in the TQM implementation process, within the framework of relevant literature. The chapter examines the nature of the change process. Key patterns from the companies supported the recent perspective that instead of being a rational and linear process, organisational change is a processual and ongoing in nature. Careful review of the method of implementation employed by the companies identified that the particular approach employed is determined by the motives for implementing TQM and existing organisational culture. The chapter concludes with an examination of factors that appear to facilitate and constrain the implementation process.

Chapter Six, presents the major findings of the research and discusses the implications of these findings for managers. The chapter reviews the adequacy of the methodology used in this study and then progresses to identify areas for future research.

The emergence of TQM within New Zealand organisations

The economic performance of New Zealand had steadily deteriorated for a number of years. During the 1950s, 'New Zealand citizens enjoyed one of the highest standards of living in the world (third highest as measured by per capita of GDP)' (Crocombe *et al.*, 1991: 18). However, external world events, such as the two oil shocks of the 1970s and Britain joining the EEC effected the economy through the erosion of traditional markets, increased competition and increased energy costs (Russell, 1991). Instead of encouraging industries to react to the events by way of innovating product design and production processes, improving the efficiency of production methods and developing a more market orientation, successive New Zealand governments sought to regulate and protect local producers and industries. This was achieved through projectionist policies incorporating subsidies, tariffs, export licensing and regulation of industries (Cormack, 1994; Russell, 1991; Inkson *et al.*, 1986). Consequently, the New Zealand economy experienced low economic growth, relatively poor productivity, deteriorating balance of payments, rising external debt and high inflation (Crocombe *et al.*, 1991: 18). The worsening economic performance was reflected in New Zealand's standard of living falling to 19th in the world in 1975 and to 23rd in 1987 (Crocombe *et al.*, 1991; Douglas, 1987).

Thus, in order to remain internationally competitive the New Zealand economy underwent significant economic reform, during the mid-to-late 1980s, the rate and scope of which has been the most extensive of all the OECD countries (Bartol *et al.*, 1995; Sluti *et al.*, 1995; Enderwick, 1993; OECD, 1990). The reforms focused on the abolition of the traditional interventionist and highly regulated economic policies, in favour of liberalisation and deregulation (Campbell-Hunt *et al.*, 1993,a). This was achieved through the removal of regulations and policies such as: the removal of interest rate and other monetary and foreign controls; the removal of producer subsidies; floating the exchange rate; introduction of tax and labour market reforms; reduction of import protection; and corporatisation of state-owned enterprises (Enderwick, 1993; Russell, 1991; Bayliss, 1987).

The economic restructuring and reform within the New Zealand economy affected the business environment, at both a micro and a macro level. Rationalisation within most industries, especially primary and manufacturing, resulted in the removal of many weaker, inefficient players. Local organisations underwent considerable retrenchment, which was reflected in a shift towards smaller operating units and a reduction in the average size (number of employees) of organisations (Hamilton *et al.*, 1992). Liberalisation of local markets, through the removal of regulations, such as import

restrictions, exposed domestic organisations to increased levels of foreign competition. Similarly, local exporters had to accept market prices for their products, rather than rely upon the government guaranteeing prices and the provision of subsidies. Businesses which were unable to effectively compete on price alone (Crocombe, *et al.*, 1991) had to gain competitive advantages through factors such as time and flexibility and responsiveness to customers' needs (Bartol *et al.*, 1995; Perry *et al.*, 1993). That is the capability to quickly introduce and deliver new products to meet the ever changing consumer demand (Corbett, 1990) and the ability to add value to products and services.

Although there is an international trend towards liberalisation and the removal of projectionist policies, as can be seen with the recent Uruguay round of GATT talks, increasingly traditional quantitative trade barriers are being replaced with technical barriers. Because they are frequently of a quality nature, technical barriers are forcing organisations to adopt the principles and practices of quality management in order to retain their presence in existing, and the development of new, markets (Maxwell, 1994). Accordingly, since the mid 1980s New Zealand businesses, in particular manufacturing businesses, have found it necessary to ascribe to the ISO 9000 series of quality standards (Sullivan, 1994a) issued by the International Standards Association in Geneva. This standard addresses an organisation's process quality standards (Hunter, 1994) which confirm that the management systems employed by organisations assure the production of a consistent standard of quality. It involves the preparation of quality manuals, documentation of procedures and work instructions and the use of quality assurance techniques to monitor product and process quality (Hunter, 1994; Fox, 1991).

The ISO 9000 series was adapted from the British Standard 5750 which was developed in 1979 as a quality standard for the United Kingdom defence industry. The standard was written into suppliers' contracts as a means of limiting potential suppliers and protecting domestic suppliers from foreign competition. The adoption of the standard spread from the gambit of the defence industry into manufacturing and non-manufacturing environments. From there it was taken on by large utility companies and city councils (Hunter, 1994). However, 'while ISO is a valuable mechanism in the quality drive, it represents only a part of the quality culture' (Maxwell, 1994: 5).

The move towards ISO accreditation has served to introduce managers to quality assurance tools and procedures, as well as the philosophy of quality. This has heightened awareness of the need to improve the efficiency and effectiveness of organisational procedures in order to be competitive within the modern business environment (Dobbin, 1994). This awareness has often been the impetus for the decision to implement TQM, initially occurring within the manufacturing sector being led by exporting firms. But as the benefits of TQM are realised, more organisations have 'come on board' in a domino effect. Now the movement towards TQM

implementation, can be seen within the service sector and amongst firms as diverse as educational institutions and product development firms (Dawson & Palmer, 1995; Sullivan, 1994a).

Although attention to quality has escalated in prominence within the last decade, interest in raising the protecting the consumer from substandard products and services within New Zealand has been prevalent for many decades. Since the 1960s many organisations such as the Consumers Institute and the Standards Association of New Zealand were established. Basically, these organisations sought to raise the standard of products and services through educating consumers and formulating industry standards respectively (Mellalieu, 1976).

Much legislation has been formulated within New Zealand regarding the relationship of consumers and suppliers, with the predominant piece being the Sale of Goods Act 1908. This is based on the principle of *caveat emptor* - let the buyer beware and consequently puts the onus on the consumer to ensure that goods purchased conform to requirements before purchase (Mellalieu, 1976). However, the Act has been superseded to a large extent by recent legislation such as the New Zealand Fair Trading Act 1986 and the Consumer Guarantees Act 1993. These specifically protect the consumer from substandard products and those that do no conform to requirements. As well as protecting consumers, recent legislation also protects employees and ensures safe working environments and help to enhance the quality of working life of employees (Deeks & Boxall, 1989). Legislation within this category include the Occupational Health and Safety Act 1992 and changes to the ACC regulations.

The increasing level of interest in "quality" in New Zealand has also been facilitated with the establishment of a number of organisations. In 1976 a meeting was held in Wellington for those interested in quality assurance within New Zealand. During this meeting reference was made to the report by the National Research Advisory Council (NRAC) which identified 'a lack of training within New Zealand for quality control and a poor level of knowledge and attitude of most manufacturers to the subject' (Mellalieu, 1976: 34). A result of the meeting was the establishment of a steering committee charged with determining a structure for an organisation concerned with the quality assurance profession. Consequently, the New Zealand Organisation for Quality Assurance Incorporated (NZOQA) was founded. This is a non-profit organisation that promotes quality through annual conferences, formal training, and running seminars by well known quality practitioners. The organisation is composed of regional groups which focus on quality and issues pertinent to their regions. A regular newsletter is published "Q-NewZ" and as an annual publication "Quality Assurance New Zealand" (Russell, 1991).

Other organisations, charged with promoting "quality" and assisting organisations introduce it, have emerged. An Australian organisation the Total Quality Management Institute (TQMI), has been established in New Zealand, offering training and consulting services to client organisations. The TQMI focuses on the role of quality in the overall strategy of an organisation and how to implement it. In 1985, as a result of a visit by Deming, the W. Edwards Deming Institute was established in Auckland. This organisation offered training seminars and consultancy services predominantly relating to the analytical tools and techniques of quality improvement, and targeted senior management. The institute has since closed down, because of failure to meet the practical needs of New Zealand businesses. There are also agencies, for example TELARC and SANZ, which offer third party accreditation against internationally recognised standards. Many other organisations and business consultants offer services in quality management. Some offer TQM off-the-shelf training packages which are limited to statistical techniques and are rarely, if ever, successful. Others, offer comprehensive programs tailor made to suit the needs and circumstances of their clients and generally these have proved to be to have a higher degree of successful (Russell, 1991).

The Ministry of Commerce, has taken many steps to promote the concept of quality improvement within New Zealand. It has introduced business improvement programs which were developed for the Australian National Industry Extension Service (NIES). These programs are promoted within New Zealand under the "ExcelleNZ" logo, of which one is the Total Quality Management (TQM) program. The TQM program follows a structured format which takes an organisation from an initial awareness of and commitment to TQM, through the accumulation of knowledge on how to implement TQM, the development of skills and application to planning and projects. The "ExcelleNZ" programs are provided to organisations through the use of consultancy agencies which have been trained by the Ministry of Commerce in the specific programs and have been approved as "ExcelleNZ" consultants (Ministry of Commerce, 1993). The Ministry of Commerce also promote quality awards which are organised through regional Business Development Boards (Perry *et al.*, 1995).

The introduction of managerial strategies such as TQM to enhance the strategic capabilities of organisations is particularly suited to the environment that presently prevails in New Zealand, whereupon investment and technical change is restricted by the small size of the local market and limited capital availability (Perry *et al.*, 1995, 1993; Sluti *et al.*, 1995; Enderwick, 1992). But for TQM to be successfully implemented and sustained within the New Zealand businesses certain attitudinal and organisational cultural changes have to occur. Sullivan (1994a) comments that the traditional business mentality that prevailed before deregulation still prevails to a large extent. Indeed, Crocombe *et al.* (1991) found that a cost-plus mentality has traditionally governed the New Zealand businesses and that in order to succeed in the modern business environment that needs to change to focus on adding value and

focusing on the needs and wants of the customer (Sullivan, 1994a; Crocombe *et al.*, 1991). Therefore, characteristics of the workplace and workforce should become part of the equation when implementing TQM (Sullivan, 1994a).

Problem definition

The impetus for the study grew from the researcher's interest in TQM and its implementation within organisations, which was derived from a number of unrelated events. Her induction to "quality" occurred when she was employed with a large trading bank which at that time was introducing a quality program. During this period of employment she directly experienced the introduction of a quality system and the impact of this upon "front-line" employees. As well, it provided her with education and training in "quality" that has been augmented through subsequent courses, and a review of current literature on TQM.

However, it was not until she assisted a small manufacturing business introduce quality tools and procedures needed to fulfil the requirements for ISO 9002 certification, that she gained an appreciation of the intricacies associated with managing the introduction of a quality system. Consequential discussions with a business consultant, experienced in assisting organisations implement ISO 9000 and TQM, highlighted the fact that many firms actually fail to reach their full potential when it is implemented.

The cumulative effect of these influences resulted in a desire to investigate how businesses implement TQM; accordingly, the following research objective was formulated:

> *To understand the processes involved with the implementation of TQM within manufacturing organisations.*

Review and analysis of current literature identified the major elements that influence the successful implementation of TQM as being: the level of commitment of top management; the organisational culture; the management of communication channels within the organisation; and the education and training of all employees in quality processes, procedures and philosophy (Porter & Barker, 1993; Reeves & Bednar, 1993).

Further review of literature revealed that the implementation of TQM constitutes a process of organisational change (Dawson & Palmer, 1993; Fox, 1991). Therefore, in order to provide a complete understanding of TQM implementation, it is necessary to identify and analyse the *processes* by which the change is managed. Many studies of organisational change have tended to focus on discrete events, rather than seeking to understand the processes and context in which they occurred. Indeed, Pettigrew is critical about previous studies of organisational change saying that they tend to be

'ahistorical, aprocessual, and acontextual in character'. Pettigrew proceeds to state that it is important to study the context in which the change processes occurred. Studying the organisation's history, socio-economic and economic environments will provide 'a holistic and dynamic analysis of the changing'(Pettigrew, 1989: 26).

The research questions evolved naturally, as the researcher gained a deeper knowledge and understanding of organisational change and the implementation of TQM. The research questions which guided the data collection were:

- What factors influence the initiation of TQM within selected organisations?
- How does the process of implementing TQM affect its adoption within selected organisations?
- To what extent do employee's perceptions of internal changes in the company contribute to the diffusion and routinisation of TQM?

Research strategy

The most common form of empirical management research performed has traditionally been quantitative research, which is taken from the natural sciences and is based upon the scientific method of inquiry (Smith, 1989). Nevertheless, many researchers are recognising the benefits that accrue when qualitative approaches are used to investigate management in general and change in particular (Pettigrew, 1989; Smith 1989). Qualitative research is frequently criticised because the nature of its data collection methods may mean that it can be time consuming and expensive to collect as well as the data being arduous to analyse. Also it has been said that it can be difficult to control the pace, progress and end points of qualitative research (Easterby-Smith *et al.*, 1992: 32). However, qualitative research has a distinct advantage in that it provides an opportunity to study change processes over time. It allows the researcher to examine how people adjust to new issues and ideas, and in doing so qualitative methods can provide an understanding of why events within the process occur (Easterby-Smith *et al.*, 1992; Yin, 1989).

As previously mentioned, the underlying aim of this research was to understand how selected organisations managed a process of organisational change, namely the implementation of TQM. Accordingly, a qualitative approach was selected because, while not dismissing its disadvantages, the advantages of doing so outweighed the drawbacks. It was also anticipated that the disadvantages could be controlled to a large extent, within the research design.

The explanatory nature of the study's research questions dictated the selection of the strategy employed. Because they focused upon explaining the forces involved in a process of organisational change and how they shape the implementation of TQM,

Marshall & Rossman (1989) and Yin (1989) recommend that multi-site case studies as the most appropriate strategy for this form of research.

Positivist researchers frequently criticise the use of case studies by questioning the inductive nature in which data is collected and analysed because they believe that research should be "scientific" and objective (Easterby-Smith *et al.*, 1992; Smith, 1989). Positivists also challenge the "representativeness" of, and the ability to generalise, the results gained from the case method of inquiry. However, as Spicer (1992) suggests, positivists are used to dealing with a statistical sample of a particular population and using the results to statistically accept or reject a hypothesis or proposition. Therefore, they have a tendency to view a case study as being a sample of one that creates difficulty when they try to *statistically* generalise the results. Instead, the aim of case studies is '*not* to draw inferences to some larger population based on sample evidence, but rather to generalise back to theory'(Spicer, 1992:12).

Case studies are an appropriate method to use when seeking to understand and explain *processes*, because they allow the researcher to gain a real-life, holistic understanding of the patterns and events which occur in the change process (Yin, 1989). This, Morgan (1986) contends should be a main objective when studying a change process:

> we need to try and understand how the discrete events that make up our experience of change ... are generated by a logic unfolded in the process of change itself (Morgan, 1986: 267).

The choice of comparative case studies to examine the process of organisational change was reinforced by Slappendel (1992) who successfully employed this method in her research into the emergence and development of ergonomics capability in product design and development within New Zealand organisations. Similarly, Pettigrew (1989), is a strong proponent of the use of comparative case studies when examining organisational change. He argues that comparative case studies of selected organisations enable the demonstration of how variability in context influences the shape, pace, and direction of the change processes under investigation. Pettigrew, proceeds to state that his preferred method is a longitudinal case study because it provides an extremely in-depth, multi-level analysis of the continuous process of change. While this may be an ideal method of examining the process of change, performance of longitudinal case studies requires a level of resources, in terms of time and finance, which the researcher did not have at her disposal. However, the research did attempt to introduce a longitudinal element into the research design by employing a similar tactic to Dawson & Palmer (1995). In their comparative case studies of TQM implementation, selected organisations that were at different stages of the implementation process.

Thus, the use of comparative case studies should assist the understanding of the implementation of TQM, given that it is a process of organisational change. This will

be achieved through examining the experiencing of selected organisations directly involved with the implementation of TQM and as a result are experiencing significant organisation-wide change.

The selection of research sites

Pettigrew (1989: 33) states that 'topic choice, funding, the selection of sites, and realising access are all interconnected' and this fact applied to the study. The selection of sites was conditional upon organisations having been involved in implementation of TQM for between 18 months and five years. This is consistent with the criteria employed by Dawson & Palmer (1995) as it assures that quality management practices and procedures are operating within the organisations and allows the selection of organisations within different stages of the implementation process.

The researcher, also wished to limit the selected organisations to a single geographical area for two reasons. Firstly, having the selected organisations confined to the same region would facilitate the collection of data within a suitable time frame and also reduce travelling expenses. The region selected has an unusually high level of interest in TQM, which is out of proportion to its population, when compared to other regions. The high level of interest is augmented through the formulation of TQM user groups and comprehensive courses in quality which are run by tertiary institutions within the region. Secondly and perhaps more importantly, it allowed the researcher to capitalise upon local contacts to assist her in gaining access to businesses.

Organisation size was another selection criterion, as it was the intention of the researcher to focus on medium sized businesses. This was primarily because of the personal interest the researcher has in businesses of this size and the unique difficulties they encounter when introducing TQM. Also quality literature tends to focus on large organisations, consequently small and medium sized businesses have received little (Goh & Ridgway, 1994). This was an important consideration for two reasons. Firstly, on an international scale New Zealand organisations tend to be small in size. In 1990, according to *New Zealand Business Patterns,* over 90% of New Zealand businesses employed less than 10 people (Hamilton & English, 1993). Even the larger New Zealand organisations would tend to be of a medium size when viewed internationally. In order to select organisations in terms of size, the classifications employed by Hooley & Franko (1990) in their study of New Zealand managers, was used: small organisations were those that employed less than 20 people; medium sized organisations employed 20-200 people; and large organisations employed over 200 people (Hooley & Franko, 1990). Secondly, medium sized organisations have experiences and needs distinct from the larger organisations and these are frequently not addressed in the literature (Goh & Ridgway, 1994). Therefore within the New Zealand context it was appropriate to restrict perspective organisations to medium size, employing between 20 and 200 people. The selection of research sites of a

similar size also helped to reduce variances that occur due to size differences (Eisenhardt, 1989).

Prospective research sites were also restricted to well established organisations, competing within mature industries, as these organisations offer interesting characteristics when studying change. Change is often resisted within established organisations because of its embedded culture which has evolved over many years and the fact that it has succeeded in doing the same things the same way for so long. As a result, people often do not see the need for, or are prepared to change, instead they favour the stability and security of the status quo (Kao, 1989; Schein, 1985). Established organisations, frequently have a mechanistic structure that resembles Weber's bureaucracy (Kao, 1989). This can be seen in a propensity for mass-produced goods; a clear hierarchy of authority with a large middle management group; the line production of products; and decision making largely driven from the top (Mintzberg, 1988).

Bureaucratic tendencies sacrifice flexibility and innovation in favour of predicability and control. Similarly, product and technological parity among competitors is likely to emerge within mature industries as competitors offer customers similar product features at comparable costs. Consequently, established organisations are at risk of being complacent and slow to adapt in competitive markets that demand continual and rapid responsiveness to change (Schermerhorn, 1993; Beatty, 1990; Kao, 1989; Schein, 1985). Therefore, as the need to identify additional capabilities to meet customer needs becomes paramount, TQM is regarded as a strategy whereby established organisations within maturity industries can foster creativity, innovation and responsiveness to change (Beatty, 1990).

Ethical review

Because the research strategy concerned collecting data from human subjects, the researcher had to prepare a submission, for ethical review by the Massey University Ethics Committee, detailing how the informants would be protected and confidentiality assured. A copy of this submission is attached in Appendix Two. The submission was presented to the Ethics Committee, and it was considered without the researcher having to attend the meeting in person. Approval was granted conditionally, subject to minor alterations being made. This was done and the altered submission approved.

Negotiating access

The field work began in May 1994, when initial approval of access was gained through an informal telephone conversation to the General Manager in two instances, and the Quality Manager, in the remainder. These conversations introduced the researcher, the

research project its aims and details of what participation would entail, to the prospective participants who were then invited to participate in the research.
They were then formally invited to participate, by way of a letter on Massey University letterhead. This letter contained additional information on the research and provided the name and contact phone number of both the researcher and her supervisor, should the participants wish to further discuss the matter. Following up the initial telephone conversations with a formal letter of invitation is advocated by Easterby-Smith et al (1992). They state that it provides the researcher with the opportunity to include additional information about the research and researcher. It also lends credibility to the research, especially if the letter is on a university or polytechnic letterhead (Easterby-Smith *et al.*, 1992).

Access was denied by one organisation approached. An initial conversation with the General Manager of that organisation indicated that he was unwilling to participate due to confidentiality issues, even though an explanation of the measures that would be undertaken in order to protect the company and informants was provided. The researcher, not wishing to pursue the issue too far, thanked him for his time. The loss of a potential case was unfortunate, because during the conversation the General Manager had indicated that the implementation process had not gone strictly according to what the *text books advocate*, and in that respect, this organisation would have been interesting to investigate.

Measures undertaken to assure the anonymity of participants and the organisations followed those detailed in the submission to the Massey University Ethics Committee, which is attached as appendix one.

Data collection methods

Case studies provide researchers with a choice of six sources of evidence from which data can be collected: documentation, archival records, interviews, direct observation, participant-observation, and physical artefacts (Yin, 1989). When selecting the means of gathering data, consideration was given to Pettigrew, who advocates a triangulated method of data collection, of which consists: in-depth interviews, review of documentary data, and observations (Pettigrew, 1989). The use of multiple sources of evidence provides a comprehensive case study data base, which allows the researcher to address a broader range of issues, and develop convergent lines of inquiry (Yin, 1989).

Accordingly, the researcher followed this methodology as much as possible, and data was gathered from in-depth interviews, direct observation and review of documentation. In-depth interviews provided the major source of evidence as they permit the researcher to

> probe deeply to uncover new clues, open up new dimensions of a problem and to secure vivid, accurate inclusive accounts that are based on personal experience (Burgess, 1982: 107).

Interviews also provide the opportunity to understand how individuals interpret events and situations and why they may choose to support or resist them. Given that the aim of the research is to understand the process of organisational change, personal interviews were considered to be an appropriate means of data collection. Data gathered from direct observation and review of documentation, was used largely to corroborate evidence gained from the in-depth interviews.

Fieldwork began in August 1994 with sites being visited on one or two occasions and each visit lasting between two and five hours. The number, frequency and interval between the interviews were determined solely by the availability of the informants and financial restrictions (travel), and not a predetermined plan. Further interviews were performed in November 1994, when the sites were revisited to collect additional data.

Interviews: In order to gain a cross-section of opinions within each research site interview data was gathered from three groups of informants. These consisted of a member of the top management team, (three General Managers and one Tannery Manager), Quality Managers, (in two cases this was the General Manager) and a range of "shop floor" employees.

Prior to this five interviews were conducted with people associated with the teaching and promoting of quality and workplace reform, throughout New Zealand. The objective of these relatively unstructured interviews, was to aid the researcher in identifying issues relating to TQM implementation and organisational change. They assisted the researcher in identifying key themes associated with the implementation of TQM and, helped in the structuring of the organisational interviews. Thus, a total of 24 interviews were conducted. In addition to the abovementioned interviews, many informal discussions were held with people involved with, or experienced in the implementation of TQM.

Interviews were semi-structured and guided by a prepared list of questions covering areas to be addressed, see Appendix Three. In identifying the areas to be addressed, attention was given to Dawson & Palmer (1993) and the seven stages of the change process they identified and employed as data collection categories. The list of questions provided congruency among the interviews as well a means of keeping the interview focused on key issues. Semi-structured interviews were selected as they provide a framework within which to develop themes, but at the same time allow the interviewer flexibility to deviate in pursuit of interesting lines of inquiry. Thereby enabling the coverage of issues, not previously considered (Easterby-Smith *et al.*, 1992).

The researcher used plain and simple terminology so as to avoid the use of technical and theoretical terms and jargon. This helped to avoid any incidence of "leading" the informant and consequently reduced the introduction of "interviewer bias" to the interviews. Along with tape recording the interviews, manual notes of key points were taken. This fulfilled two objectives, a precaution against the unlikely event of tape recorder failure, while at the same time the manual notes helped the researcher control the interview. When issues that needed further development were raised the manual notes enabled the researcher to redirect the informant back to those issues. The taking of manual notes also assisted the transcribing of the interviews, by clarifying issues when the recordings were of poor sound quality, due an often high level of factory and background noise.

Before the commencement of individual interviews the following procedure was undertaken. Each informant was asked to consent to the use of a tape recorder while being assured that its use was solely to provide the researcher with a more accurate means of recording the discussion. Upon the completion of the research an assurance was given that the tapes would be destroyed. The use of the tape recorder was to be at the informants discretion.

Fifteen tapes were transcribed by the researcher and the remainder by a secretarial assistant with all transcripts being checked by the researcher for errors and omissions.

Direct Observation: Organisation tours enabled the researcher to gain a knowledge of the organisations and to observe "first hand" the production processes at work. As well, they provided the opportunity to witness the operation of the quality tools and procedures discussed in the interviews. During these tours the researcher was able to read notice boards and internal organisational material, such as notices and newsletters which combined to provide the researcher with a deeper impression and understanding of the organisation and a feel for its culture.

Personal interviews allowed the researcher to observe the informant's body language, mannerisms and behaviour, which are not conveyed through written questionnaires and this provided a greater meaning to what was said.

Review of Documentation: Published material concerning the selected organisations was reviewed along with in-house documents during the on-site visits. The local library served as the means for reviewing articles which had been published in the regional newspaper on the participating organisations. Also information was gathered from published articles located using NZindex. In-house materials such as newsletters, notices and company prospectuses were examined. This served to substantiate points made during the interviews as well as providing background information and a history of the organisation.

Data analysis and presentation

In determining the appropriate method of data analysis, consideration was given to the process employed by Slappendel (1992). As case record was prepared for each of the organisations, which integrated all the raw data collected from interview transcripts, documents and field notes into a single document. Special attention was made to ensure that the temporal nature of events was incorporated into the records. Indeed, this form of summarising the raw data (Slappendel, 1992; Eisenhardt, 1989; Miles & Huberman, 1984) proved to be useful as it enabled the researcher to become familiar with each case and "weed" out superfluous aspects of it, in order to allow her to remained focused on answering the research questions. It also helped to identify any significant gaps in the data. When they did arise, attempts were made to rectify them by seeking further information by way of follow-up telephone calls and/or a review of secondary data, for example articles and annual reports.

The case records were then written up as narratives, as included in Chapter Four. While describing the organisations, the decision to implement TQM, the implementation process employed, and any problems that were experienced, the preparation of narratives had an additional purpose. It provided the researcher with the change to appreciate the uniqueness of each case, before any in-depth analysis was undertaken, which Eisenhardt (1989: 540) states 'accelerates cross-case comparison.' The within-case analysis identified patterns, processes and themes that occurred within each of the cases (Slappendel, 1992; Eisenhardt, 1989). Cross-case comparison was then performed to search for patterns between the cases. Key 'dimensions' (Eisenhardt, 1989: 540) identified within the literature (including that within that within Chapter Two and Chapter Three) were used to 'sensitise...the data contained in the case records' (Slappendel, 1992: 74). But the researcher was not confined to those dimensions and remained open to new ideas and themes that may be revealed within the analysis.

The names of the companies and individuals were not used and instead they were referred to in general terms, such as the General Manager of Company A, and a Shop-level employee of Company D. This was to preserve the privacy of those people concerned, as detailed in Appendix Two.

Summary

This chapter served to introduce the reader to the topic being investigated. It examined the changes in both the international and domestic business environment that influenced the movement towards TQM. It identified the central theme of the research as being the implementation of TQM and that it is a process of organisational change. It then proceeded to provide a definition of the research problem and state the research questions that guided the choice of methodology for collecting and analysing the data.

A comparative case study methodology was selected because this was most appropriate, given the nature of the research was to understand the process of organisation change, through the implementation of TQM. The selection of research sites was discussed and the choice was influenced by factors such as organisation size, location, configuration before the implementation of TQM and ease of access.

Four manufacturing organisations were selected for study, and data was collected by in depth interviews, direct observation and review of documentation. The data was collated into a case study data base which was then analysed by comparing patterns, themes and processes that occurred within each of the four case organisations.

Chapter Two

The Implementation of TQM: A Critical Evaluation

> *Total Quality Management is a strategy for change in an environment where the accepted paradigms are subject to constant challenge. It is a strategy concerned with developing an organisational culture in which people are able to meet the challenges and realise the opportunities of change.* - Dale *et al.* 1994: 119.

Introduction

The growth of organisations implementing TQM, both globally and within New Zealand, has escalated. With the recognition that in order to compete within the modern business environment organisations need to be flexible and able to quickly adapt to changing customer demands, many are turning to TQM in an attempt to enhance their strategic capabilities. Although the merits of TQM have been widely advocated among the business community, there is growing concern that in many occasions where it has been implemented, TQM is failing to realise expected results. In fact, despite the plethora of literature on TQM and how to implement it, many organisations are experiencing considerable difficulty with its implementation. In an attempt to remedy this phenomena many authors and researchers have investigated the reasons for this occurrence, and in doing so have identified factors which they consider act as barriers to effective implementation.

The chapter begins by using the criteria of the New Zealand National Quality Awards as a framework for the analysis of TQM, in order to provide a holistic explanation of TQM. The specific categories are examined in terms of literature and practical experience of New Zealand organisations and thus provide the foundation for the subsequent discussion. Having gained an understanding of the impact TQM has upon an all facets of an organisation, the chapter proceeds to discuss problems pertaining to its implementation. In doing so, an implementation gap is identified and presented as being the fundamental problem of TQM implementation as a whole, and that the commonly cited problems and barriers are merely symptoms of this greater ill.

The nature of TQM

As discussed in Chapter One, the contemporary interpretation of quality has broadened from the mere application of quality assurance tools and procedures to a holistic definition in which quality permeates the entire organisation. In fact the modern

> concept of quality relies on never ending improvement in the way all the activities of an organisation are carried out. It enables the organisation to provide products and

> services that please the customer with their dependable quality and, at lower cost. It focuses every individual in the organisation on the customer, client or output requirements. It demands that all employees join in a never-ending search for better, smarter ways of working (New Zealand National Quality Awards Foundation[1], 1994: 4).

Given the need for modern organisations to be flexible, innovative and able to quickly react to changing customer demands, this interpretation of quality has resulted in the recognition that TQM is a managerial strategy which can improve the overall strategic capability and performance of an organisation (Chorn, 1991). Acknowledging the benefits TQM provides, at both a macro and micro level, Governments and businesses within many countries have established organisations and groups charged with the mission of promoting, encouraging and assisting organisations embrace the philosophy, tools and procedures of TQM, see Chapter One (NZNQAF, 1994; Boldger, 1993).

One such organisation is the New Zealand National Quality Awards Foundation which was established in 1993 by private enterprise, with the full endorsement of Government. A charitable trust with prominent leaders from private enterprise and Government as trustees, the Foundation is charged with administering a national quality awards programme. As well as promoting quality and its importance within the modern business environment, quality awards play an important role by identifying organisations that have successfully implemented TQM to the extent that it has become ingrained in their culture and an accepted method of operating (NZNQAF, 1995, 1993). Quality awards also provide organisations in the process of implementing TQM with a set of standardised criteria against which they are able to assess their efforts (NZNQAF, 1995; Matheson, 1992).

> In a number of countries national Quality Awards have been introduced, not only to raise the consciousness about the importance of quality by recognising the achievements of leaders, but also to provide criteria for top management assessment of their quality management and improvement efforts...(Matheson, 1992:96).

The National Quality Award is preceded by entry level Business Development Awards, which are designed to encourage 'organisations to make a commitment to quality management while also acting as a feeder to the New Zealand National Quality Awards' (NZNQAF, 1995: 64; Perry *et al.*, 1995). While based upon 11 core concepts and values comprised within the United States's Malcolm Baldridge Quality Award, the award criteria have been specifically tailored to fit the New Zealand business context. The core concepts and values have been developed from principles considered to be the essence of TQM and around which successful TQM initiatives are modelled, see table 2.1 (Choppin, 1995).

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[1] Herein, the New Zeland National Quality Awards Foundation will be referred to as NZNQAF.

Customer Driven Quality: The customer (both external and internal) should be the focus of the organisation, with all organisational processes, products and/or services being geared towards long-term satisfaction of customer requirements in order to retain existing customers and generate new ones.

Leadership: The senior management team drive the quality system through the creation of a vision statement, setting of organisational objectives, creation of a customer focus and leading by example by continually reinforcing these through open communication and their actions.

Continuous Improvement and Learning: Continuous and measurable improvement of all facets of operations and individual performance is necessary to constantly achieve the highest level of performance, and facilitate continual meeting of customers' expectations.

Employee Participation and Learning: So that organisations can continually improve and meet customers' expectations, its members must be provided with the opportunity to participate in the decision making processes. In order for them to effectively do so organisational members must be provided with the opportunity to learn and to practice new skills. Thus, organisations need to invest in the development of its workforce through ongoing education, training and opportunities for growth.

Fast Response: Success within the modern business environment is largely dependent upon the ability of an organisation to quickly respond to changes. This demands even shorter production cycles and faster as well as more flexible responses to changing customer demands.

Design Quality and Prevention: Quality must be designed into the product and/or service. Attention should be given to problem and waste prevention, within the design, production and delivery processes. This also involves consideration and monitoring of the organisation's suppliers to ensure the organisation is provided with best service and products required.

Long Range View of the Future: Organisations need to incorporate a long range view of the future and make a long-term commitment to its stakeholders. Quality needs to be incorporated into the planning processes which should anticipate changes to areas such as the marketplace, customer requirements and technology.

Management by Fact: TQM requires consistent and precise performance to high standards in all areas of the organisation, thus measurement, assessment and auditing become common activities and assist decision making at all levels.

Partnership Development: Organisations should seek to build internal and external partnerships to better accomplish their goals. They should seek to develop longer-term objectives thereby creating a basis for mutual investments.

Corporate Responsibility and Citizenship: Organisations have a responsibility to ensure the well-being of all its stakeholders including the community at large. It must insure that the actions of all its members are ethical, that there is a safe and healthy environment for its members and the community in which it operates. Corporate citizenship should be reflected in the support of publicly important issues, especially those within the immediate community in which it operates.

Results Orientation: An organisation's performance system needs to focus on results. These should be guided and balanced by the interests of *all* stakeholders.

Table 2.1: Core Values and Concepts of the New Zealand National Quality Awards.
Source: Adapted from NZNQAF, 1995: 4-7.

TQM is not a distinct programme, rather it is a managerial philosophy based upon a number of inter-related concepts, values and principles and which utilises various tools and procedures to achieve its objectives (Dawson & Palmer, 1995; Dobbins, 1995). Deming's 14 Points support this contention, for instead of being a definitative set of instructions on how to implement TQM, they simply provide the knowldege and techniques which management should apply, as

appropriate, to their organisations (Dobbins, 1995; Walton, 1989). Thus, in order to successfully implement TQM, users must fully understand its core concepts and their interrelationships (Barrow, 1993). The criteria of the New Zealand National Quality Award is non-prescriptive and so provides organisations with an basis for the development of their own approach to TQM. Instead the holistic perspective of the award criteria acknowledges the unique characteristics of all organisations and the need to integrate TQM into all facets of an organisation (Dobbins, 1995; Matheson, 1992). Similarly, the award criteria provides an appropriate framework within which a comprehensive examination of the literature pertaining to TQM implementation is able to be undertaken.

Leadership

According to Selznick (1988: 39) the role of leadership is to 'define the ends of group existence, to design an enterprise distinctively adapted to these ends, and to see that that design becomes a living reality.' Leadership is considered to be the focal point of any quality system and necessary to *drive* both the implementation process and the sustained pursuit of continual improvement (NZNQAF, 1995). Wood (1986) reviewing the ideas and beliefs of the "quality gurus" (Deming, Juran, Feigenbaum, Crosby and Ishikawa) found that although differing substantially in their teachings on quality, they subscribed to a core belief that senior management must lead the way in the quality process in order to gain commitment from every member of the organisation. Deming, throughout his 14 Points (see Appendix Three) continually emphasises that quality is driven from the top, saying that the senior management team must take responsibility for, and have personal ownership of the quality system, by becoming actively and closely involved in it. This, he contends, will help to ensure that the quality paradigm is translated into the minds and hearts of all organisational members (Covey, 1992; Rosander, 1989; Walton, 1989). Recently, studies on the implementation of TQM identified leadership and senior management commitment as being critical to the successful implementation of TQM (Porter & Parker, 1993; Raman, 1993; Reeves & Bednar, 1993; Russell, 1991).

In order to lead an organisation and transform its members and systems into new and higher performance patterns, the senior management team need to embrace three elements identified by Drucker as being essential to effective leadership. They must establish a common vision amongst all organisational members, view the role of leadership as a *responsibility* and not a rank, plus earn and maintain the respect and trust of all organisational members (Drucker, 1988). A vision statement is a proclamation of the purpose of the organisation and should act to guide its strategic direction. The development of a vision statement is akin to laying the foundations of a house. For it is upon the foundations that a house is built and its design, strength and ability to withstand the elements, is derived. Likewise, the purpose and strategic direction of an organisation communicated within the statement become the foundations upon which an organisation is designed, managed and grows. A "quality" vision statement that is

embraced by all members can enhance organisational performance, strength and ability to withstand change by moving organisational focus from efficiency and doing things right to effectiveness and doing the right things (Covey, 1992).

The formation of a vision statement is an important task of the senior management team, when implementing TQM. Apart from communicating to all stakeholders the intention to change (Preston & Saunders, 1994; Kanji & Asher, 1993; Laurence, 1993; Niven, 1993; Porter & Parker, 1993; Garvin, 1988) it provides organisational members with a common purpose and vision grounded in the principles and values of TQM, for them to work towards (Sullivan, 1994; Covey, 1992; Fox, 1991). Deming believed a successful quality system revolves around a unifying purpose, which is strong, empowering, guiding, inspiring and uplifting. Consequently, his 14 Points begin with a need for senior management to create consistency of purpose throughout the organisation (Covey, 1992; Rosander, 1989; Walton, 1989). Indeed, George Fisher, Chairperson of the Board and CEO of Motorola states that organisations should 'make quality integral to the corporation's vision of itself and the central goal of every activity at every level and function' (Fisher, 1991).

Often the corporate vision statement can become a souless statement whereby

> managers don't relay what they *really want* from their organisations. Instead, they fashion awkard, wordy statements that try to capture a lot but end up saying very little. These vision statements gather dust on the wall in the lobby or waiting room (Bohan, 1995: 89).

Therefore, a vision statement needs to become a *living constitution* and act as a guide for the everyday operations of the organisation, because in communicating the purpose and the desired level of organisational performance, stakeholder expectations are effectively raised to the levels expressed within the vision statement (Covey, 1992; Fox, 1991; Inkson *et al.*, 1986). As a result the senior management team need to take care in its formulation and ensure it is succinct, yet easily understood so that it communicates to all organisational members expected performance standards. The vision statement should also assist organisational members identify both the need for change (Laurence, 1993; Fox, 1991) and the contribution they can make to the change process (Kanji & Asher, 1993; Jablonski, 1992). Unfortunately, unified organisational commitment to the vision can often be difficult to obtain, yet a shared vision can be fostered when the senior management team firstly seek contributions to its development by organisational members (Covey, 1992; Fox, 1991) and secondly, ensure that the vision is continually reflected in senior manager's daily actions and interactions with people (Preston & Saunders, 1994; Inkson *et al.*, 1986). Having formulated a vision statement, the foundations for the quality system have been laid and the organisation can build towards establishing philosophy of customer focus and continual improvement.

The second and third essentials for effective leadership identified by Drucker (1988), accepting leadership as a *responsibility* and not a rank and earning and maintaining the respect and trust of all organisational members, are both closely related and inter-related. By accepting leadership as a responsibility and not a rank, senior managers must look to attain their power from their ability to inspire and empower others to reach their full potential and suppthrough supporting them make decisions on matters pertaining to their jobs and performance, instead of attaining their power through their rank and position within the organisation. In doing so, senior managers should realise that in order to create organisational performance necessary to meet objectives and therefore make the vision into a reality, they need to be surrounded with talented personnel and be prepared to develop strong and capable subordinates (Schermerhorn, 1993). A developmental orientation towards others should be maintained through the removal of performance obstacles, sharing responsibilities and delegating challenging work (Covey, 1992).

The senior management team must heed the old adage *the buck stops here* (Drucker, 1988) and in doing so take responsibility when things go wrong and be prepared to roll up their sleeves and do what is necessary to solve problems and obtain results (Covey, 1992). The senior management team must lead by example and make evident their personal ownership of, and responsibility for, the quality system being implemented. Instead of delegating down the principles and values of TQM, the senior management team should demonstrate personal commitment and adherence to them in their daily actions and interactions with people. They should continually strive for improvement in their own jobs, genuinely respect the knowledge and skills of all organisational members, promote and reinforce open communication across all organisational levels and functions, adopt a participatory and consultative managerial style and above all continually have quality as their top personal and organisational priority (Preston & Saunders, 1994; Kanji & Asher, 1993; Laurence, 1993; Russell, 1991; Garvin, 1988).

Taking responsibility for the quality system also helps senior managers to earn and maintain the trust and respect of organisational members, for an important role of them is to foster a climate of mutual respect upon which a complementary team can be built where each strength is made productive and weakness irrelevant. Trust is earned by being honest, credible and acting consistently out of a sense of personal conviction and above all meeting commitments by following through, that is 'doing what you said you would' (Schermerhorn, 1993: 426; Covey, 1992; Kao, 1989). Moreover, it is important that senior management genuinely respect the knowledge and skills of all organisational members and demonstrate trust in their abilities. For as Joiner (1994: 233) comments this sends a 'powerful message to employees about management's commitment to change. Trust is a small word with huge implications for how you manage your company and how employees feel about working there.' Also active involvement of the senior management team in the quality system can become a useful means of communicating and reinforcing the corporate vision and objectives (NZNQAF, 1995).

The allocation of resources is another means by which the senior management team drive the quality system. The setting of budgets and level of resources available for TQM quantifies the level of commitment and the value senior management attribute to the quality process. In doing so, senior management place a financial value on TQM by specifying the level of resources and time they are willing to allocate to the process (Reeves & Bednar, 1993). In this respect this is an important function of the senior management team for the allocation of insufficient resources results in the process being under-funded and under-resourced, which in turn signals to organisational members and stakeholders alike, a lack of senior management commitment. Likewise, time and financial resources should continue to be budgeted for once TQM has been implemented, in order to maintain continuous improvement momentum (Quality Edge, 1994b).

Organisations have responsibility to, not only their customers and members, but also their stakeholders, thus the leadership role of the senior management team extends to the local and extended community in which it operates. (NZNQAF, 1995; 1994; Preston & Saunders, 1994). Recognising this fact, the leadership category of the New Zealand National Quality Award was broadened in 1994 to incorporate public responsibility and corporate citizenship (NZNQAF, 1995). The senior management team have an obligation to contemplate the impact decisions and actions of the organisation have upon the wider community. Indeed, consideration should be given to issues such as waste management, business ethics, public health and safety. As well the senior management team should actively promote quality awareness and share their experience and knowledge of quality issues with people from the wider community (Preston & Saunders, 1994). Some New Zealand organisations are making serious efforts in this respect. Stuart Young Executive Chairperson of Interlock Industries Ltd commented 'because we are a monopoly we're a bit like Caesar's wife: we must be perfect in everything we do - including our relationship with the community' (NZNQAF, 1994: 32). The Toyota assembly plant at Thames, winner of the 1993 National Quality Award, regards itself as being an integral part of the Thames community. Within the planning process the environmental impact of decisions is anticipated in order to avoid any adverse consequences. Regular donations are made to local charities such as women's refuge and the local library. They have also established at the local High School the Toyota Scholarship, which provides the recipient with two years support at university (NZNQAF, 1994) .

At the DB South Island Breweries, community involvement is promoted through activities such as the formation of a South Canterbury Promotion Group which aims 'to initiate activities which form closer ties with the local community thus increasing support'. In addition to activities of the Promotion Group, regular contact with the community is maintained through: Membership of Chamber of Commerce, the South Canterbury TQM User Group and the NZ Organisation for Quality (South Canterbury); and making the Brewery premises available for use by local voluntary group (Kenny, 1993: 57).

Senior management leadership play a critical role in bringing about the vision and unyielding consistency of purpose (Matheson, 1992). Accordingly, the role of top-level management is to develop and communicate clear vision and objectives, provide sufficient resources and become personally involved in the quality process. This is because it is 'only through personal, visible leadership that world-class customer satisfaction be achieved' (Sullivan, 1994b: 6).

Information and analysis

> 'Quality is all about measurement. If it can't be measured, it's not quality. Continuous improvement must require continuous measurement,' *Stuart Young, Executive Chairperson Interlock Industries Ltd* (NZNQAF, 1994:32).

Management by fact utilises information derived from the collection and analysis of facts and data in support of the decision making process. As such, it forms the nucleus of any performance-orientated entity (Omdahl, 1994) by aligning an organisation's information system with its strategic direction as delineated in the vision statement (NZNQAF, 1995; Kanji & Asher, 1993). Management by fact supports the evaluation and performance improvement processes at all levels of the organisation by providing a holistic information base derived from data and facts collected on internal operations and external factors. These include customers, product and service performance, operations, market(s), competition, suppliers, employees, and financial aspects. This enables accurate and detailed monitoring of performance based upon the improvement of previously identified key processes (NZNQAF, 1994; Omdahl, 1994; Imai, 1991). Indeed, without continual analysis of regularly collected facts and data, sustained quality improvement becomes most difficult to achieve (Fox, 1991). The importance of management by fact is well summarised by Andrew Makin, Chief Executive of Clear Communications Ltd, who states

> [w]e believe in collecting and analysing extensive data about our customers, services, processes and suppliers. It gives us insights on where and how we can improve. One cannot have integrated processes and respond quickly to customer needs without a strong information technology infrastructure (NZNQAF, 1994: 40).

Like other processes within a quality system, those involved in the collection and analysis of facts and data must be effective and provide users with the right information at the right time. As Imai (1991: 48) notes '[t]he skill with which a company collects and uses data can make a difference between success and failure.' Therefore, one of the first tasks when implementing a quality system is to determine the information needs of an organisation. This involves identification of the processes that are requisite to the organisation attaining its objectives and goals and the information necessary to monitor them (NZNQAF, 1994). The senior management team, in consultation with information users and collectors, must then determine what data and facts are to be collected and the most appropriate means of analysis. From this measurable and objective indicators, based upon the measurable characteristics of products, services, processes and operations which best represent the factors that lead to improved

customer satisfaction and operational performance, are able to be developed (Omdahl, 1994). When combined with appropriate methods of analysis, pertinent and measurable information is provided to decision makers, thus providing them with the optimum support and enabling them to take the most appropriate action in pursuit of the organisation's objectives and (Godfrey, 1994; Imai, 1991).

Benchmarking is a valuable tool for management to use to assess actual performance. Comparing an organisation's sustained performance *vis-a-vis* another company, management can identify areas for improvement and how they might be improved upon. While most often organisations operating within the same industry are used to benchmark against, non-competitive benchmarking can often provide pertinent information and often higher standards against which to compare performance in a similar function. In the case of Xerox, when wanting to assess its accounting function, the company benchmarked itself against American Express, which were specialists and high performing organisation in the area of account maintenance and control (Kearns, 1989).

The importance of benchmarking and other methods of self assessment is growing because ongoing assessment provides senior managers with a clear baseline of current quality performance levels. Managers need to develop meaningful and realistic action plans for improving their organisations (Godfrey, 1994). The measures used to within self assessment of individual and organisational performance should permit a broader understanding of customers and competitors by organisational members as they learn more about the company as a whole, their roles in the quality process, and about communicating with management using the common language of company-level information. Management should also look at new ways of providing and using the data more quickly as well as identifying improved methods of incorporating non-financial lower-level data into company-level success measures (Omdahl, 1994).

Strategic planning

> When TQM is a co-ordinated initiative clearly focused on the key strategic priorities of the company, it will be the most formidable competitive weapon the company can muster (Marquardt, 1994:8)

In simple terms the strategic planning process operationalises the vision statement by translating it into attainable, yet challenging objectives and goals, and developing an action plan to meet them (Godfrey, 1994; Schermerhorn, 1993). Strategic planning is an integral part of any quality system, in fact Juran (1986) believes planning is the starting point of any quality system as it creates a process to meet established quality goals and objectives. Yet, traditionally, this function has not been the priority of management involved in the implementing TQM, even though neglecting to fully integrate the strategic planning process

into the quality system invariably results in the system failing to realise significant, long-term improvement (Marquardt, 1994; Juran, 1986). Integration of strategic planning into the quality system essentially aligns improvement efforts with the organisation's vision statement and its objectives by ensuring that improvement efforts are not diverted into matters that are of little strategic consequence and nominal significance to the customer (Marquardt, 1994).

Overall organisational, or corporate, objectives are applicable to all parts of the organisation (Schermerhorn, 1993) and they should be closely linked to the vision statement, state what the organisation is to achieve as well as specify a time-frame for their achievement (Quinn, 1988a). Therefore, the senior management team must ensure they are clearly stated, relatively broad in nature, visible and well communicated to all organisational members, as well as being quantifiable and measurable in order for organisational performance to be monitored (Fox, 1991). At Dominion Breweries South Island Brewery Ltd all objectives and goals have 'clearly defined measurements built in' and in doing so they become the "'proof of the pudding" and the definitive word on progress' (Kenny, 1993: 54). Furthermore, overall organisational objectives should act as a guide for the senior management team and thus provide continuity and cohesion within the strategic decision making process (Quinn, 1988a).

Having developed corporate objectives, the next aspect of the strategic planning process is the development of a corporate strategy to realise them. This involves determining where the organisation stands *vis-à-vis* its corporate objectives, identifying and analysing factors that may hinder or assist their achievement, and determining the most appropriate means of accomplishing the objectives (Schermerhorn, 1993). In addition, the process should anticipate and allow for changes in market, technology and future competitive pressures (NZNQAF, 1994). It is important to note that both corporate and personal objectives should be attainable yet stretch organisational and individual capabilities (Porter & Parker, 1993; Jablonski, 1992; Fox, 1991). Motorola the 1988 winners of the Malcolm Baldrige Quality Award in America found that objectives such as reduce defects by 10%, were relatively easy to attain and it did not force significant improvement to processes. It was not until 6 Sigma was introduced that organisational members and processes were challenged and people had to actively look methods of improvement in order to achieve the objectives (Fisher, 1991).

Although the overall strategic direction and objectives should be determined by the senior management team, the strategic planning process ought not become their exclusive domain. The senior management team can reinforce their participatory style of management by involving organisational members, from all levels of the hierarchy, in translating the corporate objectives and strategy into specific departmental objectives, targets and functional strategies (Marquardt, 1994; Schermerhorn, 1993). Specific departmental objectives and functional strategies differ from corporate objectives and strategies because while the latter are relatively fixed in nature the former are specific to individual departments and are able to be adapted when changing internal and external conditions deem it necessary (Quinn, 1988a).

Involvement of organisational members in the development of departmental objectives and strategies helps to provide them with a sense of control over the implementation process which reduces a sense of powerlessness (Sullivan, 1994a; Holmes, 1993; Porter & Parker, 1993; Jablonski, 1992; Fox, 1991). In addition, it aligns the daily work of people with the strategic direction of the organisation (NZNQAF, 1994). This approach is employed at the DB South Island Breweries where 'all levels and functions within DBSIB are consulted (questioned and listened to) before the goal setting process starts' (Kenny, 1993: 53). While employee participation may expend more time within the planning process, it is soon recaptured during the implementation stage as organisational members are knowledgeable, and feel ownership, of the improvement process (Marquardt, 1994).

To sustain continuous improvement and customer satisfaction, the senior management team must ensure that once the quality system has been implemented, the organisation's strategic planning and business decision making processes continue to have a strong customer focus and performance improvement requirements as well as reflect the corporate vision (NZNQAF, 1994). This is contingent upon them maintaining customer satisfaction as the driving force of strategic planning, rather than the traditional revenue and profit emphasis. A customer focused approach to strategic and annual planning begins with customers, not financials. It begins with the attitude 'how do we provide even higher value to customers with lower cost' (Joiner, 1994: 89). Joiner proceeds that data on customer needs, expectations, market of current and potential products and industry as a whole, environmental factors, internal capabilities are needed to enable the decision makers and strategic planners to take an honest look at the organisation's ability to attract, secure and retain customers (Joiner, 1994).

Marquardt (1994: 11) contends that strategic planning and TQM work together in three ways.

> Firstly, an organisation with a well-developed TQM process has a better data base for use in its planning. Secondly, the availability of a current, comprehensive and valid data base usually leads to more informed goal setting and more focused, aggressive strategies. Such strategies can also be communicated more clearly, leading to better alignment within the organisation. Finally, the TQM process installs the skills, tools and structure needed to accomplish constructive change. Therefore, the company will have greater success at implementing major changes to reach a strategically vital target for sustainable competitive advantage.

At Clear Communications Ltd strategic planning is not confined to profit planning, instead it focuses on customer satisfaction and is formally integrated within the TQM process, through activities such as customer surveys, monitoring key performance indicators, undertaking industry benchmarking and business process improvements. The planning process at Clear is characterised by factors such as open communication and active involvement across all functional areas, regular re-evaluation and flexible resource allocation (NZNQAF, 1994).

> People are quality. The focus should never be systems alone: people are critical to the achievement of consistent quality. Through training, education, people-based systems, empowerment and continuous improvement you get the most from your experts - your people (NZNQAF, 1994: 16).

The above statement was made by Don Nicol, Personnel and Quality Assurance Manager, Toyota Assembly Plant at Thames and it aptly describes the importance of organisational members within a quality system. These sentiments are shared by Fiona Malcolm, Team Leader, Interlock Industries Ltd, who comments

> Quality Begins with People. The performance of the organisation is only as good as the performance of the people in the organisation. We have continued to invest in our people to ensure that we have the right people, in the right place, with the right skills to keep us of the right track to success (NZNQAF, 1994: 30).

A customer focus should not be confined to an organisation's external customers but should also incorporate its internal customers; its organisational members. Therefore, the aim of the Human Resource Management and Development function should be to create a high performance workplace, based upon a holistic view of organisational members as key stakeholders and which fosters the well-being, satisfaction and development of organisational members (NZNQAF, 1994). The creation of such a workplace involves combining an organisation's members, work systems and work environment in order to facilitate a high standard of performance, through the alignment of human resource planning with the organisation's strategic direction as expressed within the corporate vision statement and objectives (NZNQAF, 1995). This aligns the work efforts of organisational members to a common goal, thus developing a co-ordinated strategy and eliminating incidences whereupon work efforts become dispersed due to conflicting goals (Merron, 1994). It also assists organisational members understand how and where their role fits within the organisation's processes and strategy (NZNQAF, 1994). A high performance workplace provides a wide-ranging benefits, from increased productivity and continual improvement at an organisational level, through to increasing the level of job satisfaction and quality of working life at an individual level (NZNQAF, 1995, 1994).

A high performance workplace has two important components namely, high performance work systems and a high performing workforce. With regards to the development of high performance work systems management need to reassess work systems to ensure they provide the necessary support and inducement for organisational members to continually improve their performance and, ultimately, overall organisational performance, to participate in the decision making processes, and that they are focused towards customer satisfaction. The development of high performance work systems involves having job design, work environment and compensatory systems aligned to the quality paradigm as expresses in the corporate vision

statement and objectives (NZNQAF, 1994). Job design refers to the management of job content and context, i.e. the actual tasks performed and the work setting, respectively. Alignment of job content to the principles, values and procedures of TQM frequently necessitates rearrangement of tasks and the roles of organisational members through the formation of self-managing work-teams, which operate within a climate of participatory decision-making, shared tasks and having responsibility for many "managerial" tasks traditionally performed by supervisors. But in doing so, management need to balance the rearrangement of job content by ensuring that it meets the needs of the organisation (Schermerhorn, 1993). Concurrently, the needs of the workforce should be met through having jobs which tap the skills of those performing them and providing organisational members with the opportunity to grow and develop (Covey, 1992).

Similarly, the compensatory system often needs to be reappraised in order for it to be aligned to the quality system. This should guarantee that there is consistency between desired behaviour of organisational members and that which is encouraged and rewarded. The issue of job content, context and compensatory systems will be examined in more depth in Chapter Three.

A high performance workforce requires organisations to invest in the development of its members through education, training and on-the-job reinforcement of knowledge and skills (NZNQAF, 1994). Consequently, education and training become a vitally important aspect of the implementation process (Kanji & Asher, 1993). Although the words education and training are often used interchangeably, they are not synonymous. Education is a people-building concept which, regardless of their job(s), develops peoples' decision making ability, as well as their learning of principles. In comparison, training addresses and builds peoples' skills and knowledge base, enabling them to perform the required task, that is it is about the learning of practice (Zairi, 1994; Hutchins, 1992; Collen & Hollingum, 1987). Educational activities should inform organisational members of the philosophy of TQM, the reason why it is being implemented and how it will benefit both the organisation as a whole and individual members. In addition, educational activities should describe the implementation process and what people can expect from it (Sullivan, 1994a).

The overall aim of educational activities within the TQM implementation process should be to explain the principles of TQM, why it is being introduced, to generate loyalty to the company as a whole and not individual departments or functions, and gain people's commitment to TQM and the implementation process (Kanji & Asher, 1993; Fox, 1991). Kanji & Asher (1993) contend that problems within the implementation process and organisational members resistance often stem from the fact that educational activities only provide a general overview of TQM. As a result, problems develop because the deeper issues pertaining to TQM implementation, why it is being implemented, the processes involved in its implementation and how to gain expected benefits are largely ignored. But education alone is not sufficient, and to avoid educational activities becoming redundant they should be closely followed by training

and changes to the infrastructure necessary to allow organisational members to put into effect the knowledge and skills they have learnt (Crosby, 1995; Sullivan, 1994a). As Cullen & Hollingum (1987: 71) comment, education motivates people to put training into practice and refer to an old adage 'I was told and I forgot, I saw and I remembered, I did and I understood.' Thus, it is important for organisational members to continually apply what they have learnt, in order to enhance their understanding of TQM and cement their commitment to it (Harrison, 1993). In order to furnish organisational members with the necessary level of knowledge and skills, education and training should be planned in a systematic and objective manner to achieve pre-determined aims that are aligned to the corporate vision statement and objectives (Quality Edge, 1994a; Oakland, 1993).

Kanji & Asher (1993) and Harrison (1993) agree that an effective method of educating all organisational members is to have it cascade through hierarchical levels. This involves educating senior management and then the next level of management and so forth until it has cascaded through the entire organisation. When this method of implementation is employed, the preparation of course timetables becomes of vital importance as courses have to be precisely phased (Porter & Parker, 1993) for the premise behind this approach is to have people share what they have learnt with those below them. The provision of educational courses in hierarchical stages is advantageous for another reason. While the philosophy and issues addressed remain similar, specific goals of the courses differ according to the groups attending the course (Crosby, 1995; Kanji & Asher, 1993; Oakland, 1993; Fox, 1991). The education received by senior management is critically important to the eventual success, or otherwise, of the implementation process and quality system. Although senior mangers will be expected to lead the quality system as well as the required attitudinal and cultural changes, traditionally their experience and skills have been derived from dealing with business and financial issues and not TQM (Hutchins, 1992; Fox, 1991; Juran, 1986). Therefore, educational courses for this group should aim to equip them with the depth of knowledge necessary to lead the implementation process and provide the necessary support to subordinates, by furnishing senior managers with a detailed understanding of the quality paradigm; its philosophy, tools and procedures. It should also emphasise strategic issues, that is the role of quality in terms of both business performance and growth plus the responsibility of senior managers to demonstrate quality leadership (Crosby, 1995; Oakland, 1993; Russell, 1993; Hutchins, 1992; Fox, 1991).

At middle management level, the emphasis should be upon application issues: setting up the TQM structure, the philosophy and concepts of teamwork and the applications and techniques of statistical process control. Within this group the educational aim should be to raise people's awareness of quality issues and to generate a desire to obtain the benefits of TQM (Crosby, 1995; Sullivan, 1994a). The education activities should also be used to identify suitable candidates to become trainers (Crosby, 1995; Kanji & Asher, 1993; Oakland, 1993). At junior supervision and operator level, education should focus on explaining the principles of TQM

and what the quality policy means for them. It should explain their role within the quality process, and aim to gain their commitment to the concepts and techniques of TQM through creating an awareness of the need for, and benefits to be derived from, quality (Crosby, 1995; Oakland, 1993; Fox, 1991).

While educational activities should be performed in hierarchical groups, an integrated approach to training, consisting of merging organisational members from different departments and hierarchical levels in training activities, should be employed. This helps to enhance communication across all levels of the organisation and breaking down of interdepartmental and hierarchical barriers by placing everyone on an equal footing (Kanji & Asher, 1993). Furthermore, an integrated approach to training can help 'avoid giving TQM the label *for management only*' (Porter & Parker, 1993: 19) and assist the organisation effect the required cultural change (Kanji & Asher, 1993).

Although an important component within any quality system, the scope of training courses should not be confined to teaching people statistical process control tools and techniques. Rather, training courses should encompass a multiplicity of topics including team dynamics, presentation skills, problem solving techniques, report writing communication and interpersonal skills. In this respect, organisational members would be provided with the necessary skills and confidence to competently perform the new task(s) and role(s) associated with the changing work environment (Penny, 1994; Pike & Barns, 1994; Sullivan, 1994a; Kanji & Asher, 1993; McNerney, 1993). Comprehensive training programmes on a variety of subjects played a vital role within the implementation of TQM at both Montana Wines and Nissen. They ensured that employees at all levels of the organisation had the tools and skills required to monitor and control the quality of their own work and to make decisions about it. Learning about and practising problem solving skills, provided employees with confidence in their own ability to find effective solutions to day-to-day difficulties and to be accountable for quality (Quality Edge, 1994a; Evans, 1993). In this respect, training assists organisational members to understand, accept, adapt to and adopt various changes. It also encourages them to take responsibility and ownership of quality and continual improvement, thus helping to gain commitment to TQM and overcome the fear that its implementation brings (Sullivan, 1994a; Kanji & Asher, 1993; Russell, 1991).

Training provides employees with a broad skill base which facilitates the development of a multi-skilled and flexible workforce. Having a multi-skilled and flexible workforce enables job rotation, which provides an opportunity for employees to develop an understanding of the organisation as a whole and interrelationship of its different elements. This assists the development of the internal customer philosophy as well as providing a constant infusion of new ideas on how to improve processes (Creech, 1994). At Fisher & Paykel the belief is that flexibility cannot be achieved without training. Accordingly a great amount of time is allocated to training, which is mainly carried out on the job. Improved and multiple skills not only make

staff more valuable to the company, but they can also put more money in individual pay packets when a skill based wage policy is employed (Quality Edge, 1994b).

Dobbin (1994) identified a number of education and training factors which hindered organisations implement ISO 9000. Insufficient education concerning the reasons for change, the benefits to be gained from ISO 9000 certification, the certification process and the purpose of quality systems plus inadequate training performed in the basic principles of quality assurance and current job procedures, created difficulty in compelling staff to utilise quality tools and procedures plus perform their new roles. However, Dobbin found that when organisations commit sufficient resources to ensure that all employees are educated and well trained in quality management principles and tools, and adequate support is provided through having management competently trained and educated, the implementation process was assisted and contributed to high standards of work being achieved

Parker & Porter (1993) in their study of the critical success factors in TQM found that organisations that had successfully implemented TQM had ongoing training and education programmes, which shared a number of characteristics. Firstly, training was viewed as a continuous process, that offered an opportunity for reinforcement of the TQM concept. Training activities were customised to suit individual organisations ensuring that employees received appropriate courses of the appropriate level of detail for their needs. Also training was planned for the future to include the development of further TQM skills and techniques (Sullivan, 1994a; Porter & Parker, 1993).

Literature is divided on whether trainers should be generated internally or whether external instructors should be used. It is generally advocated that initial education activities should be performed externally, because most members at this stage have a superficial level of understanding and knowledge of TQM. Also, from the initial education activities suitable people from within the organisation can be selected to become trainers (Crosby, 1995; Fox, 1991). Lu & Sohal (1993) in their study of Australian organisations implementing TQM found that the most successful TQM programmes were those in which training was performed internally. There were many contributing factors to this finding. Having managers and supervisors become instructors, results in them becoming leaders in quality and convey the message that management is serious about quality. It also helps supervisors and mangers to gain respect from subordinates and allows organisations to design a training programme that meets the needs of the particular organisation. The use of internal instructors forces managers and supervisors to become knowledgeable and proficient in TQM, enabling them to provide the necessary support to subordinates. The authors found that when too greater degree of reliance was placed upon external instructors, managers and supervisors were deficient in the level of knowledge of TQM and proficiency in the use of its tools and procedures. Consequently they were unable to provide the necessary support to subordinates and frequently TQM efforts lost momentum and needed to be rejuvenated (Lu & Sohal, 1993).

Process management

> ...quality is about results. It's about the optimization of processes within the confines of the company itself (Fay, 1994:49).

Process management involves generating effective and efficient procedures and systems pertaining to the design, production, delivery and support of an organisation's product(s) and/or service(s) through the integration of the principles, values and tools of the quality paradigm. The central characteristics of process management are integrating quality into the design of a product and/or service, a prevention orientation, evaluation and continuous improvement, linkage to suppliers and an overall high level of performance (NZNQAF, 1995). This aspect of quality management is akin to the development of a documented quality assurance system as per the requirements of the ISO 9000 standard (Heaphy, 1994) and many organisations, when implementing TQM use the standard's criteria to guide process management. In fact, many view the documented quality assurance system the ISO 9000 standard generates as being essential to TQM (Dobbin, 1994; Porter & Parker, 1993).

Taguchi emphasised the need to build quality into the design of a product or service, effectively moving TQM beyond operations management. But building quality into design requires detailed information on customers' needs, wants and expectations and so a close link is required between the marketing department and the design team (Grant *et al.*, 1994; Imai, 1991). Although meeting customers' requirements remains paramount, within the design of products and services due consideration must be given to problem and waste prevention, cycle times and the co-ordination of all production and delivery processes including basic research, resource consumption and manufacturing processes (Heaphy, 1994). Integrating these factors into the design phase can minimise downstream problems within subsequent processes and for the end customer. As well, it can eliminate the need for design changes, which can prove most expensive for organisations. (NZNQAF, 1995; Heaphy, 1994).

When designing products and/or services attention should also be given to environmental factors and the organisation's public responsibility. The increasing awareness of environmental issues and consequential demands for a cleaner, greener environment place considerable responsibility on organisations to ensure these issues are taken into account when designing new products and services. Decisions regarding resource use and manufacturing processes become important as they affect process waste streams and the composition of municipal and commercial waste. Indeed, 'effective design must take into account all stakeholders in the value chain' (NZNQAF, 1995: 16).

Organisations must maintain and improve key production and delivery processes. This is assisted through the use of a measurement plan which incorporates early detection, continuous improvement and corrective action within the early stages of the production and delivery processes (Heaphy, 1994). Continual monitoring and observation of key processes assists

early detection of problems and their source, which can minimise their effect and make it easier for corrective action to be undertaken. Improvement within the production and delivery processes can be achieved by utilising various improvement techniques (NZNQAF, 1995).

Consideration must also be given to the design and management of key support service processes, which should be based upon the requirements of both the organisation's external and internal customers. Service support processes should be co-ordinated and integrated into the greater sphere of process management. They should be subjected to the same rigorous performance improvement and evaluation criteria that is afforded other organisational processes in order to ensure that they operate effectively and efficiently. Furthermore, the performance of suppliers should be managed and nurtured through the development of long-term partnerships and relationships. Management need to develop performance criteria based upon the establishment of a supplier data base which should include aspects as such key requirements from suppliers and standards expected (NZNQAF, 1995).

Business results

The business results aspect of a quality system acts as an organisation's control room. It provides a results focus for all organisational processes and improvement activities by systematically weighing its internal input, inprocesses and outcome measures. This ensures that the organisation continues to provide a superior value offering as viewed by customers and the market place and that it achieves superior performance as reflected in productivity and effectiveness indicators (NZNQAF, 1995; Case & Bigelow, 1994).

The prerequisite of a results focus is a well conceived set of measures and results. Traditionally, organisational performance has been predominantly measured in financial terms, but sole reliance upon financial results tends to provide a narrow and often incomplete assessment of organisational performance. Therefore, a quality system demands that a holistic approach to performance measurement be undertaken. The compilation of a composite of performance indicators derived from all stakeholders (customers, employees, shareholders, suppliers and partners and the public and community) generates an accurate illustration of the company's overall performance in key business areas of product and service quality, productivity and operational effectiveness, supply quality and financial performance can be generated. This provides management with an effective means to monitor actual performance against organisational objectives, identify areas for improvement and benchmark organisational performance (NZNQAF, 1995; Case & Bigelow, 1994).

Customer focus and satisfaction

> 'Customer satisfaction underpins everything the Thames Assembly Plant does. It is an attitude, a responsibility and an almost indefinable, intangible quality which must invade every level of business. It requires a passionate culture where everyone takes

> responsibility for the customer' *Michael Ahie, Marketing and Planning Manager, Toyota Thames Assembly Plant* (NZNQAF, 1994: 13).

The development of a customer focus is commonly stated as being a most crucial element when implementing a quality system (NZNQAF, 1995; Raman, 1993; Imai, 1991). It is important that all functions within an organisation, from the formulation of a corporate vision to after-sale support and as well as the actions of all organisational members are focused on total customer satisfaction. In fact, the customer should become the focal point of an organisation around which everything revolves, because the modern concept of quality is defined from the customers point of view (NZNQAF, 1995; Hoffherr *et al.*, 1994; Rosander, 1989; Garvin, 1988; Juran, 1986).

Yet, Imai (1991: 53) notes that all too of management only pay 'lip service to the concept of satisfying customers' and in reality usually think in terms of their own requirements and not the customers. He refers to situations whereupon new-product schemes are initiated, not to satisfy needs of customers, but because the financial resources, technology and production capability are available. Thus, the new products satisfy the company's need to increase production, with management merely "hoping" the customers will want, and be satisfied with, them. Therefore, creating a 'true customer focus takes time, energy, creativity and perseverance' (Joiner, 1994: 97) and it is only when it becomes part of an organisation's culture that it can be assured that the customer has become the focus of an organisation and that their requirements are continuously being addressed (Rees, 1993).

Juran (1986) recognises the importance of a customer focus by having the first step of his Quality Trilogy (quality planning, control and improvement), quality planning concentrates upon the development and production of products and/or services which conform to customers' requirements. In this respect, quality is not able to be inspected into products and services, instead customer satisfaction needs to be designed into the an organisation's systems (Kanji & Asher, 1993; Imai, 1991; Rosander, 1989). This begins with identifying an organisation's customers (external and internal) in order to determine their needs and expectations, because a quality system will fail to achieve desired results if an organisation neglects to precisely define its customers. For some organisations, identifying and defining its external customers is not a straight forward process. Imai (1991) refers to producers of tire components, where logically, one would assume the company's customer to be the tire manufacturer, but it could also be the company which purchases the tyre or even the automobile driver. Each of those groups have different quality needs.

> Thus, defining the customer is a top management priority, since this definition determines the quality characteristics that the products need to satisfy the customer (Imai, 1991: 53).

Once an organisation's customers have been identified and defined, the 'voice of the customer' should be both translated into specific actions plans at all levels of the organisation (Joiner, 1994: 97) and regarded as the baseline for continuous quality improvement (Cullen & Hollingum, 1987). Moreover, customer requirements should be incorporated into the technical specifications and design of products and/or services (Cullen & Hollingum, 1987; Juran, 1986). Quality goals should be established in order to reinforce the continual meeting of customer requirements. This is because the external customer is the key focus of an organisation and thus, overall organisational performance should be measured in terms of external customer satisfaction (Joiner, 1994; Collard, 1993).

Organisations should actively seek out and gain feedback from their customers as often the priority concerns of management differ substantially from what customers regard to be important. Doing so, avoids incidences, whereupon individual organisations endorse their own priorities as customer requirements (Collard, 1993; Miller, 1993; Cullen & Hollingum, 1987). But, customers' needs and expectations are continually changing due to the non-static nature of an organisation's customer base and so measurement and assessment of customer satisfaction has to be an ongoing exercise (NZNQAF, 1994; Cullen & Hollingum, 1987). From a strategic perspective, an organisation must be directed toward customer retention and market share, which requires constant monitoring and evaluation of customer and market requirements and expectations as well as the products and services provided by competitors (NZNQAF, 1995; Hoffherr *et al.*, 1994; Joiner, 1994). Furthermore, potential customer and market requirements, that is anticipating what they might value but have not stated or contemplated, should be considered (Hoffherr *et al.*, 1994; NZNQAF, 1994).

Customers can be categorised as being either external or internal. The external customer is what is commonly referred to by the term customer, i.e. those who purchase or are recipients of the final product. However the needs of internal customers must be recognised, accommodated and regularly evaluated. Internal customers are organisational members who are in receipt of information and/or partially completed final products. Their requirements are as real as those of external customers, whether it be speed, accuracy or measurement (Kanji & Asher, 1993). It is important that all employees understand and have knowledge about the entire production process in order for them to understand the internal customer philosophy and their needs. Collard (1993) comments that adopting an internal customer philosophy enables management to instil the concept that the responsibility for the quality of product of service lies during the production process, and not at the end, when the products are inspected.

Obstacles to the implementation of TQM

Alongside the widespread adoption of TQM, there is growing evidence that despite the many publicised success stories, frequently TQM does not realise expected benefits or results (Foster *et al.*, 1994; Grant *et al.*, 1994; Harari, 1993a; Chang, 1991). In fact, Harari (1993a) contends that for every successful case there are at least two failures and this is contributing to an increasing level of dissatisfaction with TQM. But perhaps it is not so much the TQM paradigm that is flawed, but the manner in which it is designed and implemented (Dobbins, 1995; Spiker & Lesser, 1995; Chang, 1993). This sentiment is shared by Evans (1995:6) who states that

> ...if the success stories prove that TQM works, then there must be something very wrong with the way in which unsuccessful companies are trying to implement it.

Accordingly, many proponents have undertaken empirical and secondary research in order to determine what is necessary to successfully implement TQM and identify factors that inhibit the implementation process. These studies have identified factors which are colloquially termed barriers to implementation and which act to inhibit the TQM implementation process. These factors include: a lack of managerial commitment; inadequate training and education of organisational members; ineffective communication; and the allocation of insufficient resources to the implementation and ongoing improvement efforts; resistance to change by organisational members; the inability to develop a quality culture; and the ongoing and long-term nature of the quality system (Foster *et al.*, 1994; Wilkshire & Baker, 1994; Harari, 1993a; Lascelles & Dale, 1993; Reeves & Bednar, 1993; Fox, 1991).

Yet, despite the frequent citation of these barriers, many implementation efforts continue to falter giving rise to a supposition that there is a fundamental reason for this phenomena. Recently, a school of thought has emerged which postulates that the underlying cause of unsuccessful attempts of TQM implementation is a literature base dominated by prescriptive works and anecdotal evidence (Dawson & Palmer, 1995; Redman, 1995). While it is generally accepted that prescriptive literature has a place within theory development, an overabundance of it often amounts to little more than a series of checklists of do's and don'ts, which are occasionally accompanied by brief explanations (Dawson & Palmer, 1995; Pettigrew, 1985). Within the realm of TQM, this form of literature combined with anecdotal evidence of 'honeymoon success stories' (Dawson & Palmer, 1995: 13) is contributing to a cursory understanding and knowledge of TQM.

The more negative effects of the predominantly prescriptive literature are being compounded by the commercialisation of TQM. TQM has, and still does, experience a considerable level of marketplace hype and publicity. Harari (1993b) believes a significant contributing factor for its sustained level of hype and publicity is that many consultants and proponents have realised there is a large market for books, seminars and "how-to" packages on TQM. Consequently, TQM has become a lucrative industry in its own right. Unfortunately, as Grant *et al.* (1994:

34) comment 'the very popularity of TQM has impeded top management's deep understanding of its ideology and consequences.' Indeed, the "commercial" product that TQM has become, when combined with the prescriptive nature of literature on the topic, has resulted in a popular perception that it is a straight forward, easy to implement panacea for organisational ills, that when implemented will quickly lead to reduced costs and increased productivity and thus, guarantee the future survival and growth of an organisation (Dawson, 1995; Dawson & Palmer, 1995; Redman, 1995; Harari, 1993a, 1993b).

The commercialisation of TQM and its prescriptive literature are creating a number of significant problems. Firstly, as suggested by Jack Garside, Chief Executive of New Zealand's largest certification body, Telarc, 'there is a lot of hype about it...maybe that creates some over-expectation' (Hunter, 1994: 19). Within any quality system, organisations must aim to produce goods and/or services which meet and wherever possible exceed customer's expectations (Rosander, 1989). But, just as management must take care when promoting their goods and/or services not to raise customer's expectations to unrealistic levels because this can result in customer dissatisfaction and often loss, likewise, proponents must take care to ensure that people's expectations of TQM are not raised to unrealistic levels. Ginzberg (1981) found that the likelihood of implementation failure increased when people hold unrealistic expectations about a system. Although his conclusion was made in relation to the implementation of information systems, it is pertinent to TQM. Consequently, unrealistic expectations of TQM are often held by potential and actual users and when the gains or improvements are not as rapid or significant as expected, their dissatisfaction is readily engendered (Redman, 1995). Thus, it could be suggested that the actions of many proponents and consultants are, in actual fact, the antithesis of the very thing they are promoting - TQM.

Secondly, within TQM literature and its "industry" a myriad of models, which describe TQM and direct its implementation, abound (see Sullivan, 1994a: 60-85). Many have emanated from organisation's "success stories" and basically describe the quality system and steps employed in its implementation. Following a successful implementation effort, consultants, proponents and sometimes even people from the respective organisation, have been eager to "jump onto the quality band-wagon" and propose and often market, a model based upon the successful quality system and implementation method (Sullivan, 1994a). The presence of such a profuse number of models suggests that there is no "one best" mode of TQM, instead quality systems and methods of implementation are organisation specific; they have been designed and developed in line with both the organisation's external and internal operating environments. Therefore, it is not always suitable to apply models to other organisations because of the influence external and internal environments have, they resultant quality system may realise different results (Sullivan, 1994a; Bryson & Bromiley, 1993).

One effect of the publicity surrounding the so called success stories of how TQM has overcome problems and provided a vast array of benefits, TQM has often been implemented to

overcome problem(s) with virtually no attempt being made to determine if it is, in fact, the most appropriate solution. Notwithstanding that TQM is an appropriate and beneficial managerial philosophy for all organisations (Walton, 1989), it is important that due consideration is given to all possible alternatives when a specific problem or gap in performance is present. In the absence of a detailed appraisal of possible remedies and management's search is confined to one, or a limited few, alternatives, March & Simon (1993) argue that a phenomenon they term *satisificing* occurs. The authors posit that satisificing is undesirable as it does not allow for an assessment of the "fit" between the organisation, solution and performance gap or problem and so the chance of determining the optimum remedy is severely restricted.

Indeed, TQM may not be the most appropriate remedy for a performance gap. Chorn (1991) states, albeit somewhat contentiously, that TQM is not as universally applicable as the literature and many proponents would have people believe. He contends the major drawbacks and problems are due to TQM being applied within organisational contexts to which it is unsuited and that contextual issues have a significant influence upon its success or otherwise. Chorn continues by saying that environmental factors such as a low degree of economic stability, a high degree of complexity and competitiveness, and/or in which its markets are developing, render TQM inappropriate. As a consequence, implementation within such circumstances results in TQM being dysfunctional and often leads to a reduction in overall organisational effectiveness (Chorn, 1991).

While appreciating the theory behind Chorn's (1991) comments, it is the belief of the author that TQM is not a strategy implementation process as suggested by Chorn, but in fact it is a basic managerial philosophy, applicable to any organisation (Walton, 1989). However, as TQM often represents a considerable departure from established managerial practices its implementation often constitutes a most complex and difficult process of organisational change (Dawson & Palmer, 1995; Walton, 1989). The presence of contextual factors such as those identified by Chorn increases the complexity and difficulty of the implementation process. But these should not render TQM unworkable if a suitable organisational analysis, which identified and defined an organisation's context and its internal operating factors, has been undertaken. Such an analysis should enable the impact of the identified contextual issues and operating factors would have upon the both the quality system and the implantation process to be assessed and where necessary planned for. Thus, facilitating the development of a quality system that will provide the optimum benefits for the organisation, given its context and internal operating factors (Bryson & Bromiley, 1993).

Another problem to arise from the commercialisation of TQM and prescriptive nature of its literature is partial implementation of TQM (Taylor, 1995). This is where the quality system being implemented ignores its holistic and strategic features as well as oversimplifies the complex nature of the organisational change that TQM generally requires (Dawson & Palmer,

1995). Instead the quality system is narrowly focused on the introduction of a limited number of frequently touted tools, procedures and activities, such as group problem solving and education and training (Bohan, 1995; Perry *et al.*, 1995; Romano, 1994; Wilkshire & Baker, 1994). But, while the TQM process takes advantage of these and other activities, they should not be considered to be the ends of TQM, instead they are simply the means to it (Bohan, 1995). In their research Wilkinson & Witcher (1993) found that partial implementation largely due to the competitiveness of the TQM market which forces proponents and consultants to yield to customer pressure and provide cut-price, standard "how-to" packages that simplify and fast-track TQM implementation so that it provides immediate, albeit short-term, gains. In reality such approaches to TQM fail to fully integrate the philosophy of TQM into the culture of the organisation and instead TQM is merely added onto existing methods of operating and infrastructure. Both Hill (1995) and Perry *et al.* (1995) describe this as a "band-aid" approach and state that because they do not force an organisation to make any substantial change, therefore, after time the "band-aid" simply wears off and the organisation returns to its original condition. Consequently, they do not realise lasting improvement.

Recent studies have identified that managerial motives for the introduction of a quality system have a significant bearing the method of implementation employed and level of managerial commitment to the process (Taylor (1995; Dobbin, 1994). Although Dobbin's (1994) study focused on the implementation of ISO 9000, his findings on this matter were in line with those of Taylor (1995). Both observed that managerial comprehension and perception of the quality paradigm influenced their motives for introducing a quality system, which in turn influenced its scope and focus. More specifically, Dobbin (1994) found that motives such as a desire to gain marketing benefits, pressure from existing customers and avoidance of possible market exclusion were indicative of manager's having a narrow perception of ISO 9000. Such a perception, he found, failed to appreciate all the benefits as well as scope for progress and product improvement proffered by the standard. Consequently, those managers demonstrated a considerably lower level of commitment to the implementation process than those who possessed a more holistic perception. Hence, organisations would fail to tap the full potential of the ISO 9000 standard (Dobbin, 1994). A thorough knowledge and understanding of TQM is required to ensure the necessary level of senior management commitment and dedication and that sufficient levels of time and resources are allocated to the process. Also, it helps to ensure that the appropriate improvement activities are undertaken (Evans, 1995; Taylor, 1995; Weller, 1995).

Taylor (1995) in his empirical study into the implementation of TQM found that the most common motives for introducing TQM identified amongst respondent organisations were cost and efficiency issues, establishing a customer focus[2] and a desire to gain marketing benefits, with cost and efficiency being the most popular. The motives identified by Taylor depict a

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[2] Although establishing a customer was often cited as a motivating factor, Taylor found that in reality most quality systems lacked a customer focus.

narrow conception and understanding of TQM which often is manifested in managerial behaviours and the development of internally focused quality systems, driven by the need to achieve operational level cost reductions and increased efficiency. Quality systems developed along such lines disregard the holistic and strategic nature of TQM and often lead to situations where management become so blinded by the need to achieve cost and efficiency goals that, improvements which do not provide direct financial benefits, are ignored. TQM impacts upon every part and function of an organisation and as a result quality systems that focus on one or two aspects will have restricted potential and provide limited benefits (Chalykoff *et al.*, 1995; Hill, 1995; Taylor, 1995).

	TQM	**Economic Model of the Firm**
Organisational Goals	Serving customer needs by supplying goods and services of the highest possible quality.	Maximising profit (i.e. of shareholder wealth).
Individual Goals	Individuals motivated by economic, social, and psychological goals relating to personal fulfilment and social acceptance.	Individuals motivated only by economic goals: maximisation of income and minimisation of effort.
Time Orientation	Dynamic: innovation and continual improvement.	Static optimization: maximising the present value of net cash flow by maximising revenue and minimising cost.
Coordination and Control	Employees are trustworthy and are experts in their jobs - hence emphasis on self-management. Employees are capable of coordinating on a voluntary basis.	Managers have the expertise to coordinate and direct subordinates. Agency problems necessitate monitoring of subordinates and applying incentives to align objectives.
Role of Information	Open and timely information flows are critical to self-management, horizontal coordination, and quest for continual improvement.	Information systems matches hierarchical structure: key functions are to support manager's decision making and monitor subordinates.
Principles of Work Design	System-based optimization with emphasis on dynamic performance.	Productivity maximisation by specialising on the basis of comparative advantage.
Firm Boundaries	Issues of supplier-customer relations, information flow, and dynamic coordination to transitions within and between firms.	Clear distinction between markets and firms as governance mechanisms. Firm boundaries determined by transaction costs.

Table 2.2: Emerging Management Paradigms: TQM and the Economic Model of the Firm.
Source: Grant *et al.* 1994: 33.

The predominantly extrinsic motivating forces for TQM implementation and subsequent financial, not customer, focus of the quality system, is perhaps indicative of the 'economic model of the firm' (Grant *et al.*, 1994: 26). Rooted in conventional management theory and standard micro-economic theory, this model has traditionally provided the theoretical principles upon which organisations have been based. Accordingly, organisations have predominantly been driven by financial and economic goals with the overriding objective being to maximise shareholders' returns, which are reflected in the design of many quality systems. Unfortunately, these theoretical principals are fundamentally different and, in fact, incompatible with those explicit within the TQM paradigm, see table 2.2. (Grant *et al.*, 1994; Imai, 1991). This has been substantiated by Redman (1995) who, in his study of quality initiatives in the United Kingdom, noted that the traditional financial perspective of organisations proved to be antagonistic to quality improvement efforts and frequently this incompatibility led to the abandonment of such initiatives.

TQM is unable to be successfully implemented within an organisation which is based upon the economic model of the firm. Therefore, the success of TQM is dependent upon the senior management team choosing 'implicitly if not explicity, to which school they belong' (Grant *et al.*, 1994: 34) and, where management choose to ascribe to the TQM paradigm, their ability to transpose the organisation to that exemplar. A highly involved, complex and timely process, this involves changing not only the management systems and infrastructure, but also, and perhaps more importantly, the underlying philosophy and purpose of the organisation. When management attempts to implement TQM, while the organisation remains true to the economic model, the resultant effect is that pieces of TQM are simply "bolted onto" the organisation. TQM will at least falter, if not fail, when it is merely "bolted onto" the existing culture of an organisation and in which existing infrastructure, decision making processes, power relationships and human resource systems remain unchanged. Within such conditions, "quality" will inevitably be sacrificed for profit and while this may provide ephemeral gains, these are soon absorbed by long-term dissatisfaction (Dawson & Palmer,1995; Hill, 1995; Perry *et al.*, 1995; Grant *et al.*, 1994).

Similarly, when motives for implementing TQM are narrowly confined to such extrinsic factors, it can be expected that the level of managerial commitment as well as time, people and financial resources allocated to the process, will be similarly limited. Weller (1995) notes that many implementation efforts falter because they consume more resources than anticipated and which management are willing to allocate to the process. This is because 'more often than not this boils down to the level of dedication exhibited by senior management. Those managers that choose the painless long-term quick fix will find that it does not exist' (Evans, 1995: 6).

Recently, there have been many incidences reported where the failure of TQM to produce expected timely results has contributed to the abandonment of quality initiatives (Dobbins, 1995; Eskildson, 1994). But, due to the complex and temporal nature of the TQM

implementation process, the realisation of the full spectrum of benefits takes a considerable period of time and, more often than not, only occurs when TQM has been fully routinised within the organisation. Redman (1995: 53) commenting on this issue, states that 'the seemingly modest impact on bottom line performance may reflect that for most organisations quality management initiatives are still fairly recent.' He substantiates this point by contending that within the United Kingdom organisations are still in the growth stage of the TQM product lifecycle, whereas Japanese businesses are in the mature stage. Mintzberg (1988) observed that organisational strategies experience life cycles that include periods of start-up, growth, maturity and decline, therefore, it is appropriate to consider that the TQM implementation process also experiences such a lifecycle. So in order to avoid the process falling into decline and to sustain market position and growth, when the implementation process reaches the mature stage whereupon momentum begins to wain and the rate of improvements diminishes, it becomes necessary to rejuvenate the implementation process (Johnson & Scholes, 1989; Mintzberg, 1988).

The lifecycle theory may help explain the growing trend amongst Japanese manufacturing businesses which are moving away from TQM as such and are focusing more specifically on methods such as cost containment and flexibility. While many have taken this to be proof that TQM does not work, it is in fact demonstrative of a continually evolving management philosophy, that is TQM (Dobbins, 1995; Nicholls, 1995). Therefore, it could be surmised that Japanese businesses are simply employing sound business acumen and that TQM has provided the ability for self assessment and the capability to change and evolve as and where necessary (Dobbins, 1995; Redman, 1995). By virtue of their position along the TQM life cycle, Japanese quality systems are simply evolving in order to maintain growth and customer satisfaction, as suggested in the following quotation.

> QUESTION: 'How long will it take the United States to catch up with Japan?'
> DEMING: 'Do you think that Japan is standing still?' (Walton, 1989: 119).

Recent research has identified the evolving nature of the implementation process and the need for it to alter its primary focus as it progresses along the TQM lifecycle. As previously mentioned, there are a myriad of models and approaches to TQM implementation but, in assessing the underlying concepts upon which they are based Foster *et al.* (1994) detected they tend to fall within one of three distinct mindsets: planning; learning; and visionary, see table 2.3. The authors found that the TQM implementation process is not smooth and continuous, rather it is punctuated by a series of stages which are differentiated by the primary focus (or mindset) of the quality system (Foster *et al.*, 1994; Whittle *et al.*, 1992; see also Kaye & Dyason, 1995). This notion corresponds with life-cycle theory and is characterised by the reaching of a plateau whereupon momentum begins to fall and organisations experience points of crisis or uncertainty, see figure 2.1 (Foster *et al.*, 1994; Whittle *et al.*, 1992). As Collin Siddins, General Manager of Kiwi Packaging remarks companies implementing a quality system 'reach plateaux in development, where you get "stuck" in achieving further change' (Young, 1991:

20). Just as organisations need to re-evaluate their position and often change their strategy and/or product(s) when they reach the mature stage of the life cycle, Foster *et al.* (1994) found that companies that had successfully implemented TQM changed the focus of their quality system when a plateau was reached. This enabled them to remedy issues that were not successfully addressed in previous stage and to rejuvenate the TQM effort by focusing on new areas.

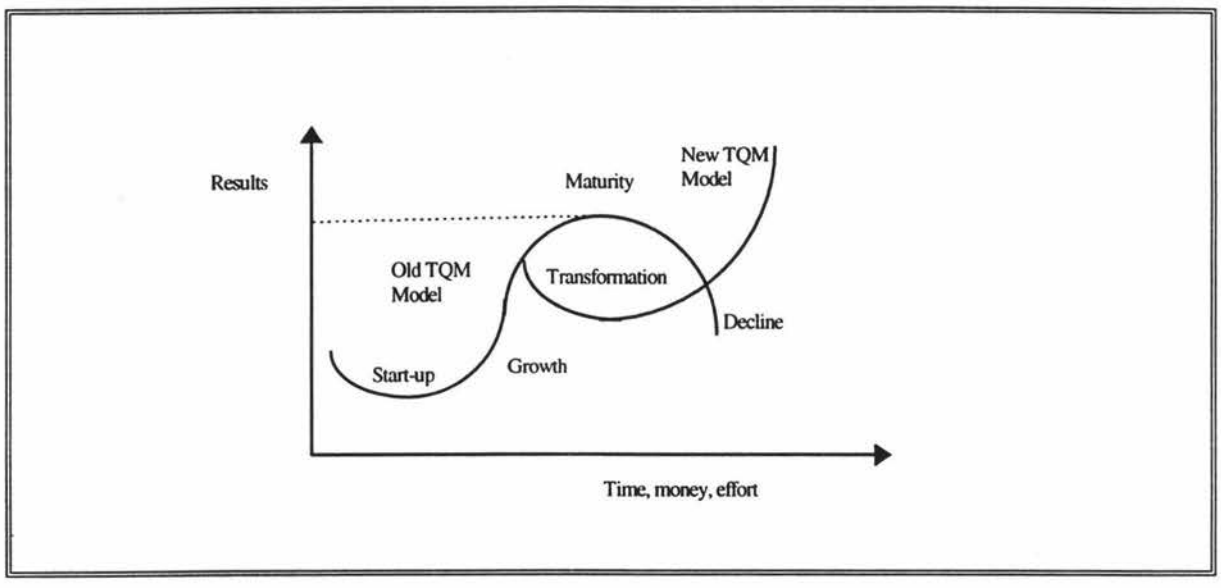

Figure 2.1: The life-cycle stages of the TQM Implementation Process
Source: Adapted from Foster *et al.* 1994: 46.

But changing the focus of a quality system when a plateau has been reached is not a simple, straight forward process. In order to change the focus of a quality system to avoid it falling into decline, it is necessary to switch mindsets. This necessitates managers understanding the cyclical nature of the implementation process and being able to assess the effacy and appropriateness of the present approach to TQM while at the same time having an insight into alternative approaches. Unfortunately, this is often not able to happen when standard "how-to" packages and models are employed to implement TQM, because the results of such processes are manifested in the following characteristics, which Kaye & Dyason (1995) found act to lock organisations into one stage and prevent the evolution of the quality system.

- they did not monitor progress within the evolutionary process;
- continuous improvement did not permeate the strategic process;
- there was a lack of measurement of strategic performance, particularly impact on results;
- there was a failure to build a continuous improvement foundation;
- there was a lack of supporting infrastructure - cultural change, people issues and senior management commitment;
- there was a lack of focus on their customer, both external and internal (Kaye & Dyason, 1995: 34).

In order to overcome situations where organisations become locked into one particular mindset of stage Foster *et al.* (1994) advocate that senior management need to have a meta-perspective on the different approaches to TQM implementation, by way of embracing a transformational mindset, see table 2.3. This mindset offers managers the prospect of planning their TQM activities to generate the greatest returns on investment by shifting away from TQM models that have lost momentum to ones which offer trajectories for further change. In other words the authors are saying that TQM implementation involves a series of distinct phases in which the cultural change of an organisation is construed in different ways. As one approach looses momentum, it is advisable to change emphasis in order to rejuvenate the TQM implementation process. Foster *et al.* (1994) note that the transformational mindset does not ascribe to any particular school of thought and so it can appear unfocused, speculative and lacking in content. Its very adoption requires considerable management insight into how change can be planned and implemented to achieve a breakthrough. For these reasons TTQ is perceived as innovative and, perhaps experimental and therefore "not for us". It is this mindset that maintains the gulf between companies that successfully implement TQM and those who do not.

Visionary TQM Model	**Learning TQM Model**
People as programmable pawns. TQ FOCUS: External customer/stakeholder KEY DESIGN ISSUE: Control (Including cost) DESIGNERS: Senior management IMPLEMENTATION CHARACTERISTICS: concern with ideology, mission, solutions, rules and prescriptions, codes of conduct, order, faith, role of "leaders". IMPLEMENTATION STRATEGY: tends to be top down, focusing on training and procedures.	People as willing participants TQ FOCUS: Self/Internal, Customer an Supplier KEY DESIGN ISSUE: Motivation, Commitment DESIGNERS: HRM/OD specialists IMPLEMENTATION CHARACTERISTICS: concern with education, skill & attribute development, performance appraisal, reward & recognition, natural work teams, symbols, style. IMPLEMENTATION STRATEGY: tends to be bottom-up, attitudinal and involvement focused.
Planning TQM Model	**Transformational TQM Model**
People as productive resources TQ FOCUS: On competitors and resource suppliers KEY DESIGN ISSUE: Integration DESIGNERS: Technologists, systems analysts, specialist support staff. IMPLEMENTATION CHARACTERISTICS: concern with process regulation, boundaries, specification, information, measurement, value, simplicity, waste, benchmarking, project teams. IMPLEMENTATION STRATEGY: tends to be off-line, measurement and technology driven.	People as purposive agents TQ FOCUS: Management KEY DESIGN ISSUE: Innovation DESIGNERS: External consultants IMPLEMENTATION CHARACTERISTICS: concern with reframing, coaching, paradigm auditing, empowerment, partnerships, communication. IMPLEMENTATION STRATEGY: tends to be experimental, cost effective, driven by advocacy.

Table 2.3: Current approaches to TQM implementation
Source: Adapted from Foster *et al.* 1994: 11.

While the process of implementing TQM is complex and difficult, TQM itself should be kept relatively simple. Indeed, Hoffherr *et al.*, (1994) are of the view that simplicity is an accurate indicator of TQM effectiveness. Similarly, Chang (1993) believes that the intentions, efforts

and resource commitments directed towards TQM initiatives are being complicated by what he refers to as Excessive Activity Syndrome (EAS). This is prevalent in many organisations where instead of keeping TQM efforts simple a number of differing TQM activities are broadly applied within an organisation and result in the realisation of limited measurable benefits (Sullivan, 1994a; Chang, 1993; Schaffer & Thomson, 1992). Chang contends that a simple, well planned, results orientated incremental approach to the implementation of TQM will overcome EAS and generate significant gains in an organisation's performance and competitiveness.

Consequently, it can be seen that the frequently cited barriers to TQM are in fact symptomatic of a fundamental problem. The commercialisation of TQM and the prescriptive nature of literature on the subject, has resulted in a cursory knowledge and understanding of TQM and an oversimplification of the organisational change process its implementation requires.

The Implementation Gap

The issues discussed in the previous section give rise to a supposition that a significant gap has developed within the field of TQM. More specifically, the commercialisation of TQM and the prescriptive nature of its literature has resulted in an implementation gap between what *is* occurring in practice and what *should* be occurring. Similar implementation gaps have been identified within other disciplines. Within the field of Management Science, Schultz & Slevin (1975) observed the presence of an implementation gap during the 1970s, between the models and systems that were being developed in theory and those being applied within organisations. The authors further observed that the effects of the implementation gap were being compounded by a distinct lack of empirical research of the topic, consequently an international research conference was instigated in order to identify behavioural and technical factors that were impeding the implementation process. Roberts-Gray & Gary (1983) refer to an *implementation gap* which frequently arises between the diffusion and utilisation of innovations. Likewise Barrett & Fudge (1981) and Dunsire (1978) comment on the occurrence of a similar gap within the formulation and output of the public policy process.

In order to help overcome the implementation gap, it is necessary to examine the literature on implementation. Although there is a growing body of literature on implementation theory, its scarcity has been noted when attempting to study the topic (Roberts-Gray & Gary, 1983; Elmore, 1980; Pressman & Wildavsky, 1973). Indeed the scarcity of literature, especially recent work, on implementation was noted by the researcher when she began her review of implementation theory. One reason for this may be the fact that theories on implementation have developed from a range of disciplines such as sociology, political science, management and management science/operations research. Frequently, material on implementation has tended to overlook a rich heritage of work purporting to implementation originating from other

disciplines (Van Meter & Van Horn, 1975). Therefore, as Dunsire (1978) suggests, it is important not to limit a review to a single discipline when examining the theory of implementation. Also another contributing factor to this may be an assumption held by many that implementation is a topic unworthy of attention because it consists of a process involving a deceptively simple and narrow series of mundane decisions (Van Meter & Van Horn, 1975).

However, before any further discussion proceeds, it is important to determine what is meant by the term "implementation". Most definitions of implementation reflect the individual disciplines from which they were derived and relate to the actual operationalisation of a particular strategy/policy/decision. Walter Williams succinctly expresses implementation as *putting it all together* after decisions are made and before operations begin (Williams, 1980 cited in Sawyer, 1989: 13). Similarly Van Meter & Van Horn (1975: 447) define policy implementation as encompassing

> those actions by public and private individuals (or groups) that are directed at the achievement of objectives set forth in prior policy decisions.

Likewise Pressman & Waldavsky (1973: xv) present a definition of implementation as being 'a process of interaction between the setting of goals and actions geared to achieving them'.

Lucas (1986) from a management science/operations research perspective, provides an explanation of implementation, describing it as the entire change effort associated with the introduction of a new system. He proceeds to suggest that being a component of organisational change, implementation is an ongoing, long-term process which begins with the very first idea for a system and terminates when the system has been successfully integrated within the operations of the implementing organisation. This explanation broadens the concept of implementation to include the decision to implement and the routinisation of the new process within the organisation. Lucas *et al.* (1990) are therefore in agreement with other authors who contend that implementation is a process which involves two distinct phases - initiation and implementation. The initiation phase incorporates the identification of a performance gap or problem within the organisation to be overcome and the development planning of the appropriate means to overcome it. The implementation phase operationalises the strategy until it is routinised within the implementing organisation (Spence, 1994; Nestërová, 1984; Strum, 1984; Mirvis, 1981; Zaltman *et al.*, 1973). Because the design of this research focuses on understanding the factors involved in both the initiation and implementation of TQM the author deemed it necessary that the definition of implementation be broadened to the *implementation process.* Consequently, the following definition was developed

> the implementation process incorporates the entire change effort associated with the introduction and integration of the philosophy, tools and procedures of TQM. It includes the initiation phase through to the routinisation of TQM within the operating procedures and culture of an organisation.

In this respect the definition reflects the long-term nature of the implementation process which terminates when TQM has been successfully integrated into an organisation's routine operations and culture.

Given that an implementation process is usually studied in terms of how effectively, or otherwise, decisions and innovations are translated into organisational changes, assessing the activities and processes of an implementation effort in isolation of its institutional context ignores the fundamental character of the implementation process (Sawyer, 1989; McLaughlin, 1987; Elmore, 1978). Similarly, given that the literature tends to oversimplify the organisational change process required by TQM implementation, it is necessary to review and examine the theory and literature pertaining to organisational change in order to provide a comprehensive insight into the complex nature of the TQM implementation process (Dawson & Palmer, 1995, 1993).

Summary

This chapter sought to provide a comprehensive explanation of what TQM implementation involves and then examine obstacles to the implementation process. The criteria of the New Zealand National Quality Award was used as a framework to examine the holistic and integrated nature of TQM. Each of the Award's seven categories was used to examine different aspects of TQM in order to provide a holistic explanation of it.

Having described TQM, the chapter then moved to identify the major problems within the implementation process. It was contended that the commonly cited barriers to TQM implementation were, in fact, merely symptoms of a more serious malise, that the commercialisation of TQM and predominantly prescriptive nature of its literature had resulted in a cursory understanding of TQM and its implementation process. This was being compounded by the use of consultants packages and standard recipes to implement TQM, which really only focus on one or two commonly touted aspects of a quality system. As a result, TQM was only being partially implemented within those organisations and so unable to procure any lasting change and improvement. This was being manifested in partial implementation efforts, which focus on introducing one or two common packages and aim at generating short-term results to the detriment of long-term gains and improvements. Such approaches fail to account for the continuous, evolutionary nature of TQM and consequently, do not realise lasting gains and improvements.

The chapter concluded by identifying that presence of an implementation gap and the need to examine organisational change their in order to understand the complex nature of the implementation process TQM necessitates.

Chapter Three

TQM Implementation as a Process of Organisational Change

> *The present is a time of great entrepreneurial ferment, where old and staid institutions suddenly have to become very limber.* - Peter Drucker.

Introduction

Having established the existence of an implementation gap, the purpose of this chapter is to examine theory pertaining to organisational change in order to assist the understanding of the implementation process. The chapter begins by examining the concept of change and why organisation's experience change. Then the concept of planned change and organisational development are presented and compared, from which it is contended that TQM is an organisational development intervention, the implementation of which constitutes a planned organisational change. The actual process of change is reviewed by first examining the traditional literature, using Lewin's model of change as a framework. However, due to the limitations to this view of change, contemporary models developed by Dawson & Palmer (1995) and Pettigrew & Whipp (1991) are presented as being more representative of the process of change within today's modern business environment.

The chapter then examines internal factors which serve to constrain a planned organisational change, in general, and TQM, in particular. Resistance by organisational members is identified as being a major constraining factor to the change process. Consequently, the chapter moves on to review the strategies open to management which help to overcome and, where possible, alleviate resistance. The chapter concludes by looking at how attention to Quality of Working Life issues and criteria can assist the implementation process and cultural change.

The concept of change

Change is a concept which in its broadest sense simply denotes an alteration to the status quo (Bartol *et al.*, 1995; Hodge & Anthony, 1991). The level of technical advancement and cultural integration that has occurred within the last century has resulted in change becoming a common and often expected aspect of contemporary society (Baird *et al.*, 1990). The business environment, as explained in Chapter One, has not been immune to change, with continual shifts in organisations' operating, external and international environments combining to create a complex and dynamic environment of fast moving change. Indeed, change has become a continual process that has 'pervaded the modern business environment to the extent that the most unchanging aspect of organisational life is change itself' (Bedeian & Zammuto, 1991:

549). Consequently, the modern manager must be *au fait* with the concept of change and adept at both monitoring organisations' environments and altering organisational policies, procedures and strategies in order to adapt to threatening changes and respond to opportunities for growth (Nadler, 1993; Bedeian & Zammuto, 1991; Stewart, 1991; Baird *et al.*, 1990).

Typically, organisational change involves moving an organisation to some desired future state (Nadler, 1993). Dawson (1993) states that change is the introduction of either opportunities or threats into an organisation, or, more interestingly and realistically, the introduction of a combination of both opportunities and threats into an organisation. While the concept of change is fairly straightforward, Kanter (1984) contends that the difficulty in accurately measuring change has contributed to it being regarded as elusive. Kanter (1984) further argues that change can imply an abrupt disjunction of one set of organisational events and activities from others, in a way that does not match reality. Kanter, provides a modest definition of change which is closely related to the idea of innovation.

> Change involves the crystallisation of new action possibilities (new policies, new behaviours, new patterns,...) based on reconceptulated patterns in the organisation. The architecture of change involves the design and construction of new patterns, or the reconceptualisation of old ones, to make new, and hopefully more productive actions possible (Kanter, 1984: 279).

The paradox of change

Change frequently constitutes a paradox for organisations (Pugh, 1993; Nicholson, 1993; Bedeian & Zammuto, 1991; Hodge & Anthony, 1991). It is generally accepted that change is necessary for an organisation to remain competitive, introduce new, more effective and efficient technology and methods, and maintain harmony with its environment. Yet, change threatens the stability of outputs and predictability of costs that organisations need in order to protect their financial integrity. As a consequence, a tendency for organisations to resist change arises (Hodge & Anthony, 1991). Pugh (1993) notes that it is a paradox of organisational life that situations and problems which most strongly demand change are often the very ones which resist change the most. Indeed, since change is a perennial issue for every organisation, its management has come to be considered a source of competitive advantage, with success being dependent upon the ability of an organisation to maintain stability while managing change (Pugh, 1993; Nicholson, 1993; Bedeian & Zammuto, 1991). Accordingly, there is a clear need for management to understand the process of organisational change, recognise the requisites for change, and know how to introduce it effectively.

Forces for change

Organisations undergo change for a number of reasons. In many cases change is a gradual and not readily identifiable phenomenon which occurs during the natural evolution of an organisation. Indeed, natural attrition and the recruitment of new staff, the appointment of new board members and/or chairperson, and the phasing out of products all represent changes within an organisation. But because they appear to be a natural progression, it is not until one looks back in retrospect that the actual extent of change is identified. However, *planned* change is pro-active and purposeful and implies the deliberate implementation of a specific action in order to overcome an actual or perceived need or problem (Robbins & Barnwell, 1994; Stewart, 1991; Zaltman & Duncan, 1977). It involves actions that are based on carefully thought out processes that anticipate future difficulties, threats and opportunities, and which aim at keeping an organisation current and viable (Bartol *et al.*, 1995; Robbins & Barnwell, 1994).

A variety of factors influence the need for planned change within organisations (Bartol *et al.*, 1995; Dobson & Starkey, 1993; Stewart, 1991) and can be categorised as either *exogenous* or *endogenous* (Hodge & Anthony, 1991; Pettigrew, 1985). Exogenous factors originate from within an organisation's external or task environment. An organisation's external environment is comprised of a broad range of factors which occur outside its boundary and include economic, political, socio-cultural and international elements. But as Slappendel (1993) comments, because these factors may not have a direct impact upon an organisation, the narrower concept of task environment is often employed. 'This extends to those specific requirements of the environment which are relevant to an organisation's decision making process' and usually include customers, competitors, socio-political factors and technology (Slappendel, 1993: 24). Organisations generally have a limited degree of influence upon exogenous factors and so they are often forced to adapt to these changes in order to maintain a sustainable competitive advantage (Bartol *et al.*, 1995; Nadler, 1993; Nicholson, 1993; Stewart, 1991; Kanter, 1984).

Endogenous factors, on the other hand, are derived from sources internal to the organisation and include alterations to strategies and plans, organisational culture shifts, technological advances and leadership changes. These have an impact upon the status quo of an organisation and so force change (Bartol *et al.*, 1995; Nicholson, 1993; Stewart, 1991). Exogenous and endogenous forces for change can exist simultaneously (Greiner, 1967) therefore, in order to survive and grow within the modern business environment, organisations must effectively manage their responses to these forces (Stewart, 1991). As Schein (1988) suggests, organisations need to continually achieve external adaptation and internal integration.

While the forces for change can be exogenous or endogenous, a great debate has arisen among theorists as to whether organisational change is planned or unplanned (Robbins & Barnwell,

1994; Hodge & Anthony, 1991). Some believe that organisations actually determine their own fate with regard to change, while others contend that they simply react to it and those unable to react in an appropriate manner do not survive. The premise of the latter argument is taken from Darwin's theory of natural selection which claims that species which cannot adapt to changes within their environment, die (Hodge & Anthony, 1991). Astley & Van de Ven (1983) argue that the relationship between organisations and their environments can help to explain the impact the environment has upon the survival of organisations. Like Darwin, they posit that environmental factors select those organisations, which best fit their environment, for survival. In other words, little, if any, adaptation (planned organisational change) occurs, instead, the environment eliminates organisations that do not fit (Hodge & Anthony, 1991). But, Hodge & Anthony (1991) refer to recent research which indicates that environmental determinism does not provide a complete explanation of organisational survival. The authors contend that organisations can influence the environmental forces upon them, and that they can choose to change and adapt, as required. Thus, the change process is able to be managed to some extent, making planned change possible.

Planned change

Planned change is concerned with the adoption and management of change in response to specific needs or problems and is predominantly a one-off occurrence. In contrast, organisational development[1] is concerned with facilitating an organisation's ability to continually manage change (Bartol, *et al.*, 1995; Schermerhorn, 1993; Baird *et al.*, 1991; Stewart, 1991; Thornell, 1989; Pettigrew, 1985). OD is a managerial discipline, grounded in the theory of behavioural science, which aims to improve organisational performance by assisting organisations cope with continual change while at the same time improve their internal problem solving capabilities (Sullivan, 1994a; Levin & Gottlieb, 1993; Schermerhorn, 1993). It addresses performance improvement by individuals, groups and the organisation as a whole as well as the way people work together through: developing the organisation's human resources; participation and collaboration amongst organisational members; opening communication channels; and focusing on long term improvement rather than short term "quick fixes" (Sullivan, 1994; Schermerhorn, 1993; Beer, 1984). While based upon a myriad of assumptions, OD interventions share five characteristics:

1. planned
2. organisation-wide
3. managed from the top
4. an attempt to improve organisational effectiveness
5. usually involved in changing the structure of the organisation's processes and attitudes (Dale & Cooper , 1992: 93).

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[1] Hereinafter, Organisational Development will be denoted as OD

These characteristics combine to move an organisation in the direction of an ideal form, irrespective of the existence of a given need or problem. The aim being to help individual organisations cope with changing environments and increase long-term prosperity. In the process of doing so, OD assists organisations develop a self renewing capacity which includes increasing its ability to create innovative solutions to internal problems. (Bartol *et al.*, 1995; Schermerhorn, 1993; Baird *et al.*, 1991; Stewart, 1991; Thornell, 1989). Hence, OD falls under the auspices of planned change since, by definition it involves moving an organisation towards an ideal form, thereby changing it. But, while OD will not succeed without planned change, a planned change can be applied independently of OD (Stewart, 1991).

The close resemblance of TQM to OD has not gone unnoticed. Levin & Gottlieb (1993) have identified characteristics common to both ideologies (see table 3.1), while has Sullivan (1994a: 22) observes

> [b]oth are focused on long term improvement and the measurement of ongoing continuous improvement, and therefore continuous change. Both are focused on the empowerment, reward, and emphasis of human resources. Both change the culture of an organisation, its structure and the attitudes of individuals, which is intimately related to Deming's...14 points.

Systems thinking - organisations are open systems composed of highly interdependent components
Focus on process - organisation problems are rooted in overly complex or faulty management systems, structures, or in relationships among subunits
Empowerment and involvement - desire to broaden participation and responsibility for planning, problem solving, and decision making
Continuous improvement - improvement and renewal are never ending efforts
Data-based decision making - decision should be based on measurement and information
View of people - people have an inherent desire to contribute in a meaningful way to organisation success

Table 3.1: Comparison of ideological similarity between organisational development and quality management.
Source: Levin & Gottlieb, 1993: 298.

While not going so far as to expressly state the similarity of TQM and OD, Dawson & Palmer (1995: 118) allude to such when they suggest that TQM is

> based on the view that change is a necessary and natural requirement of organisations wishing to keep pace with the dynamic external environment and continually improve existing operating systems.

Dawson & Palmer (1995) believe that continual improvement is achieved through having systems and procedures in place which allow the skills and experience of all organisational members in group and individual decision making processes, and which facilitate ongoing innovation within design, production and service delivery processes. Hence, TQM enhances an organisation's strategic capability by providing it with the culture, systems and procedures to renew itself through continuous adaptation to changing exogenous and/or endogenous conditions. Thereby it constitutes an OD intervention, the implementation of which involves planned organisational change (Sullivan, 1994a; Levin & Gottlieb, 1993). Therefore, organisations should implement TQM as a means of being able to sustain and develop its competitive advantage through increased flexibility, continual improvement and the capacity to react to change in a prompt and effective manner in (Dawson & Palmer, 1995; Sullivan, 1994a; Levin & Gottlieb, 1993).

The process of organisational change

Given that TQM is an OD intervention, the implementation of which constitutes planned organisational change, and as stated in Chapter Two the cursory knowledge and understanding of the process of organisational change and TQM have resulted in an implementation gap, it is pertinent to review the literature pertaining to organisational change and the implementation process. The implementation process can be considered in distinct stages or phases, with each requiring a different implementation strategy and management as issues, unique to each stage, develop (Ackerman, 1982).

Lewin's model of change

Numerous models and theories have been developed to assist managers understand and effect organisational change and development. Kurt Lewin, a noted psychologist, developed a model of organisational change that is generally recognised as being an underlying and guiding frame of reference (Marshak, 1993) with many theories of organisational change originating from it (Dawson & Palmer, 1995). The model describes the change process as comprising three simple phases: unfreezing, change and refreezing, see figure 3.1 (Marshak, 1993; Robbins & Barnwell, 1993; Baird *et al.*, 1991; Thornell, 1989). Indeed, this three phase model has become an 'integral part of conventional orthodoxy taught in business departments and management schools around the world' (Dawson & Palmer, 1995: 63). The model emphasises that the impetus for change can come from any level of an organisation's hierarchy. It also acknowledges that organisation wide participation of members in the change process can improve the likelihood of it being fully understood and implemented. Finally, it suggests that the most effective way of managing change is not increasing pressure for it, instead managers should focus on reducing resistance to change (Baird *et al.*, 1991).

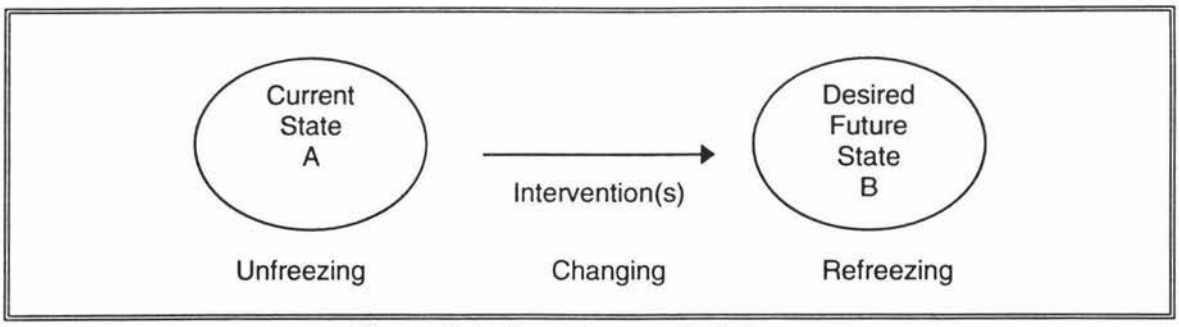

Figure 3.1: Lewin's model of change.
Source: Adapted from Marshak, 1993: 397.

Unfreezing an Organisation

Lewin contends that in order for planned change to be successfully implemented, an organisation must be ready and open to change (Schermerhorn, 1993). Hence, the unfreezing phase concentrates upon preparing a system or organisation for change by "unfreezing" it from the inertia of the status quo. This is accomplished through identifying a problem or performance gap, determining the most appropriate remedy for the solution and encouraging organisational members to repeal existing behaviours and attitudes and thus, adopt the change (Robbins & Barnwell, 1993; Schermerhorn, 1993; Dannemiller & Jacobs, 1992; Baird *et al.*, 1991; Vandermerwe & Vandermerwe, 1991; Ackerman, 1982). This is not always an easy and straightforward process, as its success is dependent upon organisational member's accepting the need for change and the degree to which they are willing to adopt it. This, in turn, largely dependent upon them becoming dissatisfied with the status quo as well as understanding why change is necessary and how it will improve "the lot" of individual members (Nicholson, 1993; Schermerhorn, 1993; Baird *et al.*, 1991).

However, the probability of success of any organisational change is severely diminished when an organisation and its members are neither ready, nor open, to change. The premise being, that despite how well a change is implemented and reinforced, unless an organisation is ready and open to change all other efforts and activities are futile. Consequently, much of the literature on change has tended to focus on this, the unfreezing stage (Zaltman *et al.*, 1973). It should also be noted that within literature on innovation and implementation, this is often referred to as the initiation phase (Lucas *et al.*, 1990; Strum, 1984; Roberts-Gray & Gray, 1983; Ginzberg, 1981a; Mirvis, 1981; Van Meter & Van Horn, 1975; Zaltman *et al.*, 1973).

Lewin contends that before an organisation can effectively change it must be ready to do so (Schermerhorn, 1993). Common themes running through the literature concerning the generation of readiness to change are need to identify or perceive the existence of a problem or performance gap, the need to conduct a search for the optimum solution to it, and the need to plan the method of implementation (Spence, 1994; Lucas *et al.*, 1990; Strum, 1984; Michael, 1982; Zaltman *et al.*, 1973). Readiness to change is initially passive, being the awareness of a performance gap (March & Simon, 1993) between what an organisation is achieving and what

its members wish it to achieve, which can develop from exogenous and/or endogenous forces (Mirvis, 1981). Passive readiness to change becomes active when the existence or perception of the performance gap creates dissatisfaction with existing procedures and generates a need for managerial action and problem solving activities in order to alleviate the problem (Vandermerwe & Vandermerwe, 1991; Strum, 1984; Mirvis, 1981; Daft & Becker, 1978; Zaltman *et al.*, 1973).

Having established an organisation's readiness to change, the search for an optimum solution should then involve assessing alternative solutions in order to determine the best *fit* between the solution, performance gap, the organisation and its context (Spence, 1994; March & Simon, 1993; Roberts-Gray & Gray, 1983; Wolman, 1982). The assessment and selection of the most appropriate solution is contingent upon several factors. Firstly, management must be aware of possible solutions. But, Zaltman *et al.* (1973) pose the question: whether an awareness or knowledge of a particular solution comes first and is then followed by the readiness to change, or vice versa? While the identification of a performance gap leads to a search for alternative courses of action to rectify the problem, awareness of a particular change strategy can often highlight an actual, or lead to the perception of, a performance gap. The authors refer to research into innovation conducted by Shoemaker in 1971, who found that

> research does not provide a clear answer to this question of whether awareness of a need or awareness of an innovation (that creates the need) comes first... (Zaltman *et al.*, 1973: 62-63).

However, the main body of literature on the topic, emphasises the need to identify the performance gap and then conduct a search for likely solutions (March & Simon, 1993; Strum, 1984; Roberts-Gray & Gray, 1983; Greiner, 1967). Knowledge of a particular model or innovation can bias a search in its favour and result in *satisificing* and, as discussed in Chapter Two, which is undesirable as it can severely limit the chance of selecting the optimum solution to the performance gap (March & Simon, 1993). The search process is enhanced by the correct identification and precise definition of the cause of the performance gap, as inadequate conceptualisation can result in the selection of an inappropriate solution and difficulty in designing the implementation process. Subsequently, problems and obstacles are likely to develop within the implementation process, thus restricting the likelihood of the solution realising expected results (Gremillion, 1982; Wolman, 1982; Greiner, 1967).

When assessing the *fit* of possible solutions, attention should be given to ensuring they are technically valid; that they are technically capable of performing to expectations and providing the optimum solution for the performance gap (Tranfield & Smith, 1990; Schultz & Slevin, 1975). Potential solutions should also be assessed to ensure they are organisationally valid (Schultz & Slevin, 1975). This involves analysing their characteristics with the reciprocal characteristics of the organisation in order to determine the capability of both the organisation

and individual members to fully utilise potential solutions and their subsequent commitment to its adoption (Roberts-Gray & Gray, 1983), see table 3.2.

Characteristics of the Change	*Fit*	*Characteristics of the Organisation*
Resource Demands	To provide adequate *arrangements* to accommodate the solution, the organisation must have structures to obtain and manage resources to support use of the innovation.	Organisational structures and facilities
Concept of Use	To engender enforceable *rules* to govern the solution, the concept of use for the solution must be consistent with policies and regulations that control activity within the organisation.	Organisational policies and regulations
Task Demands	To acquire the *know-how* to perform with the solution, individuals must have abilities and behaviour patterns that will allow them to integrate new task requirements into existing routines.	Individual abilities and behaviour patterns
Expected Benefits	To obtain *personal commitment* to its use, the solution must offer benefits that are compatible with attitudes and values held by individual users.	Individual attitudes and values

Table 3.2: Successful implementation requires a good "fit" between solution and the organisation.

Source: Adapted from Roberts-Gray & Gray, 1983: 223.

Organisational contextual factors such as its mission, structure, primary lines of business and external environment all have an influence upon the suitability of particular solutions. Therefore, potential solutions should be assessed in relation to such contextual factors in order to determine which has the optimum fit with the organisation's *raison d'être* and that it is in line with the future direction of the organisation (Bryson & Bromiley, 1993; Tranfield & Smith, 1990; Strum, 1984).

Furthermore, attention should be given to the attitudinal disposition of organisational members. Organisational members need to be encouraged to repel their established behaviours, attitudes and habits and embrace the change. As previously stated, this involves engendering their dissatisfaction with the status quo and inducing them to accept and adopt the proposed change. Consequently, the onus falls on management to effectively communicate why the change is needed. This should entail informing organisational members of the performance gap and explaining the negative effects its existence creates, they should then introduce the proposed change and explain how it will improve and benefit their working life and the performance of the organisation as a whole. The introduction of an organisational change frequently necessitates the redesign of jobs and procedures and thus, forces organisational members to

reject established work methods and habits in favour of new ones. Consequently, education and training becomes of vital importance in order to inform organisational members about the proposed change and providing them with the skills and confidence to effectively perform their new roles and tasks. This serves to heighten both their understanding of the proposed change and their willingness to embrace it (Tranfield & Smith, 1990). In order to enhance the likelihood of acceptance and adoption, organisational members must be open to change, a factor often influenced by their past experiences with change (Iacovini, 1993). Indeed, experiences with the utilisation of previous changes, the capacity of the organisation to utilise the present change and the level of aversion towards existing procedures are likely to influence organisational member's perception of the potential of the change and consequently, shape their openness to it (Lucas *et al.*, 1990; Mirvis, 1981; Daft & Becker, 1978; Zaltman *et al.*, 1973).

Tranfield & Smith (1990) represent technical, organisational and user validity as the orthogonal dimensions of a cube. With the orthogonality reflecting the distinctive perspective each brings to the implementation process and the *cube* their inter-connectedness and interdependency, see figure 3.2.

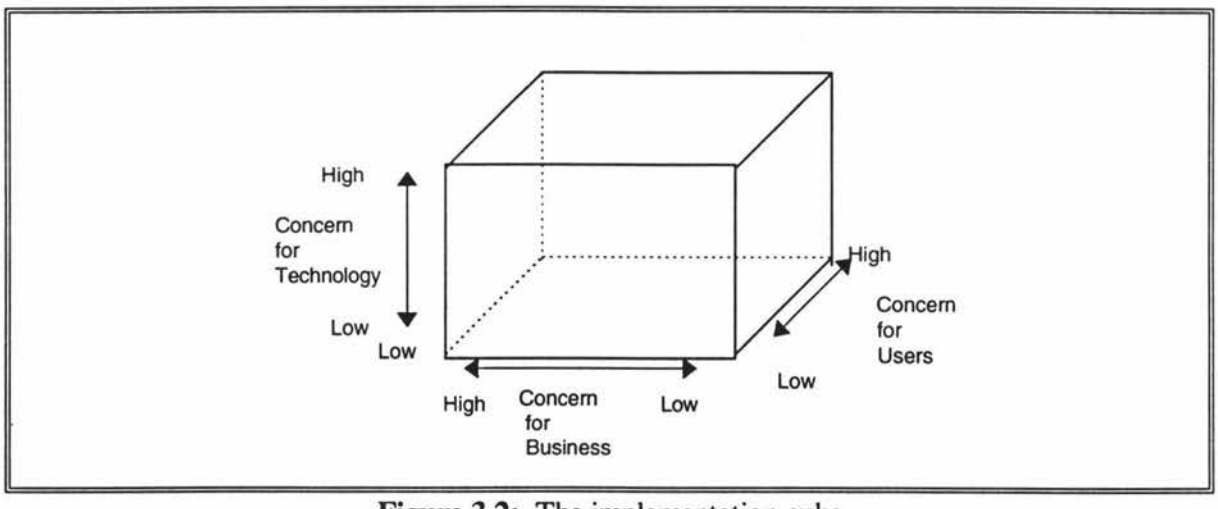

Figure 3.2: The implementation cube
Source: Adapted from Tranfield & Smith, 1990:15.

Tranfield & Smith (1990) found that when management had a high level of concern and had distinguished strategies for all dimensions of the cube, success of the implementation process was almost guaranteed.

The need for planning within the implementation process has been the subject of great debate amongst theorists. Opponents believe that planning can result in the implementation process becoming over-bureaucratic, thus restricting flexibility by not allowing the implementation process to respond to shifts as they occur. Opponents also argue that planning absorbs a substantial level of resources that could better be allocated towards actual implementation.

Furthermore, they argue that too much time can be applied in the planning stage rather than actually getting on with the job of implementation (Sankey, 1992).

Nevertheless, many studies have identified a relationship between formal planning and the success of an implementation effort. The better planned an implementation process, the more likely it is to succeed (Koehler, 1992; Sankey, 1992; Russell, 1991; Strum, 1984; Wolman, 1982; Ginzberg, 1981; Van de Ven, 1980). Likewise, in the field of innovation, it has been observed that often organisations will invest heavily in research and development yet fail to plan its implementation. As a consequence of this neglect many potentially useful innovations, while formally endorsed by senior management, are never fully integrated into actual practice (Roberts-Gray & Gray, 1983; Zaltman & Duncan, 1977). Roberts-Gray & Gray (1983: 215) proceed to suggest that planning provides management involved in the change process with explicit procedures that are required to 'guide the implementation phase and facilitate utilization'.

Planning involves the formulation of a strategy for the implementation process and allows the organisational context to be examined in light of the proposed change (Nestërová, 1984). This involves assessing the proposed change in relation to the extent to which internal and external factors to the organisation may impact upon the implementation process (Bryson & Bromiley, 1993; Nestërová, 1984). Identification and analysis of possible obstacles and barriers to implementation allows management to assess the degree to which the implementation process may be hindered and plan how to overcome, or at least minimise the effect of potential, obstacles (Koehler, 1992; Nestërová, 1984; Strum, 1984). Conceptually, planning assists the determination of an organisation's readiness to innovate (Strum, 1984).

Preparation of the implementation strategy also involves formulating the overall organisational goals and objectives of the implementation process, whereas functional and individual goals and objectives should be developed in consultation with the respective departments and individual members concerned. The formulation of well defined goals and objectives act as a guide to implementation and explicitly communicate to people what is expected of them within the implementation process. Without this, the process is left to progress in a predominantly uncontrolled manner. They also help to provide organisational members, supervisors and line-management, and senior management within feedback on how the process is progressing and can help identify and alert management to any problems that may be occurring. Constant feedback can help to reinforce positive behaviour and illustrate to organisational members that they are making progress and their efforts are actually delivering tangible results and benefits (Schaffer & Thomson, 1992).

The planning stage can be an important tool in gaining employee acceptance of the change. Participation from organisational members, especially those who will be directly affected by its implementation, in the planning stage and the formation of goals and objectives, is advocated

by many theorists (Lucas *et al.*, 1990; Sawyer, 1989; Nestërová, 1984; Van de Ven, 1980). Current literature suggests that the more closely "planners" and "doers" are merged, the more likely it is that a program will be implemented successfully (Van de Ven, 1980).

Planning allows the resource requirements of the implementation effort to be assessed and provided for (Koehler, 1992; Nestërová, 1984; Strum 1984; Wolman, 1982) which is important because inadequate resources can severely restrict an implementation effort (Wolman, 1982). In order to estimate the resource context and constraints on the implementation effort, the technological, human, financial and miscellaneous resource requirements should be determined in relation to available resources, obtainable resources and the intermediate impact on organisational members (Strum, 1984).

Although, insufficient financial resources is the most frequently cited form of resource inadequacy, technological, time and staff resources need to be assessed and planned for. Size is not the only determinant of staff as a resource; staff knowledge, skills and attitudes influence employees job-related activities all contribute to the success or failure of an implementation effort. An inadequate number of staff relative to the workload, an high level of incompetence in carrying out the new procedures and low staff morale can all contribute to difficulties within the implementation phase (Pasmore, 1982; Gremillion, 1982). Consequently, the assessment of staff resources should include staff knowledge, skills and attitudes in order to determine the education and training required to be performed (Gremillion, 1982; Wolman, 1982).

In addition, it is important to assess any technological change required and ensure that the technological resources are sufficient and appropriate to accommodate the change (Pasmore, 1982). Management need to be sure that the technology and information systems provide organisational members with the right information at the right time and allow then to perform the new tasks being asked of them. When these systems are not accounted for, and managed within the implementation process, efforts often lose momentum and serious impediments to thorough and efficient implementation can develop (Vandermerwe & Vandermerwe, 1991). The availability of resources should be accounted for and comprise an element of the deciding factors of which solution is the most appropriate for the organisation. Vandermerwe & Vandermerwe (1991) identified that insufficient dedicated time set aside for the implementation of organisational change as being a common obstacle to strategic change.

> Although in theory everyone agrees that time must be set aside to allow change to happen, in reality routine activities continue to be prioritized, thereby sapping the energy which should go into the implementation. Often during critical transition periods, managers are not only expected to continue with business as usual but are judged on old criteria (Vandermerwe & Vandermerwe, 1991: 175).

The Changing Phase

The second "change" step in Lewin's model involves changing the organisation through implementing the selected remedy or change within it (Schermerhorn, 1993). The action orientated nature of this phase distinguishes it from the predominately planning and analytical features of the unfreezing phase (Strum, 1984; Pearce & Robinson, 1982). Whereas, the latter is concerned with creating an organisational climate for change, determining the most appropriate remedy for the performance gap and formulating the strategy for implementation, the former is concerned with translating the strategy into concrete action and ensuring the continual monitoring and reinforcement of positive results (Pearce & Robinson, 1982).

The central focus of the changing phase is to capitalise upon the readiness for change generated within the unfreezing phase and to generate acceptance and diffusion of the selected remedy throughout the organisation (Schermerhorn, 1993). In this respect, it represents the culmination of the initiating and introductory activities and the realisation of their success or failure when the change either proves to be a success that becomes the status quo, or a practice that disappears in some shift in organisational priorities. This phase also sees middle and line management replace senior management as the major players within the implementation process (Strum, 1984).

The ease with which the changing phase occurs is conditional upon the unfreezing phase being effectively performed. This is because if management has successfully been able to engender a sufficient level of dissatisfaction amongst organisational members with the status quo, they will be relatively open to change as they realise that their old attitudes, behaviours and methods of operating are no longer effective. (Goodstein & Burke, 1993; Schermerhorn, 1993; Baird *et al.*, 1991; Bedeian & Zammuto, 1991).

The changing phase represents an unusual situation whereupon the organisation is neither in the old state nor the new state, instead it is positioned precariously between them. Because of this, management systems and procedures that were applicable within the previous state and those applicable to the new one, are not appropriate for the present, transitional state (Ackerman, 1982). Nadler (1993) observes a major problem for organisations within this phase results from the fact that most management systems are geared to run organisations already in place and not transition states. Therefore, it is important for managers to manage the transition by having control mechanisms in place that are specific to the transition period, rather than the past of future state must ensure that management systems. Linking the stages of change smoothly together is paramount and should be given attention when developing the implementation strategy, '[t]he continuity between events is essential' (Ackerman, 1982: 51).

Although the optimum remedy, in terms of expected benefits and having the best *fit* between overcoming the cause of the performance gap, organisational context and characteristics and the solution has been determined, there may not be an exact match between the solution and

organisation (March & Simon, 1993; Roberts-Gray & Gray, 1983). Therefore, management should reassess the characteristics of the selected solution and the organisation as it may be necessary to modify either the actual solution or the organisation, in order to improve their match. Modifications or adaptations can be made so that the is more easily assimilated into the culture of the implementing organisation, such actions are often referred to as *adaptive implementation.* Alternatively, modifications or adaptations can be made to the organisation to make the organisation itself and its members capable of utilising and committing them to it (Roberts-Gray & Gray, 1983).

In order to assist organisational capability and commitment to utilise the change, there are many managerial and operational tools at management's disposal, which aim at ensuring that the internal work environment and infrastructure are appropriate to accommodate the change. They also aim at providing organisational members with the necessary skills and knowledge to confidently and effectively perform the new tasks and roles as well as utilise new equipment associated with the change (Goodstein & Burke, 1993; Nicholson, 1993; Robbins & Barnwell, 1993). Pearce & Robinson (1982) argue that these tools fall within four broad categories: structural considerations; functional strategies; leadership; and organisational control. These tools utilise a variety of mechanisms and control an organisation's resources such as finance, staff and technology in order to create an environment that is conducive to implementation of the selected solution. The mechanisms include organisational structure, information systems, leadership styles, assignment of key managers, budgets and rewards, the effective control and direction of which plays an essential role within the implementation phase (Pearce & Robinson, 1982). It should be noted, however, that if managers are premature in implementing change and do so quickly, resistance can be created especially if employees are not fully motivated and open to change (Nadler, 1993; Schermerhorn, 1993). Resistance to change will be examined in more depth later in this chapter.

An organisation's structure provides the overall framework for the co-ordination and management of individuals, groups, and units which provide the organisational action necessary for its intended function (Schermerhorn, 1993; Pearce & Robinson, 1982). Within the implementation phase, organisational structure can often become a hindering factor, thus it is necessary to ensure both structure and the characteristics of the solution are consonant. Also, when activities, hierarchy and interrelationships within the structure are not consistent with the characteristics and needs of the solution, the structure evolves in an uncontrolled manner. Uncontrolled evolution can often deny the alignment of structure and strategy, resulting in inefficiencies, misdirection and fragmentation (Schermerhorn, 1993; Pearce & Robinson, 1982). Therefore, within the implementation process it may be necessary to adjust and/or redesign organisational structure in order for it to meet the unique characteristics of the selected solution (Michael, 1982; Pearce & Robinson, 1982).

The actions of management within the implementation process form a major determinant of success within the implementation phase. As stated in Chapter Two, the General Manager drives the implementation process and ongoing change and as such becomes the creator of the organisational climate for change. Also, the characteristics, leadership and abilities of management need to be suited to the characteristics of the solution, so as not to hinder or provide an obstacle to its diffusion and adoption (Pearce & Robinson, 1982). Vandermerwe & Vandermerwe (1991) identified the personal attributes necessary for change leaders to make change happen, see table 3.3.

1. *Persuasive*:	Leaders need to be able to "win people over" and convince organisational members to accept the new way of thinking and acting.
2. *Facilitative*:	Leaders need to be able to direct and not dictate, they must conduct orchestrate and co-ordinate and not rule. Likewise, infrastructures should be provided to facilitate and nor administrate.
3. *Consistent*:	Managers must show consistency in both message and behaviour.
4. *Visible:*	Leaders must be visible in their involvement in the change process.
5. *Have integrity*:	Leaders must be perceived as initiating the change for the common good of the organisation, and not simply for the sake of personal ego. They should be straightforward, upfront and truthful, even when the truth, or its consequences, are painful. Leaders must also maintained their ideas and ideals even in the face of criticism, which may be frequent and harsh, especially at the beginning of the process. Strong, unwavering 'moral principle' is regarded as an essential personal attribute.

Table 3.3: The personal attributes necessary for change leaders to make the change happen.

Source: Adapted from Vandermerwe & Vandermerwe, 1991: 179-180.

A major link between the unfreezing and changing phases is provided by functional strategies. These are strategies which co-ordinate the daily activities of organisational members within different organisational functions, such as marketing, finance and production. Management need to ensure that formulation and communication of functional strategies is consistent with and aligned to the selected solution (Pearce & Robinson, 1982). Involvement and participation by organisational members, of all levels of the hierarchy, in the formulation and development of functional strategies is strangely recommended by many authors, as it can generate a degree of ownership the implementation process and help to alleviate resistance (Lucas *et al.*, 1990; Ackerman, 1982; Wolman, 1982; Schultz & Slevin, 1975).

Finally, various control systems such as policies and rules, goals, budgets, rewards, and sanctions should be employed to monitor the progress of the implementation phase and guide the actions of organisational members. As with the other tools mentioned, they should be adjusted and/or redesigned, where necessary, to ensure they are aligned to and support the selected solution (Schermerhorn, 1993; Johnson & Scholes, 1989; Roberts-Gray & Gray, 1983; Pearce & Robinson, 1982). Organisational policies and rules may have to be modified or new ones formulated in order for them to be compatible and encourage diffusion, utilisation and adoption of the solution (Roberts-Gray & Gray, 1983).

Careful, well managed use of specific goals and targets can enhance a change process (Schaffer & Thomson, 1992). Whilst not overlooking the temporal nature of the change process, the provision of explicit departmental performance parameters can aid the adoption, diffusion and routinisation of the change within those departments. This is because they force people to focus on what is specifically needed to be done to achieve the change (Bohan, 1995) and discourage the introduction of a 'vast array of activities simultaneously across the entire organisation. This is like researching a cure for a disease by giving a group of patients ten different new drugs at the same time' (Schaffer & Thomson, 1992: 82-83). The authors continue to suggest that the use of goals and targets also act to monitor and provide a basis for organisational members of all levels with direct feedback on how the change process its progressing, both departmentally and organisationally (Bohan, 1995; Schaffer & Thomson, 1992). Furthermore, they show organisational members the extent to which their efforts yield results. As Schaffer & Thomson (1992: 86) comment achievement of tangible results can provide positive reinforcement which can help to re-energise a change process, as there is 'no motivator more powerful than success.'

Regulatory systems should focus on rewarding desired behaviours and performance with sanctions being employed to control and adjust negative and poor performance (Johnson & Scholes, 1989; Pearce & Robinson, 1982). To perform effectively, the regulatory systems need to be aligned to the corporate objectives and those of the implementation strategy. This involves management defining exactly what organisational behaviour, that is those relevant outputs, activities and specific actions of organisational members, is required to meet the established goals and objectives of the implementation process (Gremillion, 1982).

Management should also recognise the temporal nature of the implementation process, and ensure that the reward system aims towards encouraging ongoing and future performance, not merely current performance (Pearce & Robinson, 1982). Management need to have control and regulatory systems in place that are applicable to the transition state and then once the change has become routinised, they should be modified and/or redesigned so as to be applicable for the new state (Ackerman, 1982).

Organisations sometimes elect to perform a trial implementation within a single department or unit that is representative of the organisation as a whole. Although this may add to the length of the changing phase, in the long-run it provides many advantages and can actually contribute to the eventual success of the process (Spence, 1994; Zaltman *et al.*, 1973). Trial implementation allows management to refine the implementation strategy before it is undertaken on a organisation-wide basis. It can reveal any problems, difficulties and/or issues pertaining to the implementation process which were not anticipated during the unfreezing phase, and which necessitate re-examination of the implementation strategy and allocation of resources for the process. Trials also allow the entire process to be withdrawn or cancelled before the "point of no return" has been reached and a great level of resources have been

committed, if the change proves to be incompatible with the organisation. Finally, trial implementation can provide management with an approximate timeframe for the implementation process through assessing the rate of adoption and diffusion of the change within the trial unit (Zaltman *et al.*, 1973).

Once the decision to progress onto organisational-wide implementation, training becomes an important aspect of the changing phase. The knowledge and skills required by organisational members to effectively perform the tasks and roles associated with the solution need to be identified and assessed in relation to those which they presently possess (Strum, 1984; Gremillion, 1982). This issue will be examined in more detail in following sections.

Refreezing an Organisation

The third, "refreezing" stage, is concerned with stabilising the organisation after the change has been fully implemented and creating conditions conducive to the long-term continuity and routinisation of the change (Schermerhorn, 1993). Accordingly, feedback and reinforcement become critical tools within this phase. Management must monitor and control the implementation process as well as provide organisational members with ongoing feedback of their individual and overall organisational performance. They should also positively reinforce organisational members who demonstrate desired behaviour through the use of both intrinsic and extrinsic rewards (Robinson, 1982; Greiner, 1967). Indeed, the communication of 'positive results can have a strong reinforcing effect' especially when accompanied by rewards (Greiner, 1967: 129) and thus contribute to ongoing utilisation of the change. When the refreezing phase is poorly done, new behaviours and procedures are easily forgotten or abandoned with time (Goodstein & Burke, 1993; Robbins & Barnwell, 1993; Schermerhorn, 1993; Baird *et al.*, 1991; Bedeian & Zammuto, 1991).

Monitoring the change process also enables management to ensure it is in line with its objectives and make specific connections between time and resources allocated to specific elements of the implementation process and tangible results (Schaffer & Thomson, 1992). But management must bear in mind that most changes require long lead times before their impact is fully realised and this should be taken into consideration when setting objectives for the process (Pearce & Robinson, 1982). Continual evaluation of the implementation process can highlight problems within it and so provides management with the opportunity to fine tune the process (Schaffer & Thomson, 1992). Furthermore, evaluation of the implementation process becomes an important learning tool, enabling management to learn from its mistakes and problems and ultimately improve upon the management of future organisational change (Ackerman, 1982).

A new way of analysing organisational change

The traditional models and theory of organisational change provide people with an appreciation of what the change process involves by delineating the variables and issues that typically arise within it (Dawson & Palmer, 1993; Bedeian & Zammuto, 1991). Furthermore, the models enable researchers to classify identifiable stages in the change process around which data should be collected and analysed (Dawson & Palmer, 1993).

However, the models are not without limitations. Traditional theory and literature on organisational change is rooted in Lewin's three phase model of change (Dawson & Palmer, 1995) and it has evolved from a time when organisational life was more stable, predictable and bureaucratic (Marshak, 1993). The result being the ensuing models and theory of change being rational and linear with highly prescriptive and deterministic phases. As Pettigrew (1987, 1985) argues this provides a narrow explanation of change and fails to acknowledge and incorporate continuity and change, action and structures, endogenous and exogenous factors, as well as the role of change and surprise. This has given rise to an assumption among practitioners that organisational change is a simplistic and logical process whereby organisations systematically progress through a series of distinct phases (Dawson & Palmer, 1995, 1993; Marshak, 1993; Pettigrew & Whipp, 1991; Pettigrew, 1987, 1985). Also, literature and theory on organisational change has tended to concentrate upon the initiation phase, i.e. the decision-making and planning functions (Zaltman *et al.*, 1973). Consequently, there is a limited array of literature on actual implementation, and what has been developed is highly prescriptive feeding the assumption that implementation of change is a logical, rational and simple process and that a standard prescription for change can be applied to all organisations (Pettigrew, 1985).

This situation has led some to question the efficacy of the models and theory given the complex and competitive nature of the contemporary business environment and resultant problems that organisations of today face (Dawson & Palmer, 1995, 1993; Marshak, 1993; Pettigrew, 1985, 1987). In fact, Marshak (1993: 395) questions whether a change model that 'emphasizes *creating* change is relevant to contemporary managers and organisations facing *continual* change.' Indeed, Marshak takes a more "Eastern" view of change when he contends that change is processional and journey orientated, rather than the traditional linear, progressive, goal orientated perspective. Therefore, he believes that more complete explanations of the change process are provided by models that take a more cyclical approach to change. This belief has been reflected in the development of processual models of organisational change, which attempt to capture its holistic and temporal nature by integrating variables such as environment, content and people. With the intention of providing management with a comprehensive, holistic understanding of the change process necessary to equip them to manage continuous change (Dawson & Palmer, 1995, 1993; Pettigrew & Whipp, 1991; Pettigrew, 1985, 1987).

The Pettigrew & Whipp model of change

In developing their theory of strategic change management, Pettigrew & Whipp (1991) built upon a framework for understanding change that was first developed by Pettigrew (1987, 1985) in an attempt to overcome the shortcomings of the traditional models and capture strategic change in a holistic manner, see figure 3.3

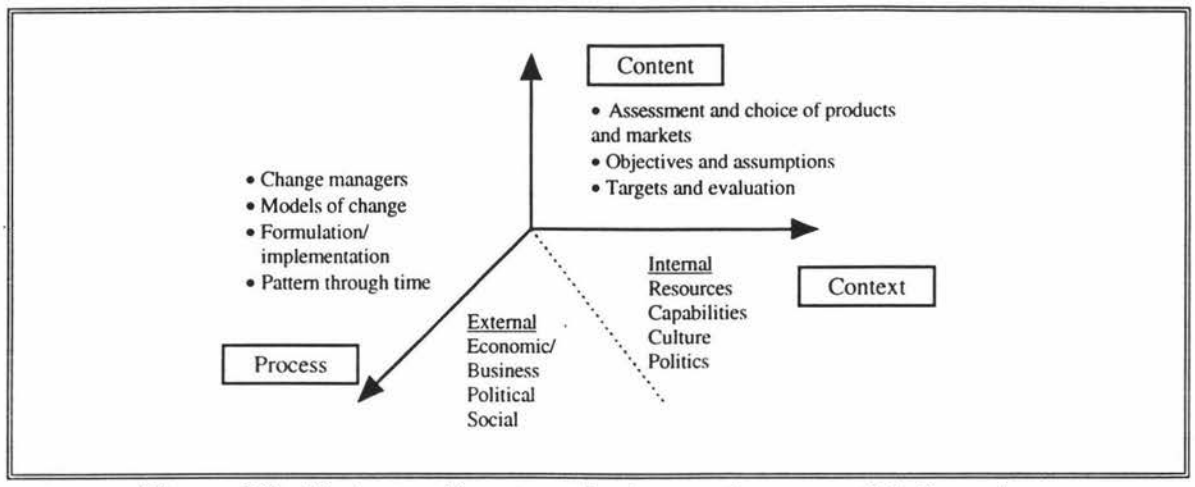

Figure 3.3: Understanding strategic change: three essential dimensions
Source: Pettigrew & Whipp, 1991: 26.

The rationale behind the three pronged framework was that the traditional rational and linear nature of organisation change and strategy models as best provided a narrow explanation which oversimplifies the change process as well as the elements and issues that develop within it. The authors posit that contrary to established opinion, change does not move through a series of distinct, identifiable phases in a direct and linear way. Instead, they contend that the pattern of change is 'continuous, iterative and uncertain' (Pettigrew & Whipp, 1991: 27) and it is driven from an amalgam of economic, organisational and political influences. The interaction of which, over time requires that 'those responsible for managing that process make continual assessments, repeated choices and multiple adjustments' (Pettigrew & Whipp, 1991: 31).

In their study, the authors identified five central factors which were common to those organisations that had successfully managed the strategic change process, and that each of the factors had a direct importance upon the competitive strength of the organisations, see figure 3.4. They stressed that all of the five factors are critical to the successful management of change and that reliance upon anything less than the five would prove to detrimental to the change process. Indeed, adherence to, linking and adjusting the full five factors over time enables management to 'sense the critical forces at work around them and change by building a capability for organisational-wide learning and adaptation' (Johnson & Scholes, 1993: 417).

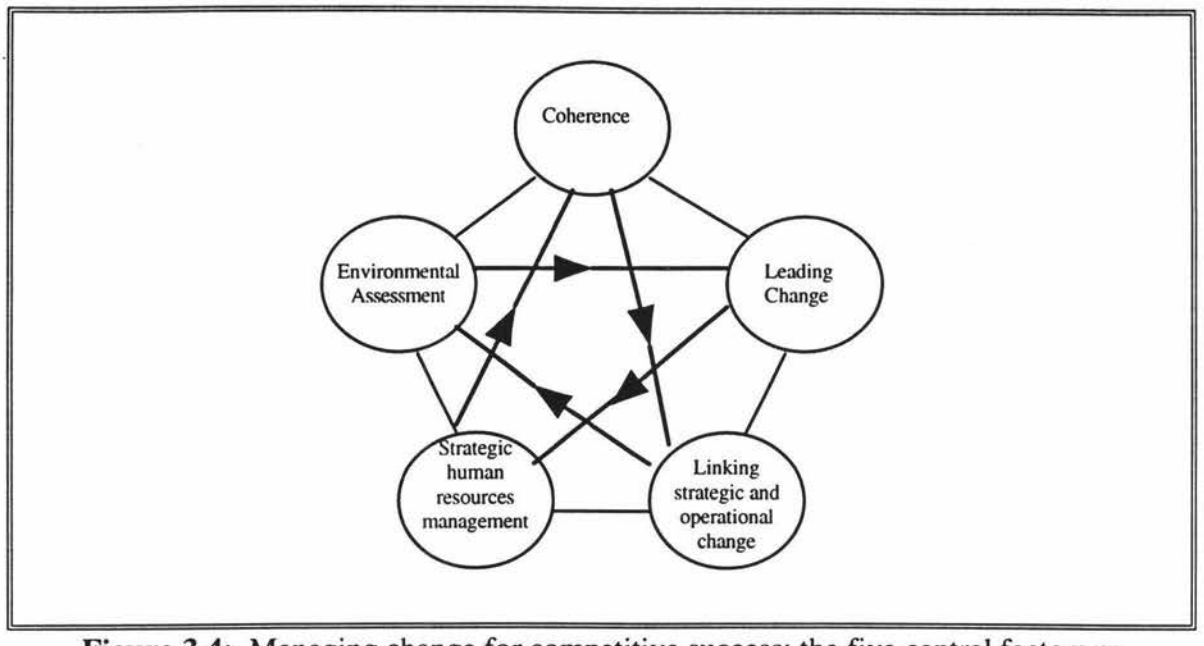

Figure 3.4: Managing change for competitive success: the five central factors as identified by Pettigrew & Whipp.
Source: Johnson & Scholes, 1993: 415.

Environmental assessment
When introducing any form of change, it is important that management have a good understanding of the business environment in which it operates. Organisations should be open to its environment and receptive to changes within it. Management must see their role as keeping close to, being sensitive to, and responding to signals in the environment. The external environment is part of the culture of the organisation. 'Instead strategy creation is seen as emerging from the way a company, at various levels, acquires, interprets and processes information about its environment' (Pettigrew & Whipp, 1991: 280).

Leading Change
The methods employed by managers to lead a change process should be determined, not by a prescribed set of activities, but by contextual factors. As Pettigrew & Whipp (1991: 280) state 'leadership is context sensitive.' The authors found that leadership tasks involved in leading change were more fragmented and incremental than previously perceived, it involves managers matching their actions to particular contexts, and that leading change is not the exclusive domain of the senior executive team, instead it involves people from all levels of the organisation. Successful leaders of change are not fixed to a particular method or set of actions, instead they are able to adapt their approach to change to particular contexts (Johnson & Scholes, 1995; Pettigrew & Whipp, 1991).

The authors found that change leaders need to attend to important conditioning tasks *before* any attempt to implement the change is made. Change leaders must create a climate for change, building the organisational capability to embrace the change and establishing a change

agenda, which encompasses a vision for the future and associated values. These are not simple tasks and may necessitate several attempts before they are completed. The authors also found that the temporal nature of the change process meant that occasionally the change leader may change over time (Pettigrew & Whipp, 1991).

Linking strategic and operational change

For successful change to occur, strategic change must be linked with operational change and the everyday functioning of the organisation. This involves translating the strategic change into operational plans and functional strategies throughout the organisation, such as critical success factors and key tasks. The strategic change should also be incorporated into controls systems and communicated both expressly and implied through the actions of those leading the change (Johnson & Scholes, 1995; Pettigrew & Whipp, 1991).

Human resources as assets and liabilities

Strategic change cannot be successfully achieved if an organisation's human resource management policies are not integrated within the strategic change process. Management need to have concern for the management of all organisational members including: recruitment, education and training, employee relations and compensation. Pettigrew & Whipp (1991) found that human resource management becomes a long term, learning process that should have concern for developing the skills and abilities of an organisation's workforce, and thus the organisation as a whole. They found it was often necessary for consciousness of the benefits of human resource management, in relation to the business needs of the firm, to be raised among the change leaders. That attention to the importance of human resources management was crucial to the survival of the change initiative.

Coherence in the management of change

The probability of the success of any strategic change is increased if it is coherent across all aspects of an organisation. Pettigrew & Whipp (1991) observed that it is important that all aspects of the change process must fit the organisation's environment, strategy and internal operating processes. Also, there must be coherence in the purpose and beliefs of senior the senior management.

The Dawson & Palmer model of change

Dawson & Palmer (1995, 1993) have similarly developed a processual framework for analysing organisational change, in order to overcome the limitations of the traditional change theory, specifically Lewin's three-stage model. Through their research into the implementation of TQM and consequential organisational change, the authors concluded that the

> the linearity which this [Lewin's] three stage model suggests is not supported by the empirical evidence on the introduction of total quality management (Dawson & Palmer, 1995: 63).

They found that contrary to the traditional, rational and linear view of change which suggests that organisations progress through a series of stages and which the revisitation of one is regarded as 'going backward' or 'not making progress' (Marshak, 1993: 402), the TQM implementation process often occupies several different stages at once and requires sustained managerial effort (Dawson, 1995; Dawson & Palmer, 1995). This is in accordance with the Eastern or Confucian view of change where cyclical and processual change is the natural way and returning to an earlier stage is normal and, in fact, necessary to maintain harmony (Marshak, 1993). Similarly, evidence has shown that the management of large scale change often necessitates the revision of strategies in order to overcome or tackle unanticipated contextual problems and issues (Dawson & Palmer, 1993). Indeed, based on their research Dawson & Palmer (1995: 63) view the implementation of TQM as

> an odyssey, which whilst generally being planned, requires the continual revision of navigational decisions to meet unpredictable and unfolding conditions.

In fact, Dawson (1995) describes the change process taken by organisations implementing TQM as being a series of transitions within which unforeseen and critical events occur and which may impede, hasten, or even force management to alter, the change strategy employed. Consequently, the authors adapted a processual framework developed by Dawson (1994) in order to incorporate the cyclical characteristics of the TQM implementation process. It enables identification of certain tasks and activities which emanate within the change process and locate them within the temporal history of change (Dawson, 1995). The framework (see figure 3.5) assesses three dimensions, the substance, politics and content of change, which they identify as acting to shape the change process, over three general timeframes

- conception of a need for a quality initiative
- process of establishing TQM
- operation of total quality programme and on-going change (Dawson & Palmer, 1995: 64).

The authors describe the context of change as being an amalgam of external and internal factors, both past and present, which have an influence upon an organisation's operations. This includes social, economic and political which fall within an organisation's external task environment, internal factors such as its administrative systems, technology, human resources and organisational culture which is shaped in part by its history. The political context describes the decision and non-decision making processes which are determined by individuals, agencies or groups within an organisation. It includes collective bargaining and control issues such as

pay, grading, staff levels, job design and supervision. The substance of change accounts for the fact that the practice of TQM often differs from its "purest" form, that a managerial philosophy as espoused by the "quality gurus". This arises because of the processual/subjective nature the implementation, in which TQM is subject to interpretation, refinement and development (Dawson & Palmer, 1995, 1993).

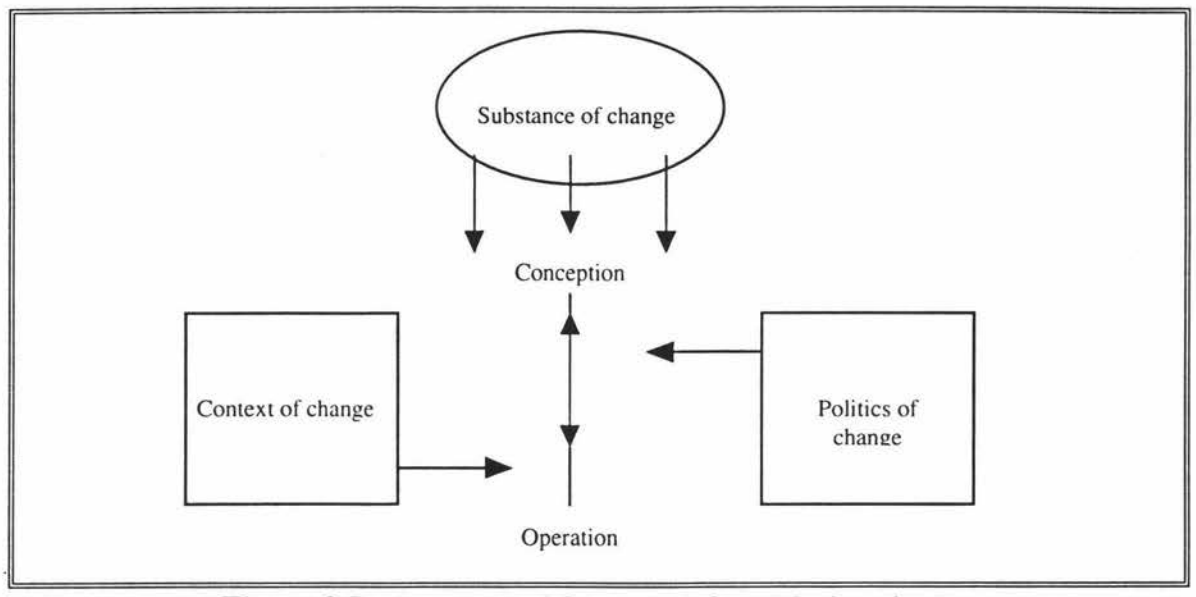

Figure 3.5: A processual framework for analysing change.
Source: Dawson & Palmer, 1995: 67.

Internal factors implicit within the organisational change process

For all organisations, large scale change interventions are affected, and often inhibited, by a number of internal constraints, such as infrastructure, human resources and organisational culture (Sullivan, 1994a). Although the use of control and regulatory systems can generate compliance with the change being implemented, they do not ensure that groups and individuals within the organisation have identified and internalised the need for change. Therefore, in order to consolidate the acceptance of a proposed change, management must pay close attention to creating a culture that is conducive to the change being implemented and engendering organisational members commitment to the process (Johnson & Scholes, 1989).

Yet, despite both organisational change and TQM literature frequently acknowledging the important role such internal factors play within the change process, they generally have not received a depth of coverage commensurate with their importance. Spiker & Lesser (1995) note that due to the prescriptive nature of literature on organisational change many of the so called "blueprints" fail to comprehensively account for the human and cultural aspects of the

change process and the critical infrastructure and reinforcement mechanisms organisational change demands. As Williams *et al.* (1991) point out

> comparatively little attention has been paid to the practical, day-to-day processes involved in creating and managing and changing organisational culture (Williams *et al*, 1991 cited in Dawson & Palmer, 1995: 167).

Therefore, the aim of this section is to examine some of the key processes involved in managing an organisation's cultural change, with specific attention being given to TQM implementation.

Organisation Culture

> Changing a culture is not a matter of teaching people a bunch of new techniques, or replacing their behaviour patterns with new ones. It is a matter of exchanging values and providing role models. This is done by changing attitudes (Crosby, 1995: 98).

Frequently, cited within the literature on organisational change and TQM is the need to have a culture that is conducive and supportive of the change being implemented. Indeed, many authors contend that cultural change is an integral element of any large-scale change intervention (Raman, 1993; Schermerhorn, 1993; Russell, 1991; Schein, 1985; 1980; Kanter, 1984) But, firstly, in order to gain an appreciation of the role an organisation's culture plays within a change process, it is necessary to determine what organisational culture is and its function within an organisation.

As recognition of the importance culture plays upon the day-to-day functioning of an organisation has grown, so too has the body of literature on the topic and the number of definitions of organisational culture. Byles (1986) reviewing the many definitions of organisational culture noted they tend to fall into one of two perspectives. One views organisational culture as a system of shared values and beliefs, while the other views it as encompassing stories, language systems, ceremonies and rituals. However, Pettigrew (1979) considers an organisation's culture to be a combination of both perspectives, that is it is a set of shared values and beliefs which are developed and reinforced through stories, language systems, ceremonies, rituals and the history of the organisation. Johnson & Scholes (1989) extend this perspective, saying that organisational culture is derived from the interrelationship of six elements: rituals and myths; symbols; power; organisational structure; formal controls; and routines.

In a comprehensive study, Schein (1980) identified that organisational culture can be sensed at three levels. Termed *physical artefacts*, the first level comprises observable and tangible aspects of an organisation such as its physical conditions, working environment, layout and

organisational structure. The next level, *stated values*, Schein (1980) describes as being those which purport to represent an organisation's attitudes towards its stakeholders and social issues. Stated values can be expressed in a variety of manners, for instance managers addressing subordinates, shareholders or suppliers, plus statements made within annual reports and to the media. However, frequently some disparity may occur between an organisation's stated values and evidence available to those who experience its behaviour. This is reflected in the third and most deeply ingrained level of culture, its *basic assumptions*. Basic assumptions are embedded in the organisation's history and include its traditions, geography, values and beliefs brought to it by its owners and all organisational members throughout its life (Pike & Barnes, 1994; Schein, 1980).

Shared by all members of an organisation, basic assumptions and beliefs operate unconsciously and define in a basic 'taken for granted' fashion an organisation's view of itself and its environment, and also the ways that members of the organisation behave towards each other (Johnson & Scholes, 1989: 38). Indeed, basic assumptions guide the day-to-day behaviour of organisational members by providing them with a sense of how to act by filling the gap between formal directives and "the way things are done around here" (Harvey & Brown, 1992; Johnson & Scholes, 1989). But, being the most deeply ingrained aspect of an organisation's culture, its basic assumptions are often most difficult to change, especially as elements such as control systems, stories, routines and symbols tend to reinforce the status quo (Hodge & Anthony, 1991).

Any form of change has an impact upon an organisation's culture and it is unrealistic to assume that change can successfully be implemented if an organisation's beliefs, assumptions and "way of doing things" remain the same (Sullivan, 1994a). Also, the older and more established organisations are, the more institutionalised and resistant to change the culture becomes. Moreover, Schein (1985) has identified a relationship between organisational life cycle, culture and strategy (see table 3.4)

In its formative years, an organisation's culture is shaped by the personal beliefs and values of its founder which then become embedded within the organisation and play a key part in shaping its distinctive competence. Within the embryonic stage, an organisation's culture moulds its development and management should therefore, seek strategies compatible with it. The growth stage poses a number of challenges for an organisation and its culture. The introduction of a significant number of people, the emergence of middle management and often departmentalisation, incites many of the original values and beliefs upon which the organisation was founded, to change. Consequently, the cohesive nature of the organisation's culture that was experienced during the embryonic stage may dissipate into sub-cultures. Because each of the sub-cultures may favour approaches to development, the appropriateness of the historical base of the organisation to guide the strategic choice, reduces (Johnson & Scholes, 1989; Schein, 1985).

Lifecycle Stage	*Key Cultural Features*	*Implications to Strategic Choice*
1. Embryonic	1. Cohesive culture 2. Founders dominant 3. Outside help not valued	1. Try to repeat successes 2. Related developments favoured
2. Growth	1. Cultural cohesion less 2. Mismatched and tension arise	1. Diversification often possible 2. Vulnerability to take-over 3. Structural change needed for new developments 4. New developments need protection
3. Maturity	1. Culture institutionalised 2. Culture breed inertia 3. Strategic logic may be rejected	1. Related developments favoured 2. Incrementalism favoured
4. Decline	1. Culture becomes a defence	1. Readjustment necessary but difficult 2. Divestment may prove necessary

Table 3.4: Culture, the lifecycle and strategic choices.
Source: Johnson & Scholes, 1989: 197.

Upon attaining the mature stage of its life-cycle, changing the culture of an organisation becomes a most difficult and complex exercise (McLennan *et al.*, 1987; Schein, 1985). Because the culture has become institutionalised to the extent that when faced with change, it automatically forms a defence and resists any threat to the status quo (Beatty, 1990; Johnson & Scholes, 1989; Schein, 1985). Accordingly, mature organisations are more likely to favour more evolutionary and incremental developments which tend to minimise the impact of the change. To a large degree, the organisational culture experienced in the decline stage, and its impact upon strategic choice is an extension of that which developed within the mature stage (Johnson & Scholes, 1989; Schein, 1985). Yet, for organisations within the mature and decline lifecycle stages, continual change is necessary for its future growth and development. Hence, "quality" often becomes the vehicle through which organisations learn to manage continual change (Beatty, 1990). Beatty (1990: 1) proceeds to comment

> the need to manage change is particularly salient for mature firms where long established norms of stability and security must be replaced with new values such as service, speed, simplicity and variety.

It is incongruous to note, while many authors recognise the need for, and difficulty of effecting, cultural change when implementing change, few advocate a detailed examination of existing culture (Johnson & Scholes, 1989). A cultural review would enable management to anticipate how and why an organisation's culture may react to particular changes and enhance

management of the process (Russell, 1991). This is especially pertinent to TQM implementation for TQM frequently necessitates the abandonment of traditional managerial styles and attitudes towards organisational members, customers and stakeholders which have become ingrained in an organisation's culture, see table 3.5 (Pike & Barnes, 1994; Sullivan, 1994a; Raman, 1993). Indeed, a significant barrier retarding New Zealand organisation's institutionalising the quality paradigm has been identified as its traditional, highly controlling and authoritarian, management culture (Campbell-Hunt *et al.*, 1993b). Consequently, when implementing TQM, an organisation's culture should be analysed in order to determine: the extent of the required change; the way in which the existing culture many resist the change; and if TQM is the appropriate strategy for the organisation (Pike & Barnes, 1994).

Cultural Change

FROM	TO
Grapevine and secrecy	Open communications
Control of staff	Empowerment
Inspection and fire fighting	Prevention
Internal focus on rules	External focus on customer
Cost and schedule	Quality of conformance
Stability seeking	Continuous change and improvement
Adversarial relations	Co-operative relations
Allocating blame	Solving problems at their roots

Table 3.5: Areas of cultural change implicit TQM.
Source: Pike & Barnes, 1994: 107.

An organisation's culture and its members are inextricably linked in an ongoing cause and effect relationship. While an organisation's culture helps to shape the attitudes, beliefs and actions of its members, the attitudes, beliefs and actions of individual members and groups help to mould an organisation's culture (Schein, 1985; 1980). Consequently, successful cultural change is largely contingent upon changing the beliefs, values and attitudes of organisational members. As Sullivan (1994a: 40) comments 'people are the key to achieving any change, without each individual changing, the organisation as a whole will not change.' Consequently, organisational members hold the key to the successful implementation of any organisational change (Vandermerwe & Vandermerwe, 1991; Lucas *et al.*, 1990). Moreover, given that TQM can be regarded as an OD intervention and that OD is rooted in behavioural science theory (Sullivan, 1994a), issues pertaining to human resource management within the organisational change process need to be examined separately.

Organisational Members

Although initiating and managing the organisational change process are essentially managerial tasks, successful adoption, diffusion and eventual routinisation of the change is conditional upon its acceptance by organisation members (Vandermerwe & Vandermerwe, 1991; Lucas *et al.*, 1990). Lam (1995) contends a significant factor contributing to the effectiveness of Japanese TQM initiatives is the high level of importance that is placed upon ensuring they have a satisfied, and thus motivated workforce. He believes that in order for Western organisations to achieve an equivalent level of success, they need to emulate Japanese human resource techniques. Indeed, Perry *et al.*, (1995) note from their research that while organisations are quick to implement the much touted Japanese manufacturing techniques, there is considerably less enthusiasm shown to implement their affiliated comprehensive human resource policies. In fact, in the case of New Zealand organisations the authors found that human resource policies did not receive a level of attention commensurate with the increased flexibility and commitment that is now expected from the workforce. Consequently in such situations, the level of achievement of reform activities was severely restricted (Perry *et al.*, 1995). But, human resource managers need to be closely involved in the overall planning and administration of the change process to assure that the human resource issues are appropriately and adequately addressed (Pettigrew & Whipp, 1991).

Within the change process associated in the implementation of TQM, employee resistance to change is freely cited as being a frequent and most inhibiting factor that is difficult to overcome (Merron, 1994; Wilkshire & Barker, 1994; Raman, 1993; Fox, 1991). Schermerhorn (1993) argues that overcoming resistance to change begins with understanding and identifying the reasons for its occurrence. Understanding the nature and precipitance of resistance enables management to positively and constructively employ the appropriate strategies to overcome it. Accordingly, Schermerhorn has identified common reasons why resistance occurs and ways to overcome it, see tables 3.6 & 3.7.

- *Fear of the unknown*: Not understanding what is happening or why.
- *Disrupted habits*: Feeling upset when you can't follow the old ways of doing things.
- *Loss of confidence*: Feeling incapable of performing well under the new ways of doing things.
- *Loss of control*: Feeling that things are being done "to" you rather than "by" or "with" you.
- *Poor timing*: Feeling overwhelmed and that things are moving too fast.
- *Work overload*: Not having the energy, physical or psychic, to commit tot he change.
- *Loss of face*: Feeling inadequate or humiliated because the "old" ways apparently weren't "good" ways.
- *Lack of purpose*: Not seeing any reason for the change and/or not understanding its benefits.

Table 3.6: Common reasons why people resist planned organisational change.
Source: Schermerhorn, 1993: 670.

Manipulation and co-option plus explicit and implicit coercion are the least desirable methods of overcoming resistance to change because they essentially force people to accept the change through the use of potentially covert means. This very often can result in organisational members harbouring negative feelings towards management and the change itself and may even contribute to an escalation of resistance. Yet, because these methods seem to generate expeditious results, they are commonly employed within organisations (Bartol *et al.*, 1995; Schermerhorn, 1993).

- *Education and communication*: Using discussions, presentations, and demonstrations to educate people beforehand about a change.
- *Participation and involvement*: Allowing others to contribute ideas and help design and implement the change.
- *Facilitation and support*: Providing encouragement and training, actively listening to problems and complaints, helping to overcome performance pressures.
- *Facilitation and agreement*: Providing incentives that appeal to actual or potential resistors; making trade-offs in exchange for assurance that change will not be blocked.
- *Manipulation and co-optation*: Trying to covertly influence others; providing information selectively and structuring events in favour of the desired change.
- *Explicit and implicit coercion*: Forcing people to change; threatening resistors with a variety of undesirable consequences if they do not go along as planned.

Table 3.7: Six ways to deal with resistance to change
Source: Schermerhorn , 1993: 670

The implementation of TQM within an organisation represents the introduction of something new and unknown. As such, it threatens the familiarity and security of the status quo within which organisational members often have established mechanisms and methods for coping with organisational infrastructure and managing existing operational processes and procedures (Bartol *et al.*, 1995; Schermerhorn, 1993; Bedeian & Zammuto, 1991; Vandermerwe & Vandermerwe, 1991). Furthermore, organisational members may interpret the decision to introduce TQM as being managerial dissatisfaction with the status quo and because they often feel responsible for the status quo, organisational members then interpret the decision as being managerial dissatisfaction with their personal performance (Bedeian & Zammuto, 1991).

This situation may be further compounded when organisational members are not adequately informed about TQM and the effect it will have upon the status quo. The resultant inadequate knowledge and understanding then becomes manifested in a lack of trust between the senior management team initiating TQM and organisational members having to adopt it, with organisational members being suspicious of senior management and the "real reasons for TQM" (Sullivan, 1994a). When neither immediately nor satisfactorily addressed, this distrust and suspicion can quickly produce widespread rumours and distorted information, causing misunderstandings between senior management and organisational members. This raises uncertainties as to the impact the change will have upon the organisation as a whole, and because peoples' first concern generally is for themselves, organisational members and their jobs (Bartol *et al.*, 1995; Sullivan, 1994a; Dawson, 1993; Nadler, 1993; Schermerhorn, 1993;

Bedeian & Zammuto, 1991). As a result organisational members will frequently resist an attempt to introduce TQM, or any other form of organisational change, especially when they perceive it to threaten the stability and security they presently enjoy. But often it is not TQM *per se* that is resisted, rather it is all the uncertainties associated with it that is resisted (Bedeian & Zammuto, 1991).

Resistance to change is not confined to lower level organisational members. Managers, especially middle managers often strongly resist change, not because they view it as being bad for the organisation as a whole, but because they perceive the change will threaten their position within the organisational structure and thus, their associated power and authority within the organisation (Perry *et al.*, 1995; Nadler, 1993; Pugh, 1993; Martin, 1992). Perry *et al.* (1995) refer to a study by Klein (1984) which found that major causes of middle management resistance were

- uncertainty over job security and status
- concern about job definition and the lack of a clear understanding of how their performance is to be measured
- concern about the additional work generated by implementing work change programmes whether of a short-term (as with team development and training) or ongoing nature (as with the co-ordination of quality-wide groups) (Perry *et al.*, 1995: 58).

Klein, also found that contrary to popular opinion, middle management resistance was not confined to older or more senior supervisors, instead the above concerns existed amongst managers regardless of their age, background or leadership style (Perry *et al.*, 1995).

The implementation of TQM redresses the power, authority and status of all organisational members, especially middle managers. Traditionally, organisation's had clearly defined hierarchies whereupon all organisational members were aware of where they fitted within it, the level of power and authority they had, and thus the status they held within the organisation's social system (Schermerhorn, 1993). However, in its truest sense, TQM flattens an organisation's hierarchy and provides all members, especially shop-level employees, with increased autonomy, authority and control over their jobs and issues that may arise within their work area (Dawson & Palmer, 1995; Sullivan, 1994a; Fox, 1991; Russell, 1991). Thus, TQM challenges people's, especially middle manager's power, authority and organisational status.

Status is both an informal and implied factor, yet it is important as it reflects an individual's rank, worth and/or prestige within a group, organisational or social setting. Organisational status helps to structure how people within an organisation interact with each other by clarifying how one should behave toward others and how others should behave in return (Mitchell, 1978). A person's organisational status is not only influenced by their position but also by the level of authority and power they possess (Schermerhorn, 1993). Mitchell (1978) distinguishing between power and authority, suggests that power is the *ability* to exert

influence with authority being a person's *right* to exert influence upon other people. Authority is both a source and result of power, as although power can be derived from a number of sources such as expertise, specialist knowledge and control over information, in the first instance it is usually associated with a person's formal authority (Schermerhorn, 1993; Johnson & Scholes; Mitchell, 1978). Formal authority, is directly associated with a person's organisational position, the parameters of which are usually defined within their job description. Authority is a mechanism organisations rely upon as a means of obtaining minimal conformity with role requirements and managerial directions (Schermerhorn, 1993; Mitchell, 1978).

TQM challenges established norms and forces organisational members to develop and learn new standards that are based upon the quality paradigm. However, exactly what must be changed or learned is often ambiguous and similarly, one's future relationships with others may be unclear (Martin, 1992). To the extent that a status change is surrounded by ambiguity, the change is more difficult to make. Therefore, activities such as education and training in new skills are important to help reduce the uncertainty and provide people with the skills necessary to make the transition. Training activities are especially important and, as such, they should be devised to both mark the event of the change and to clarify situations to be faced in the future (Martin, 1992; Mitchell, 1978). Martin (1992) believes that this is of particular importance when trying to alleviate middle management resistance. Many middle managers perceive they have the most to lose, in terms of power and authority, upon the introduction of TQM and so it is regarded as a direct threat to their existence. Consequently, senior managers need to ensure that middle manager's roles are redefined to encompass a horizontal dimension of management as well as the traditional vertical dimension. This means the role of middle management shifts away from conventional activities of directing and controlling to guiding and supporting others, as well as integrating and optimising resources to ensure that customers are satisfied and their system is operating with a minimum of waste and errors.

Quality of Work Life

> A company should realize that an essential way to move towards quality excellence is through a concerted efforts to improve not only the quality of the product or service but also the quality of the working life of its employees (Lam, 1995: 49).

Quality of Work Life[2] is a managerial concept which is used to both assess and describe the overall quality of human experiences in the workplace. Walton's (1973) work into human experiences in the workplace led him to identify that "quality of working life" had become a popular phrase to describe environmental and humanistic values that were being neglected by most western organisations in favour of productivity, technological advancement, and economic growth. In order to analyse QWL he identified eight major conceptual categories which he believed were broad enough to provide a salient frame of reference, see table 3.8

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2 Hereinafter, Quality of Work Life will de denoted as QWL

Although the QWL concept has existed for many years it has rarely been examined in relation to the implementation of a quality system and how attention to it can help to minimise the effects of, and overcome their resistance to TQM as well as secure ongoing their commitment to the process. (Schermerhorn, 1993; McLennan *et al.*, 1987; Walton, 1973).

1. *Adequate and fair compensation:* This pertains to issues such as whether income from full-time work meet socially determined standards and whether the pay received for certain work bear an appropriate relationship to the pay received for other work?
2. *Safe and healthy working conditions:* Organisational members should not be exposed to physical conditions or hourly arrangements that are unduly hazardous or detrimental to their health.
3. *Immediate opportunity to use and develop human capabilities:* The opportunity organisational members have to use and develop their skills and knowledge. This includes aspects such as autonomy, multi-skilled jobs, the completion of whole tasks, and planning.
4. *Future opportunity for continued growth and security:* This pertains to the availability of advancement, self-improvement and career opportunities.
5. *Social integration in the work organisation:* This refers to the nature of personal relationships within the organisation, and whether organisational members have a satisfying identity and experiences of self esteem. These are dependent upon the extent to which the workplace is free from prejudice and egalitarianism, the presence of supportive primary groups and a sense of community within the organisation, as examples.
6. *Constitutionalism in the work organisation:* Organisational members' constitutional rights should be respected and protected within the *workplace, for example privacy, freedom of speech.*
7. *Work and the total life space:* An individual's work experiences can have positive or negative influences on other parts of his/her life outside work. Therefore, organisational members should be able to have a healthy balance of work and non-work responsibilities.
8. *The social relevance of work life:* This refers to how members perceive the organisation to be acting in a socially responsible way.

Table 3.8: Quality of Working Life criteria.
Source: Adapted from Walton, 1973: 12-16.

While TQM is said to enhance the well being and work life of organisational members, a survey of first line supervisors by Lam (1995) into the impact of TQM on organisational members found that TQM did not enhance their satisfaction. Respondents indicated that TQM made their work more demanding, in terms of quantity as well as increased skill level and accuracy required. They also indicated that TQM did not make their jobs more interesting, nor did it provide them with increased autonomy. In fact, contrary to that advocated within the TQM literature, respondents reported that they had less freedom in how to do their job, even though their accountability had increased. Overall the results indicated that quality systems had a great emphasis upon meeting customer needs and improving their satisfaction, with only, at most, a nominal level of attention being afforded to improving employee satisfaction. While acknowledging that the quality systems of most of the reported companies had included activities such as employee training, quality circles and statistical process control, Lam comments that such 'programmes may enhance the employees' abilities to achieve the goal of customer satisfaction. They do not enhance employee satisfaction.'(Lam, 1995: 49).

Attention to human resource issues, specifically focusing on increasing employee satisfaction through improving their quality of working life can have a twofold effect. Firstly, it can help reduce resistance to change. As positive experiences, within organisational member's work environment, arise from the change they become more accepting of it and motivated towards ensuring its diffusion and routinisation (Lam, 1995). Secondly, attention to QWL can increase organisational member's sense of satisfaction with both their job and the organisation, which in turn can lead to an improvement in productivity. Indeed, Schermerhorn (1993: 9) alludes to a causal relationship between QWL and productivity when he comments that 'productivity is achieved through high performance *with* a sense of satisfaction by the people doing the work'.

Employee satisfaction can be enhanced when QWL issues are integrated into the design of both job content (tasks) and job context (work environment) (Schermerhorn, 1993; Walton, 1973; Herzberg, 1968). In his research into employee motivation techniques Herzberg (1968) found that motivation is largely contingent upon improving satisfaction. This in turn is influenced by intrinsic and extrinsic aspects of job design.

Early studies by Walton (1973) and Herzberg (1968) although investigating different ways of improving employee satisfaction, shared some common findings. Both identified the importance of both intrinsic and extrinsic aspects within the work environment and tasks performed to improving their satisfaction. Herzberg (1968) found that satisfaction is contingent upon reducing job dissatisifiers and increasing job satisifiers. Job dissatisifiers are predominately extrinsic elements found within job context rather than job content and include factors such as working conditions, interpersonal relations, organisational policies and administration, technical quality of supervision and base wage or salary. But improving or amending the dissatisfiers will not necessarily lead to an improvement in job satisfaction. Instead, job satisfaction can only be improved by increasing job satisifiers, which are linked to job content. Job satisfying factors are intrinsic in nature and include having a sense of responsibility and achievement plus feelings of recognition (Schermerhorn, 1993; Herzberg, 1968). Therefore, according to Herzberg (1968) in order to improve job performance and/or productivity management should try to reduce, if not eliminate, dissatisfiers within job context and improve satisfaction through enriching job content.

Traditionally, performance appraisals have been the means through which individual performance has been measured, ranked and then financially rewarded or punished dependent on the ranking. However, theses have a tendency to become a demotivator rather than motivator (Crosby, 1995; Weber, 1995; Joiner, 1994; Walton, 1989). Indeed, Deming argues that the act of ranking performance incites behaviour that is contrary to the quality paradigm as they incite competition amongst organisational members instead of co-operation. In doing so performance appraisals inherently undermine the quality philosophy of teamwork and co-operation, and instead they generate a 'climate of fear and mistrust within the workplace' (Weber, 1995: 65; Walton, 1989). At Ford New Zealand performance ranking has been

eliminated from annual performance appraisals (Miller, 1993). Nevertheless, performance appraisals do have a place within a quality system when, instead of being used to evaluate and rank past performance, they are used to reinforce totally quality values and do so in an equitable manner. In this respect performance appraisals should focus on future development and not past results, have clearly defined success standards, create positive values for personal development and empowerment as well as be linked to the organisation's vision statement, customer satisfaction and long term quality improvement initiatives (Weber, 1995).

Employing a more developmental approach to performance appraisals allows managers to work with their subordinates to discover performance obstacles, determine how to overcome them and identify training and development opportunities. Instead of discouraging co-operation, and inciting friction between the appraiser and appraisee, performance appraisals used in this manner encourage and reinforce teamwork and working together. They should also demonstrates to subordinates the participatory style of management consonant with TQM (Weber, 1995; Schermerhorn, 1993).

Constant rewards for good performance help to maintain morale and motivation within high performance work systems (Inkson *et al.*, 1986). Rewards can be extrinsic or intrinsic. Extrinsic rewards are externally administrated and quantifiable such as praise, time off, promotions, special projects and financial bonuses.

> Compensation, particularly *relative* compensation (how much one employee makes compared to someone else) is much more likely to be a demotivator than a motivator. When employees seek individual reward, they begin to chase the indicator that triggers the reward. But chasing indicators is a major source of problems: all the pieces look good in their own right, but somehow fail to add up to organisation success (Joiner, 1994: 244).

Intrinsic rewards are self administrated and occur naturally as a person performs a task, such as receiving a sense of responsibility and achievement, feelings of competency, personal development and self control (Joiner, 1994; Schermerhorn, 1993; Inkson *et al.*, 1986). Indeed, Joiner restating what behavioural scientists believes intrinsic motivation is a far more effective motivator than financial rewards or punishment, and that organisational performance is greatly influenced by how well people co-operate, rather than how mush they are paid (Joiner, 1994).

Enhancement of job satisfaction also involves reassessment of job content. While high performance work system demand that jobs meet both the needs of the organisation as a whole and the workforce (Schermerhorn, 1993) they should also tap the skills of those performing them and provide members with the opportunity for growth and development (Covey, 1992). The content of jobs should be consistent with the principles and values of TQM and, therefore they should promote the use of self managing teams that operate with participative decision making, shared tasks and have responsibility for many "managerial" tasks traditionally

performed by supervisors (Schermerhorn, 1993). Indeed, Herzberg (1987) questions the value of traditional approaches to job content, such as job rotation and enlargement. These, he contends, merely add meaningless tasks onto existing meaningless tasks or they are swapped for others. Rather, he proceeds, in order to have people do a good job, they must be provided with a good job to do and that a good job is created by expanding not only the scope but also the depth of the job, in other words enriching or vertically loading it. The depth of a job is increased to the extent that planning and evaluation duties are performed by the individual worker and not the supervisor (Schermerhorn, 1993; Hackman *et al.*, 1975). Self managing work teams bring people and technology together to work to a good advantage and can enhance employee involvement and empowerment. But the full benefits of such a style of job content can not be realised without a job context that is supportive of it (Herzberg, 1968). It is interesting to note that the job satisfiers are similar to intrinsic motivators, therefore in order to increase productivity intrinsic motivators should be used to increase job satisfaction, with extrinsic motivators used in support and to help create the appropriate work setting.

Job designs that are based upon the theory of enrichment and self managing work teams generate many intrinsic rewards, but they must be backed by extrinsic rewards. It is the responsibility of the manager to create and distribute rewards to effectively reinforce and encourage good performance but this juggling act becomes easy within high performance work systems where achievement by teams is emphasised and high performance is a valued norm. Most often rewards of a financial nature are used to motivate individual task performance, while they do have their place, there is a tendency for use of them to encourage neglect of teamwork and rigidity. Thus, there is a trend for organisations to reward members, not for individual performance, but for performance of the organisation as a whole (Inkson *et al.*, 1986). But organisations also have a social responsibility to ensure a high quality of work life is experienced by all organisational members. This is because the experiences of people at work permeate through to their non-work life, thus management practices can increase and decrease the quality of a person's overall life, not just work life (Schermerhorn, 1993).

Summary

This chapter sought to provide an explanation of the process of organisational change that TQM implementation requires. In this respect it reviewed the concept of change and then proceeded to review the implementation process within the framework of Lewin's three-phase model of change. This provided insights into the constituent elements of the change process. However, the traditional theory of organisational change is not without its limitations and an emerging perspective of change contends that it is no longer truly applicable to the modern business environment and organisations. It argues that instead of being rational, linear and systematic as prescribed by traditional literature and models, change is processual in nature. Accordingly, two processual models of change were presented as being more representative of the change process experienced by contemporary organisations.

The chapter then moved on to examine internal constraints to the change process, in general, and TQM implementation, in particular. This identified that TQM implementation requires an organisation to change its culture. But in order for cultural change to be effected, organisational member's attitudes, habits and methods of operating need to change. Unfortunately, instead of embracing change, organisational members frequently resist it and so the issue of resistance to change was then reviewed. The chapter then investigated how improving the quality of a person's working life can assist mangers overcome resistance to change and encourage people to adopt and routinised it.

Chapter Four

The Implementation of TQM within Four Manufacturing Organisations

Introduction

In this chapter the TQM implementation processes employed by four manufacturing organisations are examined in separate accounts. Each account begins with a brief description and history of the organisation and the proceeds onto a description of the events which contributed to the decision to implement TQM. Finally, the way in which each organisations managed the TQM implementation process in examined.

Company A

History and description of the company

Company A is a family owned and operated berry fruit producer and fruit wine making business. It was established in 1969, when the present General Manager's[1] parents decided to capitalise upon an abundant berry harvest and diversify from mixed cropping farming into fruit wine making. Since then the company has grown from a hobby winery into a prosperous family business with a reputation for producing additive-free, real fruit products.

In 1981, the construction of a new factory and launch of a new product - a fruit juice devoid of artificial flavours and sugars - resulted in considerable growth as the first wave of the health food trend was caught. Subsequently, management has kept abreast of current trends and opportunities for growth. As a result the company's product line has been expanded and now incorporates traditional fruit wines, fruit juices, non-retail contract fruit processing for bakery, food service and industrial customers, plus up-market fruit jams, spreads and sauces which are distributed through specialised food stores. While, the non-retail product line has become the biggest contributor to company profits, the grocery line fruit juices remain the most well known, biggest individual brand. The company has an on-site wine shop which sells all of its retail products and has become a regular port of call for tourists and as such an excellent public relations vehicle.

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1 While appreciating that the senior managers of the four cases held different titles, for consistency they shall be referred to as General Managers.

Company A presently has an annual turnover of $5,000,000.00 and employs 35 permanent full time equivalent employees. Although during the height of the season, the number of people employed rises to approximately 150. While most products are sold domestically, the company does export 10-15% of its products. The major export market is Australia, although in the late 1980s under the now defunct Individual Exporter Programme the company did begin to develop the Asian market. Unfortunately, upon the withdrawal of that programme and the stricter criteria of its replacement the Business Excellence Programme, management ceased the development of Asian markets because they considered that the high capital costs coupled with hefty risk factors meant that further development without government support was not viable during that economic climate.

Events contributing to the decision to implement TQM

The decision to implement TQM arose from a series of organisational analyses that were undertaken, with an increased awareness of quality management and the benefits that it can provide. The instigator was the operations manager who, after attending an Introduction to Quality Management course at the local Polytechnic, had become enthusiastic about the quality paradigm and was eager for Company A to adopt it. He approached the General Manager suggesting that the course lecturer be engaged to perform a business appraisal. In order to increase his personal awareness of the quality paradigm and the benefits it can provide an organisation, the General Manager attended a one day course on quality management. As a result of that course, the managing director recognised the importance of TQM within the modern business environment and the value a quality system would be to the company.

Consequently, in January 1991, a business appraisal was undertaken. This identified many issues and problems that management needed to address and recommended a business plan be prepared in order to determine the most appropriate means for addressing them. In May 1991 a business plan was duly prepared with its recommendation being that a quality consultant be commissioned to develop a quality system in order to overcome the identified problems and issues. The management accepted the recommendations and so applied for a grant from the regional Business Development Board to assist with the expenses associated with the implementation of a quality system and gaining ISO 9000 certification. The application was approved in July 1992 and a quality consultant was accordingly commissioned.

The process of implementation

The process of implementing the quality system has been gradual and incremental, with deliberate steps to subtlety incorporate it into the way the business operates rather than ostentatiously announce that the company was adopting TQM and forcing the change on

employees. The Quality Consultant *got the ball rolling* and drove the initial stages of the implementation process. He instigated the writing of quality manuals, especially the primary manual, which has essentially formalised the way the company is operated. The holding of regular team meetings with the Quality Manager helped the initial education of organisational members about the quality paradigm.

At the same time, the education process was being assisted by some employees attending the Introduction to Quality Management course at the local Polytechnic. Although the company paid for the course, employees had to attend it in their own time. Nevertheless, all of the senior and middle management in production and technical, four full time people from the plant and approximately six of the part-time shift-workers attended the course, with some going on to achieve their certificate in quality management. The employees then helped to educate organisational members who had not attended the course by relating to them what they had learnt.

The initial stages of implementing the quality system concentrated on the technical and production function of the organisation. As benefits began to be realised they were communicated, formally and informally, throughout the rest of the organisation. Thus, the implementation process cascaded throughout the organisation, for as members learnt of the advantages TQM can provide them and saw others actually experience those advantages, they were prepared and often eager to incorporate them within their own work processes. Hence, the process is actually being driven from the bottom up.

Problems experienced within the implementation process

The company has experienced some difficulties within the implementation process. The major one being an inability to adequately resource the process. The Business Development Board grant was used up approximately nine months into the implementation process. This meant that the services of the consultant had to be terminated and the onus of continuing his work fell onto the General Manager. Consequently, the momentum of the implementation process tended to wain, as other issues needed his attention. Where possible the process receives another push, but the General Manager freely concedes that resource constraints are prohibiting the allocation of the necessary time to the process.

Resource constraints have also prohibited the company from appointing a full time quality manager. Originally, the Operations Manager was appointed Quality Manager, but he had neither the time nor personality to adequately fulfil the role. Although not formally appointed as Quality Manager, the role of driving the quality system then was placed onto the Production Manager. But again this proved unsatisfactory, for although the production had better inter-

personal skills he was too autocratic. Accordingly, the role of Quality Manager and driver of the implementation process has, by default, fallen onto the General Manager which in itself has problems as he is often unable to commit the necessary time.

Because of the subtle and incremental approach to TQM implementation, there has been little adverse reaction to it from organisational members. Indeed, the General Manager believes that many do not know that TQM is being implemented at all, although they are aware of the benefits such as more meetings and that improvements to operating procedures. People within the sales and marketing department were a little sceptical at first, but once they saw how it would improve their jobs, it was willingly embraced. The main form of resistance came from the marketing consultant who thought it was totally anti-marketing and that it would gain too much precedence over strategic marketing management. Unfortunately, this resistance was unable to be overcome and he has left.

The General Manager concedes that the small, intimate nature of the company has enabled the incremental, subtle approach to TQM implementation to be employed, whereas it probably could not have been in a larger company. But it was not so much deliberately employed as necessary due to resources constraints which acted to limit the options available to management. Consequently, this approach has been the most appropriate and possibly the only way it could have been implemented, given the demands implementation has upon people, time and finance.

Company B

History and description of the company

Being one of five separate clothing and textile businesses which fall under the auspices of a parent company, Company B is a textile mill that produces specialist woollen fabrics which fall within five product groups:

1) branded products;
2) rugs and blankets for the domestic, hospitality and tourist markets;
3) Apparel fabrics;
4) Woollen upholstery fabrics; and
5) Protective fabrics.

Company B was formed in 1961 upon the merger of two textile businesses and the site which it occupies has been home to textile companies since 1885. But the relative strength of its present position belies a somewhat chequered history that has been plagued by uncertainty and industrial disputes. During the 1960s through to the 1980s the company was basically a

weaving mill producing predominantly worsted suiting fabric. However, deregulation of the New Zealand economy and subsequent increased foreign competition, meant that the company had become less effective in terms of price competitiveness. This situation was compounded by changing fashion trends which resulted in reduced demand for the fabric the company produced. As a consequence, the company moved into the production of woollen fabric which proved to be more price competitive by virtue of less processes and thus labour involved in its production. Nevertheless, Company B remained in a serious state of decline and in fact, had it not been part of a larger company it would not have survived.

Events contributing to the decision to implement TQM

In September 1991, the present General Manager was appointed to Company B and was charged with turning the company around. The General Manager took time to analyse the company, its environment and strategy. Having developed an understanding for the company, he then initiated the necessary changes to both structure and strategy. The company moved away from the production of "me-too" fabric to a differentiated strategy producing specialist woollen fabrics and branded products. This was a strategy more suited to the capabilities of the company and would enable it to capitalise upon its strengths and in doing so gain a comparative advantage. Restructuring was also undertaken, with redundancies throughout all levels of the hierarchy, with staff numbers falling by half to 60. Since then staff numbers have grown to 90, with the number of employees within the group totalling approximately 545.

In the period prior to the present General Manager's appointment, the company had started to implement the requirements necessary for ISO 9000 certification but that was put on hold because as the General Manager comments *there were too many fundamental things we had to do with the business, [we had] to get it sorted first.* However, the then General Manager was keen to see the company implement a quality system and so in November 1991, after the restructuring had taken place, he conducted initial staff education and training in TQM. But it was not until 1992 when the General Manager became committed, that TQM was seriously advanced.

Early in 1992 it was recommended to a member of a sister company that they should be implementing a quality system. This was mentioned to the General Manager of Company B and in order to learn more about the quality philosophy and quality systems, they attended a half day seminar run by Phillip Crosby & Associates. Even though the Crosby model of TQM did not represent a particularly new or revolutionary managerial approach, the General Manager became committed to it because the model basically restated his personal philosophy and style of management. Indeed, he considered the model to be a *wonderful framework* that would facilitate diffusion of his philosophy and managerial style throughout the organisation.

Following that seminar, the group as a whole decided to use the Crosby model to implement TQM and so 20 senior managers from within the five companies attended a four day, in-house course run by Phillip Crosby & Associates. The aim being to secure their commitment to TQM and gain consistency throughout the group by having its senior managers operate on the same wavelength. At the end of that course three people from Company B were selected to be trained as internal TQM trainers. The General Manager decided to become a trainer, not because he had aspiration to be in front of a class, but because it would enable him to become fully conversant with TQM. Furthermore, it would provide an opportunity for him to drive the implementation process as well as symbolise his commitment to it.

Once they had received their training, internal education courses for organisational members began. The first, was a comprehensive course consisting of 12 x two hour sessions covering the TQM paradigm, its philosophy, values and relevance to organisations in general and Company B in particular. Approximately half of the staff were educated in the first series of courses. The remainder attended a summarised version of this course, which consisted of four, two hour sessions. These were followed by courses on work groups, which involved six, one and a half hour sessions. In all approximately one year was spent educating and training organisational members, ensuring they all understood TQM and had the skills plus knowledge necessary to effectively perform within a quality system.

Upon the completion of the courses, self managing work groups were implemented which involved dividing the different work areas into groups. The groups which contained a facilitator, were provided with the freedom to design work processes, solve problems and implement suggestions that would improve the effectiveness of their work area and products produced. A Quality Improvement Steering Committee, which meets fortnightly, was developed to handle larger, more complicated problems and suggestions. It consists of people from all areas and members are regularly alternated in order to provide every one with the opportunity to participate.

The implementation process has been assisted by the fact that organisational structure was substantially flattened during the restructuring in 1991. Therefore major changes to structure to accommodate self managing work groups was not needed. Also, the introduction of the Employment Contracts Act enabled management create flexibility and introduce pay for contribution, to reinforce and reward for quality.

Problems experienced within the implementation process

But the implementation process has not been without problems. Organisational members were not given the option of participating, rather they were told that the organisation was

implementing TQM and they were all expected to become involved in it. While most organisational members realised that TQM was necessary for the survival of the business and generally responded well to it, there were those who were sceptical and resisted it. Over time and given the improvements that have been made, many of the sceptics have seen the benefits of TQM and have in fact become some of its most avid proponents. However, some who are not willing to accept TQM are blocking its progress and given that many are in middle management their resistance is having a significant impact upon the progress of the quality system.

Overall the implementation system has progressed reasonably well and is beginning to realise significant benefits to both organisational members and Company B as a whole. The principles and values of TQM are slowly being incorporated into the organisational culture and so the General Manager has considered it appropriate to set about gaining ISO 9001 certification.

Company C

History and description of the company

In 1868-1869 a brickyard and pipe-making factory was founded in order to capitalise upon the growing demand for tiles needed to drain local farmland and bricks for housing. By the turn of the century the company had diversified into the production of ceramics and approximately at the time of the World War One, it began to produce electric and telegraph porcelains. During the 1920s the company branched out into the production of pottery and in 1924 it was taken over and Company C as it is known today came into being.

Nowadays, the company consists of three semi-autonomous divisions, each headed by its own General Manager and operating within a set of objectives and aims common to the group, although the accounting and corporate functions are centralised. Each division operates within three different product markets.

1) Power Technology Division: This division is the sole New Zealand manufacturer of electric ceramics. However, the market is quite competitive due to the substantial level of competition derived from manufactures from Asia, Czechoslovakia and the United States and one part-time Australian manufacturer.
2) Pottery Division: This is a highly competitive market and accordingly it has had to be positioned in a niche of the market between high quality European porcelains and low quality Asian products. Within this niche, the division targets kitchenware, ovenware and tableware rather than the dinnerware segment. But the division does not compete with the low margin, high turnover terracotta products. In addition to supplying leading retailers,

the division operates a factory shop network and it has also developed a significant commercial market involving leading hotels and restaurants.

3) Electrical and Contract Division: This division produces metal parts, plastic components (used in the assembly of fuses and switches etc.) and the assembly and packaging of finished products. Approximately 90% of the production involves low voltage circuit protection equipment for the New Zealand and Pacific Islands domestic and industrial markets. Like the other two divisions this operates within a highly competitive market, with competition for the main product range HRC (high rupture capacity) and miniature circuit breakers being 100% foreign.

The markets are predominantly New Zealand, Australia and the Pacific Islands. The Electric and Contract Division is located in a town 58 km north of the main factory where the Power Technology and Pottery divisions are located. Presently, Company C employs approximately 200 people within its three divisions and eight within the accounting and corporate function, making it one of the larger employers in its region.

Events contributing to the decision to implement TQM

The company had always supplied products of a high standard of quality. But although it supplied products of a high quality, it did not consistently produce them. Instead heavy reliance was placed upon quality control departments inspecting quality into the final product, thereby ensuring that its reputation for the supply of high quality goods was maintained. In fact, during the 1980s as the General Manager comments *that was probably the only thing that kept us in business, for the company virtually did everything else wrong.* Indeed, during the 1980s the company was in serious financial trouble and in 1988-1989 in order to determine if the business had a viable future a contract manager was appointed. The decision was then made to keep the *doors open.*

During this time, a major customer group for electrical products, the Australian market, was looking to replace boarder protection mechanisms that had been removed by CER. So they began to demand that imported products complied to the Australian Standard. Then they began to incorporate a clause in tender documents stipulating that suppliers be ISO 9000 accredited. Company C, therefore, had no option if it wanted to retain the Australian market, but to gain certification. This was achieved in October 1990 when the Power Technology was accredited with the ISO 9001 standard, only the fourth organisation in New Zealand to accreditation to the standard, at that time. But ISO accreditation applied only to the Power Technology division and the other two did not have a quality system in place.

The gaining of ISO 9001 accreditation within the Power Technology division represented a significant achievement for a company experiencing so many problems and uncertainties, especially as Company C was only the fourth organisational in New Zealand to achieve ISO 9001 certification. It also signalled a turning point in terms of recognising quality as being a philosophy that embraces the organisation in its totality rather than something confined to the production department and the end product. The company then experienced approximately 15 months of adjustment in terms of acknowledging the importance of the customer (both internal and external), determining their requirements and refocussing all facets of the organisation towards meeting customer requirements and expectations.

The newly appointed General Manager had a background in quality management and was of the opinion that ISO accreditation was merely a starting point for the development of a total quality organisation. ISO provides a small element of improvement and creates an awareness of the need for waste reduction and begins moving towards having quality built into the production process rather than inspected into the final product. The preparation of quality manuals provide an excellent set of reference documents which can assist on-the-job staff training and systems maintenance. But the General Manager believed that because ISO accreditation merely involves documenting existing procedures in a form consistent with its requirements, the standard itself does not force an organisation to make any significant changes to its management nor its operating systems. Therefore, the General Manager believed that the full spectrum of benefits and long-lasting substantial improvement could only be derived from a quality system that is accompanied by an infrastructure and culture consonant with the values and principles of the quality paradigm.

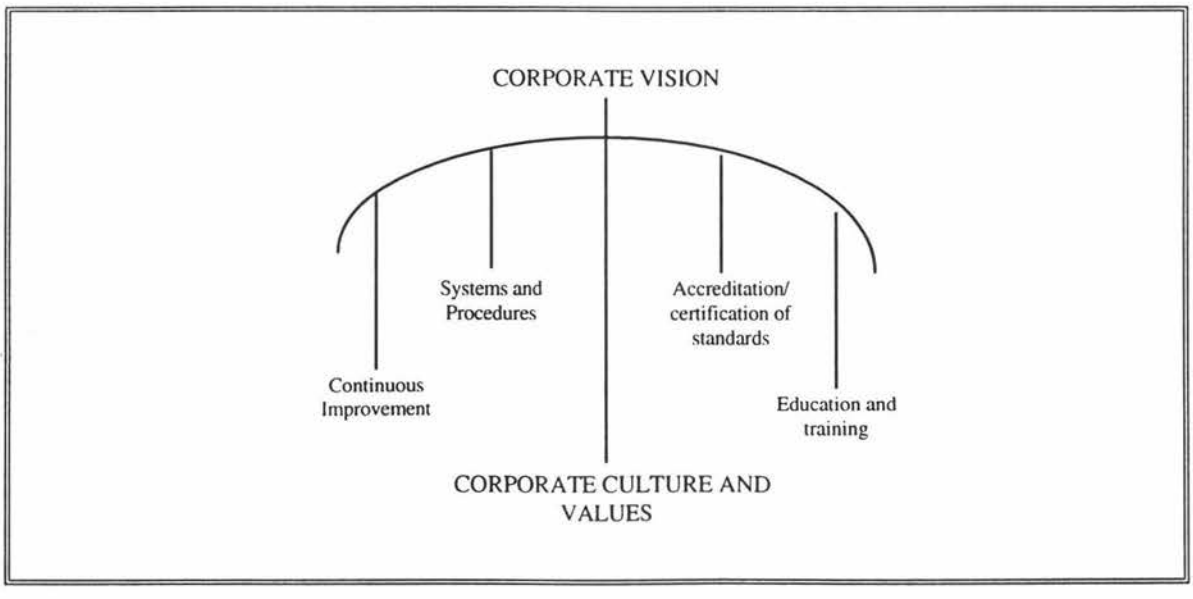

Figure 4.1: Company C quality model.

The process of implementation

The General Manager views the implementation of TQM in the form of an umbrella (see figure 4.1) with the corporate vision covering the entire organisation which is in turn held up by corporate values and culture. Four key aspects of a quality system hang off the umbrella: continuous improvement; systems and procedures; accreditation/certification of standards; and education and training.

Development of a corporate vision

A considerable amount of time was taken over the development of a workable corporate vision. A draft vision statement was developed by the senior management team with input from the Board of Directors. This, was then critically appraised by a Marketing Professor, who was known personally to the General Manager. His suggestions were then taken into account in the finalisation and subsequent ratification of the vision statement, see figure 4.2.

COMPANY C VISION
We will share success through being
"YOUR QUALITY PARTNER"

Company C will succeed with you through a commitment to innovation and improvement.

Our partnership will:
- recognise the value and importance of our key client groups - customers, shareholders, suppliers and the community
- create an environment where we can excel together.

All aspects of our business will benefit from our proud heritage founded on New Zealand's natural resources:
- our people
- our materials
- our environment

People are our greatest asset. We will:
- treat everybody with trust and respect
- create a challenging, stimulating and team-based workplace
- give and expect total honesty.

We seek you commitment to our vision.

Figure 4.2: Corporate Vision of Company C.

Upon the ratification of the corporate vision statement it was announced to all organisational members at a company meeting. During this meeting a basic explanation of TQM and why it is necessary, was provided. It was also explained that this represented the future direction of the

company with all organisational members being involved in making it so and that this was not negotiable. Management did not have to force it upon people as all organisational members realised that they company did not have any option given the position it was in. But recognising that it would be difficult for many people to abruptly change work habits and methods of operating, they accepted that people would need time to adjust. Therefore, it was said that from that day onwards (November 1992) the vision statement and objectives would govern the organisation and it was expected that they in time they would be reflected in organisational members' actions and work habits.

Organisational Structure

In August 1992, the organisational structure was altered in order to reflect the quality paradigm. Departments were deliberately drawn overlapping to illustrate movement of organisational members between them and the fact that this movement will increase as they become increasingly multi-skilled. Production co-ordination teams are made up of co-ordinators, team leaders and direct service personnel, such as cleaners and engineers, were developed. These teams have regular, usually daily meetings to discuss issues, problems and make suggestions. Strategic focus groups were developed in order to review issues that have an overall strategic importance to the company, such as human resources, environment, strategic planning and ones which focus on individual divisions. Membership of the strategic focus groups is compulsory for managerial level staff but voluntary for others, although progression up the hierarchy is dependent upon membership in a strategic focus group.

Changes to the method of remuneration

Senior management needed to ensure that performance measures and remuneration rewarded desired behaviour only and that it was aligned to the quality philosophy, the corporate vision and values. Traditionally, the method of remuneration had revolved around a bonus scheme that merely rewarded members for throughput and did not encourage them to worry about the standard of quality of the products they were producing. In the words of the General Manager, the scheme *paid bonuses to people to make rejects as fast as they could and then a greater bonus was paid to replace them.* Accordingly, in late 1990 actions were undertaken to phase out the bonus scheme and by March 1991 it was replaced by a merit scheme. This rewarded people for factors such as increasing their skill level, tenure, attitude, attendance, quality and productivity in terms of saleable output and elimination of rejects.

The remuneration scheme for managers was similarly altered to a merit scheme, but based upon criteria applicable to their role. It encouraged them to develop, guide, resource and attend through others.

Communication

Vertical and lateral communication was enhanced through a series of meetings, team work, noticeboards and newsletters. A bi-monthly "state of the nation" meeting was initiated in order to talk about everything and anything. This meeting addresses issues presently facing the company such as business results, and health and safety. In addition the meetings were used to acknowledge organisational members who had achieved something significant. The meeting is also a means of acknowledging those members who have improved their personal skills, by presenting them with framed certificates from the courses they have completed.

A company newsletter was established along with two types of noticeboards being erected in the factories. One displays general notices, and the other, a "future projects board", displaying notices which pertain to the corporate vision, strategic focus groups and continuous improvement. It communicates what people, work teams and groups are doing in various areas and which they have achieved. The notice boards are placed in the factory within easy view of all members.

The General Manager employs an open door policy to managing and tries to spend as much time as possible down on the factory floor talking to people. In fact, his office is merely a desk in the board room, which he must vacate when the room is being used. His commitment to open communication is exhibited in the operation of a suggestion box. He is the only key holder to a locked box into which members may place any written suggestions they may have. Being the sole key holder, members are assured that their suggestions go straight to the General Manager and he has made it a policy to personally respond in writing, to all suggestions. When a suggestion is rejected he will go and discuss his reasons for doing so with the respective person, so they are fully aware of why their suggestion was rejected. Those, whose suggestions have been accepted then become personally involved in its implementation. For example, when the suggestion involves the purchase of capital equipment, the person is involved in both the selection and instillation processes.

Language used within the organisation was redressed as the General Manager contends that a person's language is a direct reflection of their true beliefs, and it is hard to change when the language reinforces old behaviours and notions. Terms such as worker and management were abolished because all people are workers and the use of such terms reinforce distinctions and barriers between various groups of people. They also carry a perceived meaning of importance, when in actual fact every member has an important role to perform within an organisation and this should be reflected in the everyday language used.

Training and education

Initial education about TQM and why it was required within Company C was performed at a mass meeting of all organisational members. People were then selected to attend an Introduction to Quality Management course offered through the local Polytechnic. But although the company paid for the fees, people had to attend the course in their own time. Those who had attended were expected to impart the information and knowledge learnt to those around them.

People were also encouraged to extend their skill base and attend courses such as Kiwi Host and gain their fork lift licences.

Major problems experienced

Though organisational members were aware that the company had no choice but to implement TQM and that they had to accept that, it has been difficult for them to break established routines and habits in favour of the new way of operating. As a result many people resisted the change. Senior managers realised that they had to provide people with the opportunity to change in their own time, within reason, and that they needed to nurture the process through continual, open communication and leading by example. Managers were encouraged to focus on those who were adjusting well to the change and progressively isolate those who were not, with the idea being that eventually resistors would come around as they began to experience benefits.

One of the larger groups of resistors were middle management, as they perceived that they had lost the most in terms of their power and position in the organisation and were as a consequence most threatened by the change. Unfortunately this group had the most direct contact and thus influence upon those operating at the workface and it was crucial to the ultimate success of the implementation process that they were leading the change by example. By this group not adjusting tot he change, they were sending direct signals to those below them that they didn't need to change. As a consequence, people at the workface became increasingly sceptical when they heard senior management continually talk about the change and refer to improvements, when they were not experiencing any themselves.

The General Manager realised that a reason for this was the fact that while the remuneration scheme was changed to include being rewarded for exhibiting behaviours such as guiding, leading, delegating, they were also being rewarded for traditional behaviours of controlling and ordering. Therefore, the system had to be changed to only reward those desired behaviours. In addition middle management were taken away on team building, problem solving and leadership courses. They were provided with training to develop their management skill,

particularly leadership and problem solving skills to provide them with the ability and thus confidence to perform the new roles being asked of them. Also the reward system was adjusted to focus on rewarding competency issues.

One manager refused to embrace the change and was becoming a significant block to the progress of his division. He was provided with considerable time to change, but it finally came to the point when he needed to decide if he was prepared to adhere to the new way or not. After considering it for a weekend, he announced to the General Manager that he could not accept it as it was the complete antithesis of what he believed the role of a manager to be, and resigned. Since then, the division has progressed well.

Another problem has been developing trust. After years of authoritarian management, organisational members have had difficulty trusting the new style of management and believing that management are genuine when they say they are willing to listen and are open to their suggestions.

Company D

History and description of the company

Company D is a tannery and quite young by industry standards, having been established in November 1974. In its earlier years it was more a producer of wet skins and has only been producing leather on a large scale for between 12-15 years.

Company D is a publicly listed organisation and has experienced many ownership changes in its relatively brief history, but presently an English company has an 82% share holding with the remainder being traded on the New Zealand Stock Exchange. Annual turnover approximates $30 million and it employs up to 160 people in its peak season, with regular staff numbering 110, thereby making it one of the larger employers in its district. The workforce comprises a variety of skill levels, with non-skilled, semi-skilled, technical and professional people being employed. The production process is marked by its labour intensive nature and the fact that although many processes involve a high degree of skill they are most mundane and repetitive.

The company produces clothing leather to order and competes within the highly complex, competitive and sophisticated leather fashion market. It exports to Turkey, Canada, Japan, Hong Kong, India, Europe and the United States of America.

Events contributing to the decision to implement TQM

The market for clothing leather experienced a world-wide depression in the early 1990s resulting in an oversupply of leather, which enabled customers to demand increased value for money. Consequently, competitors were forced to become more innovative in terms of product development and in terms of developing manufacturing processes that would ensure products were of a high standard of quality and produced at a competitive price. For Company D the effects of this were compounded by bad lambing season which resulted in lower lamb killings and thus the restricted supply kept pelt prices firm, further reducing the company's profit margin.

During the same time, Company D experienced a number of ownership changes. Approximately six years ago, it was owned by the now defunct Weddell group and even though it was making reasonable profits it was sold it to an English Tanning Company, which then sold it to the present English owners. This company has an 82% shareholding in the company with the rest being traded on the New Zealand Stock Exchange. In 1992, the uncertainty that had resulted from the ownership changes was compounded when the incumbent General Manager was forced to resign by the Board of Directors. While not specifically stated, the speculation was that although the company had been making reasonable profits, members of the Board were dissatisfied with the performance of the General Manager and were of the opinion shareholders' returns could been improved with the right management.

The then Tannery Manager was appointed General Manager on a years trial. The previous senior management team had employed a most autocratic style of management, the complete antithesis of the newly appointed General Manager, whose natural style was participative and directed to accomplishing through others and working together as a team. After attending courses and reading about the TQM and the quality paradigm the General Manager reached the conclusion that TQM was representative of his natural managerial style. Also he considered that when combined with changes to the marketing strategy, TQM would enable the company to effectively complete in a market demanding high quality, competitively priced, innovative products.

Process of implementation

Initially the implementation process involved a gradual, subtle indoctrination of the participative style of management. As previously stated, the General Manager naturally had an open, participative style of management and this was enhanced by his learning of TQM from which he subconsciously developed his own style of power sharing and facilitation. Quietly and discretely he surrounded himself with a team of senior managers who reflected his personal

philosophy, and in the process had to sack an incumbent senior manager. The present Human Resources and Quality Manager and the Tannery Manager are among those who were sought out by the General Manager. The introduction of a younger, participative senior management team really signalled the change to TQM. Indeed, the first year of the General Manager's reign represented a subtle and slow movement towards TQM and ISO. Gradually instilling its principles and values into the minds and attitudes of managerial staff and supervisors.

Having done that, the implementation process gained momentum with the introduction of education and training courses on the philosophy, tools and procedures of TQM and why it is required. Every member of staff attended an internal two hour introductory session. That in itself was significant as it was the first time in the company's history that all organisational members had received some kind of formal training. In addition, places in the Introduction to Quality Management course run by the local Polytechnic were offered, with the company paying the fees. Even though the course was held at night forcing people to attend in their own time, 45 organisational members have been on the course, with more expected to follow suit.

In November 1993 a Quality Day was held, whereupon all staff effectively had the day off and the factory was opened to family and friends and in many cases this represented the first opportunity for them to see where their partner, spouse or parent worked. Formal proceedings included addresses by the General Manager and the local Mayor who also had the honour bestowed upon him of officially launching the change to TQM and the aim to gain ISO 9000 accreditation, even though much of the work had begun.

One example of the new managerial philosophy was the painting of the staff cafeteria and toilets. For organisational members this represented a significant change and many could not believe that, firstly, management was prepared to spend money on their amenities and secondly, that they were able to choose the colour scheme and have a small team of staff paint them in company time. But this demonstrated that management were genuinely believe that all organisational members have the right to be treated with respect and dignity as well as be provided with clean, tidy and attractive surroundings.

A Quality Steering Committee, comprised of six senior and middle managers and six volunteers from the workface, all of whom had attended the Introduction to Quality Management course at the local Polytechnic, was established. The external consultant also attended the meetings to provide guidance and to find out where the company was up to and the issues it was facing. Initially, the committee met once a week, but this has since been reduced to fortnightly and sometimes even monthly. The committee oversees the mechanics of the quality system and the implementation process as well as discussing any issues and problems that may have arisen. The committee is also an excellent communication vehicle as the 12 members come from all

areas of the organisation, thus providing a good source of feedback to the committee and vice versa. Furthermore, information from the committee is relayed to supervisors at their meetings who then relay it to their teams and vice versa.

Communication is also assisted by way of a quality newsletter, QUEST, and notice boards in the cafeteria. In addition the Quality Manager goes around all the teams and *flies the quality banner*. Work systems have been redesigned into teams headed by team leaders and overseen by supervisors.

An "open-door" scheme by way of a suggestion box, was initiated and it is run by an "open-door" committee which meets fortnightly. In order to encourage people to come up with suggestions a prize was initially offered for the best suggestions. Unfortunately that back fired as most of the suggestions received had not been thought through. As a result much of the committee's time and resources were spent researching and providing back-up information in order to fully assess the feasibility of individual suggestions. Also, many members did not appreciate it when their suggestions were turned down and the maintenance team was stretched beyond its means. Consequently, management had to redress policies concerning suggestions as acting upon even the smallest suggestions proved to be a significant and powerful tool by which to demonstrate management's commitment to a participatory style of management.

The company has also set about aligning the pay scheme to the quality paradigm and making it more fair and equitable. Traditionally, a bonus scheme was in place, but it proved to be unfair as the nature of some work meant that it was easier for some areas to earn bonuses compared to others. Also the bonus system encourages individual work and competition rather than team work, with members focusing on output rather than quality. In order to overcome this system a merit scheme was developed and appraised by a panel which included volunteers from the workface. It has achieved reasonable acceptance throughout the organisation as members appreciate that under the new scheme they will have more personal control over their own earning capacity. Demonstration pay slips have been issued, illustrating what individual people can expect to earn under the new scheme. Organisational members' acceptance of the new scheme has been assisted by union approval.

At the time of the research, quality circles were in the process of being introduced. The company advertised for volunteer to be trained as facilitators. The Quality Manager considered that the 10% response rate to be good and signify that people are willing to become involved in the new system. Indeed, the Quality Manager commented that it was difficult saying no to nine of the volunteers. Those accepted were sent on a facilitator training course run by the New Zealand Institute of Management.

Basically, the TQM process has been less avert and more subtle in character, perhaps indicative of the personal approach and style of the General Manager. The emphasis has been placed upon gaining cultural change, and reinforcing management commitment to treating all people equally and with respect and power sharing. The General Manager is continually on the shop floor, taking an active part in operations. Being from a technical background, he enjoys his daily opportunity to grade skins and is constantly discussing finishes, colours with peoples and appraises finished goods before the leave the factory. He is the captain of the ship and recognises the importance of his role within the change process while leading by example through listening and communicating with people.

Problems experienced

The implementation process has not progressed as quickly as the Quality Manager would like, and yet for many the rate of change has been too rapid. For the Quality Manager, progress has been stilted by the need for him to spend considerable time communicating and gaining the trust of sometimes cynical organisational members. The history of a strict autocratic style of management has resulted in a workforce plagued with mistrust and suspicion of management and an unwillingness to go out of its way to co-operate with management. Many were initially suspicious of the decision to implement TQM because the company was making a profit and they suspected that there was some underhand more pressing motive for implementation. At best they thought that management was merely making changes for the sake of making changes.

Consequently, the major problem has been overcoming mistrust of management and the resultant resistance to change. One of the most significant groups of resistors has been middle management for whom the move to TQM and consequential open and participative style of management has been most threatening as it has eroded their traditional power and authority within in the organisation where they perceive that they have lost their statue within the organisation. This group potentially has the most to lose. However, most have come to accept the new way with the advantages it brings and have adapted reasonably well to it. But there are one or two who have refused to accept the change and as they supervise approximately one quarter of the total staff, their resistance has had a significant impact on the progress of the implementation process in those areas. The organisational members under them, hear the General Manager, Quality Manager, and indeed fellow staff members, talk of the changes and improvements but because they have experienced neither they do not know what is going on. They cannot make any suggestions or talk to their supervisor, instead they are expected to merely come to work, do what they are told without question and the go home. For them there has not been any change.

Senior management are aware of this situation, but they have made it a policy not to force any resistors from the company because many have been with the company for a considerable period of time and are approaching retirement. Management feels it has a moral obligation to allow them to bow out with dignity and not as a sacked person. Yet this policy is not without significant costs in terms of diffusion of the quality culture.

Communication is a pivotal aspect to the implementation process but it has also proved to be a major problem. The Quality Manager has had to spend a considerable amount of time sitting down with people, talking and trying to reason with them, which from his perspective can prove to be very frustrating as for every step forward it seems as though they take three steps backwards.

Because not everyone has attended the Introduction to Quality Management course at the local Polytechnic there is a difference in the knowledge base of TQM, its tools and procedures amongst organisational members. Those who have not attended are falling behind and holding up the implementation process. Consequently, the Quality Manager is having to develop an internal one day course in order to rectify this problem. But the Quality Manager concedes that this will take some time and is most resource consuming in terms of lost productivity and financial expense.

The quality system has tended to focus on operations and not the customer and strategic issues. Location of the company is also proving to be somewhat disadvantageous as it is difficult to find local businesses suitable to benchmark against. Also, because there are no local firms capable of providing specialist training, such as facilitator training, members have had to travel to other centres, and incurring additional travel and accommodation expenses.

The Quality Manager is primarily a Human Resources Manager with a knowledge of quality a management and so this has proved to be a large learning curve for him and he along with the company have had to learn from their mistakes. But it is pleasing to note that despite the increased level of stress the situation often results in, he is relishing the experience.

Chapter Five

The Process of TQM Implementation

> *An important part of my philosophy is that our biggest asset is our people and anybody who forgets that is foolish. You may get a big enough cheque book and put together a building and some plant and some raw materials, but it is the people who make it work. And people do, we are all much the same and at the end of the day we might have different roles and do different things, but we all want to do things well. There's not many of us who wake up in the morning and think "well what can I stuff up today". There's not many of us who think that way* - General Manager, Company B.

Introduction

The profiles of the four organisations presented in the previous chapter provides insights into the process by which TQM can be introduced and subsequently routinised within organisations. By comparing and interpreting these profiles (the data from which these were developed) certain patterns start to emerge. These patterns provide the focus for this analysis and interpretation of the phenomena of interest have been guided by concepts that have their origin in the literature on organisational change, implementation and TQM.

Initially, this chapter highlight themes within the process of organisational change experienced by the four companies. Specifically the nature of the change process, the method of implementation employed, and the factors which influenced the method of implementation. A particular theme to emerge in relation to this include the evolutionary nature of the change process which essentially conflicts with traditional literature on organisational change. The chapter concludes by identifying and reviewing those factors which served to constrain and facilitate the diffusion and routinisation of TQM within the four companies.

Emergent themes within the TQM implementation process

As presented in Chapter Three, there is an emerging perspective of organisational change which contends that instead of being logical, rational and linear, it is an iterative, dynamic and cyclical process. Consequently, the traditional models that were developed during a time when organisations were bureaucratic in nature and operated within a simple and stable environment are no longer truly representative of the organisational change process experienced by contemporary businesses operating within a complex and continually changing environment (Dawson & Palmer, 1995, 1993; Marshak, 1994; Pettigrew & Whipp, 1991). The TQM

implementation process experienced by the four case companies reinforced the latter perspective of change. Within these companies, TQM implementation was not a static and methodological process, rather it was evolutionary and characterised by organisations having to continually reappraise and alter their methods in line with changing internal and external conditions. As the General Manager of Company A noted

> It's [TQM] very much an evolutionary thing, it changes all the time, it's totally chameleon in nature. When you start it, you soon learn that you are trying to build something upon a base that is shifting all the time.

The changing nature of TQM was reflected in the need for General Managers to possess an array of leadership styles. Preston & Saunders (1994) suggest that within the TQM process one particular leadership style is not applicable to all situations. Effective leaders must be able to match appropriate behaviour to the myriad of situations that may be presented in any one day. The Quality Manager of Company D remarked

> They [General Managers] have almost got to be a chameleon, sometimes autocratic, and sometimes democratic, and sometimes a listener, and sometimes a doer and sometimes an orderer. They have got to be extremely versatile, able to read a situation and determine the most appropriate behaviour for the situation...I mean sometimes you've got to be a charismatic leader and stand up and deliver speeches and do the handshakes and kiss the babies and at other times you've got to go down to the workface and listen to people's problems and read the graffiti on the toilet walls. They have to be able to transcend different levels.

The evolutionary nature of the TQM implementation process meant that it did not progress in a logical, piecemeal manner. Traditional models suggest that organisational change occurs in a systematic manner through a number of discrete stages. As one stage is completed, you logically move onto the next stage in the process, with returning to a previous stage being viewed negatively and a mark of failure (Marshak, 1994; Pettigrew, 1985). However, the experiences of the four case organisations did not conform to such a description of the change process. While loosely guided by a time-frame and broad plan, activities were undertaken as needed or as dictated by prevailing internal or external factors, with many being commenced simultaneously. At both Company C and Company D, the changing process began before the unfreezing process had been fully completed. That is, the organisations had started to implement TQM before organisational readiness for change had been fully established. Within all four organisations, refreezing was undertaken simultaneously with the unfreezing and changing stages, in order to reinforce and cement new methods of operating as well as desired performance and behaviour.

The cyclical nature of the implementation process necessitated in the revisitation of many activities. As people, particularly management, became proficient in both TQM and its

implementation, activities previously introduced were often returned to, sometimes on more than one occasion, in order to refine and adapt them as conditions changed.

> We've got to keep doing it because we can't just implement it [TQM] one day and assume it's going to happen. You have got to go back and work at the same thing several times (Tannery Manager, Company D).

Consequently, it can be suggested that TQM implementation is an ongoing process of learning and improvement which forces people to return to activities and functions in order to refine and improve them over time. This enhances an organisation's ability to manage change as it creates an awareness of the need to identify areas of improvement and change. As well it builds into the organisation the flexibility and capability to allow them to do so and act upon their findings (Imai, 1995; Dale *et al.*, 1994; Marshak, 1994; Barrow, 1993). But Walton (1989) notes that problems arise when people view TQM through the traditional managerial perspective which contends that organisational life is stable system, where change occurs in a logical, almost piecemeal process.

Motives for TQM implementation and organisation culture

In their articles, both Foster *et al.* (1994) and Whittle *et al.* (1992) contend that organisational culture and the starting point of quality management influence the implementation approach employed by organisations. Certainly, evidence from the cases supported this contention, as it revealed that the motives for implementing TQM and existing organisational culture had a considerable bearing upon the implementation approach employed.

Companies B, C and D were all experiencing a crisis at the time that the decision was made to implement TQM. The cumulative effects of deregulation, the volatile nature of the domestic economy, and increasing competition within both domestic and international markets had resulted in the companies being forced to produce high quality products at lower costs, whilst at the same time being receptive to continually changing market demands. Consequently, all three companies were in less than desirable financial position and in fact, Companies B and C were facing the prospect of closure. As the General Manager of Company B noted

> because of competition from overseas and deregulation we just because less and less effective in terms of price competitiveness and also demand for the product we were producing, at that time, had fallen significantly...This business here was in a serious state of decline and if it had not been part of a bigger company, it certainly would have died.

While the position of Company D was not as precarious as the other two companies, it had been experiencing declining performance and profitability as well as several recent ownership

changes. Hence, within the three companies, management was having to reappraise the future strategic direction of the companies, which began with the appointment of new General Managers.

The appointment of the new General Managers, really signalled the move to TQM as they all adhered to a similar, participative style of managing. In fact, there was little evidence of an assessment of alternative solution to the problems facing the companies. Instead, the decision to implement TQM arose from the General Managers learning of TQM and recognising that it was a means of improving overall organisational effectiveness and efficiency that ideally complimented their personal philosophy and natural style of managing.

> It [TQM] really just was a way of packaging and putting together my own thoughts and philosophy and everything else and that is really why I chose to pursue it. otherwise if I hadn't chosen to do that then we would not have done it, quite frankly. We would have looked for some other way, I guess (General Manager, Company B).

Companies B and C had an existing awareness of "quality" as they had both been involved in ISO 9000 and Company C had already gained ISO 9001 certification within one of its divisions. For both Companies B and D, the implementation of TQM was part of an overall strategic change.

The organisational culture of the three companies shared similar characteristics. All were mature organisations with established cultures which were reflective of the predominantly authoritarian management style that had been experienced prior to the appointment of the incumbent General Managers. Explicit within these cultures was the fact that a person's organisational status was determined by the level of his/her power and authority which accompanied their role and position within their company's hierarchy. The culture impacted greatly upon the attitudes and behaviours of organisational members and is perhaps best illustrated by Company D.

Previous to the appointment of the incumbent, General Managers had been most authoritarian and this style of managing had filtered through the company's hierarchy and was emulated by all levels of management. As a result a distinct barriers between management and those on the shop-floor was created and reflected in adversarial industrial relations to the extent that the previous Tannery Manager had not allowed union representatives on site. This bred a culture whereby there was a great level of distrust and suspicion of management and a "production line mentality."

> Previously you parked your brain outside, did your eight hours or whatever and then on your way out picked up your brain again (Shop-level employee, Company D).

> It was a very autocratic management previously and most things got done because somebody said to do it, not because there were any procedures for doing it. Consequently, it was very, very controlled on the shop-floor - people did what they were told and nothing more (Quality Manager, Company D).

Indeed, the Quality Manager of Company D went on to say that there was, and still is to some degree, an inherent suspicion of management. Within all three companies, senior managers were aware of need for cultural change and the temporal nature of changing people's attitudes and habits. Accordingly, the approach to implementing TQM focused on education and training and open communication in order to gain the trust of organisational members and their willingness to adopt and routinise the principles, tools and procedures of TQM.

In contrast, Company A had different motives for introducing TQM. The need for TQM arose from a series of organisational analyses which identified issues and problems within its operating procedures and recommended that they would be best overcome through the implementation of TQM. Existing organisational culture was not as powerful and resistant to organisational change as that of the other companies. Being a small, family owned and operated business, the culture was quite intimate, personal and there was a high degree of trust in the General Manager. There were, however, distinct divisions in between the different functions, due to the layout of the company and the diverse skill level of its workforce, with the high proportion of skilled and technical staff and people in middle management being heightened by the small size of the company.

Nevertheless, being a family owned and operated business, ownership was stable and there was a great history with the founders still having a presence. An intimate, family atmosphere was facilitated by people going to the family home for morning and afternoon tea and lunch. However, this made it difficult for people to mix with others in different functions as they had different break times.

Method of Implementation

TQM implementation comprises the introduction of a myriad of activities, tools and procedures within an organisation in order to assist and support the imbuement and diffusion of the managerial philosophy that is TQM (Bohan, 1995; Dobbins, 1995). But despite the diversity of implementation methods, they have been generally based upon a few core archetypes, see table 2.3. In examining the implementation processes employed by the four cases, three shared characteristics which closely approximated the visionary model (Foster *et al.*, 1994; Whittle *et*

al., 1992). The best example of this approach was provided by Company C. The General Manager and senior management team in conjunction with the Board of Directors developed a corporate vision statement (see figure 4.2) which represented the future direction of the company. In an attempt to have the vision statement become integrated into the actions of the all organisational members (Covey, 1992) and communicate to all stakeholders what the company stands for, the phrase *your quality partner* was taken to represent the core aim of the company. The phrase is included alongside the company name on all documents, such as letterheads, business cards and publications. In fact, every time the company name is printed the phrase *your quality* partner accompanies it. The premise behind this was that by putting it everywhere, people would eventually start living it.

> Part of building commitment is telling the world about it. It takes away the options...we started putting it [your quality partner] everywhere and living it and reinforcing it in everything we talk about and meetings we have (General Manager, Company C).

Considerable time was spent educating and training managers, especially middle managers, in the philosophy, tools and procedures of TQM. The aim being to equip them with the knowledge and skills necessary to enable them effectively lead the implementation process as well as adopt a participative and facilitative managerial style in line with the quality paradigm. The General Manager has lead the implementation process with a visible, open-door style of leadership and maintaining a visible presence on the shop-floor talking and listening with people. He has made a point of fostering and nurturing relationships with customers and suppliers and actively seeks ongoing feedback from them.

A cascade approach to the education and training of organisational members has been employed, whereby it cascades through organisational levels, starting with senior management. In the case of shop-floor employees, selected people have been offered the opportunity to attend quality management courses, run by the local Polytechnic. These people have been expected to in turn impart the knowledge and skills they have learnt to those who had not attended a course. Organisational members' and customers' perceptions and satisfaction are measured by regular surveys which also identify areas for improvement and monitor the progress of the implementation process. The General Manager also instigated regular "state of the nation" meetings which all organisational members on site attend. These meetings address issues that are presently facing the company, and so they provide all organisational members with an awareness of current issues, problems and successes.

Basically the implementation process is based upon improving the efficiency of organisational procedures and gaining the commitment of organisational members to the process through: ongoing communication; a highly visible General Manager being seen to live the vision statement; and education and training. This approach was necessary given the organisation culture and motives for implementing TQM.

Conversely, the implementation method employed by Company A approximated the planning model insofar as the TQM implementation process was based upon the premise that an organisation's performance can be improved through the 'enhancement of systems control' (Whittle *et al.*, 1992: 97). The move to TQM was originally championed by the operations manager who, after attending a course on quality management, convinced the General Manager of the advantages of TQM. The implementation process was incremental and gradual, initially focusing upon introducing control systems into the technical and production processes, and then permeating through other parts of the company, for example sales and accounting. Activities introduced in the implementation process have been largely focused around the requirements of the ISO 9000 standard, with an emphasis upon documenting and standardising procedures to enable better quality control systems to be put in place. Activities have also been undertaken to increase organisational member's awareness of the need to measure and monitor processes and improvements as well as the internal customer philosophy. Indeed, a concerted amount of time had to be spent informing people that even though they company is comprised of a number of distinct functions, they are all one team working together towards a common goal.

> It's much better now, I mean people are more aware of the need to get things right for the next person so they can do their job properly (Shop-level employee, Company A).

> At shift level things like rejects are measured. Really there's lots more measurement done now (Shop-level employee, Company A).

Education and training in quality management had been limited to selected members attending courses offered by the local Polytechnic. These courses provide a general overview of the principles of quality management and introduce tools and techniques such as problem solving and pareto diagrams. Also visits to a local company that is nationally recognised as being a leader in quality management, were arranged for staff to go on.

Consequently, the process of implementation has concentrated upon introducing control systems within operating procedures and instilling an internal customer philosophy through the integration of people and opening both the horizontal and vertical communication channels and limited training. Rather than employing a radical approach that the other companies were forced to employ by virtue of their urgent need for change, Company A was in a relatively secure position with a less opposing culture, and therefore, an incremental was employed. In fact the approach has been so gradual that the General Manager commented

> I don't really think that a lot of people down at the workface even know that TQM exists in the company. It's just the company they work for and things are getting a bit better, there's a bit more documentation of things and there have been a few more meetings involving them in recent times and a bigger effort to ask for their opinions and implement their suggestions

But he proceeds that state that they really had no option but to take a gradual, incremental approach to implementing TQM because they did not have the resources available to support a more overt, radical approach.

Incrementalism vs radical change

Among theorists, a debate has emerged as to whether organisational change should be implemented in a radical or incremental fashion. Incremental change involves introducing the change in small steps and in small degrees. Because change in introduced in a more subtle and gradual manner, and as such it does not force people to make such a dramatic change, thereby, reducing the degree of resistance to change experienced by the organisation. Advocates believe that this method of introducing change is superior as it allows management to adapt the both the organisation and the "change" to changing environmental (external and internal) conditions (Quinn, 1993; 1988; Wilson, 1992; Johnson & Scholes, 1989).

Conversely, radical change involves organisations making a clean and clear break from the past by moving directly from one strategy to another. Organisational change implemented by this approach is inevitably dramatic and therefore, it has a tendency to engender a considerable level of workforce resistance to it. But proponents argue that when managed well radical change can be more effective than an incremental approach as it avoids long periods of transition within which organisation can often lose focus and momentum. Furthermore, they argue that radical change is not as time consuming as incremental change (Bartol *et al.*, 1995; Dobson & Starkey, 1993). Dobson & Starkey (1993) contend that a radical approach to change is often most appropriate method when the need for change is the result of a precipitating critical event such as a substantial loss of profit or market share. The change often begins with the replacement of top managers who then formulate new objectives, strategies and plans. The strategy is then implemented and the change stabilised.

Within the cases a similar relationship between motives for change and the approach for introducing it was observed. Both Companies B and C were in a serious state of decline and so an immediate change was required. Consequently, a radical approach was employed which began with the appointment of new General Managers, from which the decision to implement TQM followed. In contrast, when organisations were not in such an urgent need for change, the approach taken tended to be more incremental in nature. While Company D had been experiencing a decline in profitability, its position was not a serious as that of Companies B and C. As a result TQM was implemented in more of an incremental fashion, although the initial move was relatively radical. Company A employed a straight incremental approach to implementing TQM as the non-urgent need for change and resource constraints facilitated such a method.

Acceptance, diffusion and routinisation of TQM

While the organisations were generally receptive to the notion of TQM, it proved to be difficult to implement given the prevailing value systems and attitudes implicit to the organisation's culture and history. Accordingly, this section examines those factors of organisational behaviour which served to both constrain and facilitate the implementation process. Generally, it was found that the context, substance and politics of change had a significant influence upon the routinisation of TQM, with activities having to be employed specifically to overcome constraining factors in order to facilitate the diffusion and routinisation of TQM. However, management of the facilitating factors was shown to be a difficult process, as they easily turned into constraining factors when not managed correctly and instead of increasing organisational member's satisfaction, they increased their level of frustration with their job and procedures.

Achieving cultural change is dependent upon organisational members modifying their behaviour and accepting the need for change (Sullivan, 1994a), which is conditional upon generating dissatisfaction with the status quo (Schermerhorn, 1993; Baird *et al.*, 1991). Therefore, the acceptance, diffusion and routinisation of TQM is largely conditional upon organisational members perceiving that the internal changes brought about by TQM will increase their quality of work life and thus their satisfaction, with both their job and the organisation as a whole.

First, however, it is necessary to review those factors which served to constrain the TQM implementation process within the four companies. These were:

1. Resistance to TQM; and
2. A cursory level of knowledge and understanding of TQM and its implementation process.

Resistance to TQM

On the whole, few members within the companies resisted the implementation of TQM. This was largely due to the incremental approach to implementation employed within Company A and the fact that within Companies B, C and D organisational members were generally aware and accepting of the need for change.

> There was not a lot of resistance, perhaps because the alternative was all too clear, it was a case of do or die (Quality Manager, Company D).

> There's no real reason for people on the shop-floor to resist it [TQM] really, they've got everything to gain and very little to lose (Tannery Manager, Company D).

Nevertheless, a small proportion of people did resist TQM and the source of resistance and organisational position of resistors meant that what resistance there was had a significant impact upon the progression of the implementation process. The following sources of resistance were identified:

- Distrust and suspicion of management
- Personal unwillingness to change
- Personal and work experience of change

(1) Distrust and Suspicion of Management

> The ghosts of previous managers are causing a lot of people to distrust management and that is why workers are unwilling to co-operate and join into quality (Shop-level employee, Company D).
>
> You would find some people who have been here a long time and who were subjected to previous management styles were very suspicious, and probably still are very suspicious, of management (Shop-level employee, Company B).

The managerial style that had been present within Companies B, C and D prior to the appointment of the incumbent leaders, had created a considerable gulf between management and those on the shop-floor. Inherent within this gulf was a distinct level of distrust and suspicion of management and their "real" reasons for doing things held by shop-level employees. For many adhering to the status quo was not a matter of choice, but a matter of self preservation as they believed that the new participatory form of management, and having shop-level employees identify problems and errors within their work and procedures was merely providing managers with the excuse to roust them from the organisation. This was especially so within Company B where the history of redundancies and uncertainty had left all organisational members protective of their position and wary of top management. Within Company C the General Manager pointedly promoted an "open door" policy and invited people to discuss with him any problems and/or concerns they may have. While some were prepared to utilise the opportunity to voice their concerns him, and had positive experiences from doing so, most remained sceptical of his motives and instead preferred to complain amongst themselves in the relative anonymity and security of the staff cafeteria.

The gulf between management and those on the shop-floor was such that the latter group was unwilling to co-operate with the former group and viewed the new participative and facilitative style as a weak form of management. They were of the belief that management were supposed to be the bosses and that they were paid a lot of money to direct and control subordinates as well as take responsibility for and solve any problems that may develop.

> Some of the guys down here think that they [management] are the bosses and why should we help them solve problems - that's what they are paid to do (Shop-level employee, Company B).

> It's surprising, I mean a year and a half on and they actually still seriously think they we might sack them. I mean that's the last thing that we would do (Tannery Manager, Company D).

(2) Personal unwillingness to change

Perry *et al.* (1995) note that while many people may agree on the need for change and that the company as a whole will benefit from it, some are often unwilling to make any personal change. Within Companies B, C and D there was a distinct group of middle managers who, while often verbalising their support for TQM, was not willing to incorporate its philosophy, tools and procedures within their established methods of operating. Although those unwilling to change constituted a small proportion of all middle managers, they had a significant impact upon the progress of the implementation process. Middle management resistance to change has often been cited within the literature on organisational change and TQM as being a most serious obstacle to implementation (Perry *et al.*, 1995; Nadler, 1993; Pugh, 1993; Martin, 1992) and this was reinforced by evidence within the cases.

> Many of the supervisors are set in their ways and do not want to change and that is the major problem, as I see it (Shop-level employee, Company B).

> As far as I can see there are one or two middle mangers who are not going to change regardless of how much they are educated or persuaded towards the TQM style (Shop-level employee, Company D).

> People under middle management are younger and can see where the General Manager is coming from, but many of them [middle managers] are stuck in their ways and are basically hanging out for retirement (Shop-level employee, Company C).

Within any organisation middle managers represent a bridge between shop-level employees and senior management. They are expected to act as the representatives of senior management and ensure their policies are implemented throughout their organisations. At the same time, they are expected to act as advocates of shop-level employees under their control, by communicating their concerns and suggestions to senior management. As such within the implementation process they were caught in the middle of enthusiastic senior managerial team that was leading the way to change and shop-floor employees who were generally eager to embrace TQM, especially as it was going to lead to an improvement in their working life. In this respect middle management had a significant impact upon TQM implementation and so resistance by this group hindered the progress of the implementation process.

> Some were threatened because basically on one had you have a senior management team with a new philosophy and culture coming through and at the same time on the other hand you have got everybody below them saying "yes, this is the best thing since sliced bread" and they are caught somewhere in between (General Manager, Company C).

The Quality Manager of Company D acknowledged that the change to TQM can be particularly threatening to middle managers. Because they have developed what they consider to be successful patterns of managing which include ordering, controlling and problem solving, from which they have well defined levels of authority and power and thus, organisational status. But TQM turns this around by expecting middle managers to completely reappraise their way of managing. They are expected to oversee the work of teams, with the role being similar to a coach of a sports team, i.e. facilitating and developing people to reach their full potential and achieve a top level of performance (Covey, 1992). As a result, there is a tendency for middle managers to perceive the erosion of their power, authority and position within the organisational hierarchy.

The Quality Manager of Company D concedes that middle managers have resisted TQM because the empowerment of shop-level workers has, to a certain degree, been to the disempowerment of middle managers and first line supervisors. While some middle managers are embracing TQM and are achieving good results, others are not been prepared to give it a go. They merely pay it lip service, and have no intention of applying it to their way of operating. Those who are not prepared to accept TQM, have generally been employed with the company for a considerable period of time and are nearing retirement. As a result they are not willing to change to change their ways at this stage of their life and are merely waiting for retirement.

> It's threatening their power, as it's a new way of working. We are now expecting them to keep personnel records, to talk to staff and listen and they are not prepared to take on a new way of working at their age, so near retirement. They say "I'll just hang on until I retire". A couple of older ones are actually breaking into it, it's a big change for them, but they are actually acknowledging that it's quite good. But there are one or two who are refusing to accept it (Quality Manager, Company D).

> I'm of the opinion that a lot of the supervisors have a lot to contribute and are worth retaining. There's some of them who have been here for 20 years and they are not that keen on some of the things that we're changing and they are not keen on asking what people on the shop-floor think and instead they say "well get on with it" and that has been their style and one that has worked well for them in the past (Tannery Manager, Company D).

The senior management team of Company D have made it a policy not to sack those middle managers who are resisting TQM, as they want to allow them to retire gracefully and not with the stigma of having been sacked.

> It would have been easier to say "go with TQM or you are out" especially with the supervisors. We have got older supervisors, in their late 50s early 60s, that are resisting it even though they have been on training courses and we have spent a lot of time with them, talking and discussing it, but they would rather wait until they retire. It would have been easier to dispense with them, but we've stuck with the same staff. A ruthless general manager would say "you're doing it this way" and get rid of them if they didn't. I suppose we're a bit more conscious of the older fellas who have been with the company for 20 years and we'd like them to bow out gracefully and not as a sacked man (Quality Manager, Company D).

But this policy has proven to be most costly because middle management resistance has generated a growing level of frustration amongst senior managers and shop-level employees. For senior managers, their frustration has stemmed from fact that a concerted amount of their time has had to be spent trying to secure the trust of shop-level employees and communicating the changes and their benefits to all organisational members. Yet, senior mangers are aware that many people on the shop-floor are not experiencing the changes and as a result are becoming cynical about what senior mangers were telling them and this was compounding their distrust of senior management. For shop-level employees, their frustration was growing from not being provided with the opportunity to put the knowledge and skills they have learnt, from quality management courses, into practice. As well, although they frequently hear senior managers and their peers talk of the changes being introduced and the resultant improvements to their work life they are not experiencing any of the changes being referred to. For example, in Company B a shop-level employee referred to a general feeling of frustration among his peers. He stated that they would make suggestions for improvements and communicate them to their supervisors, as they were told to do, and their suggestions would go no further. He said that this was forcing many within his work area to become disillusioned and frustrated to the extent that they were becoming unwilling to participate within the TQM process.

> I think we'll finally get to the stage where we will get extremely frustrated with them because the two that are resisting probably control or supervise about one quarter of our staff, so one quarter of our staff don't experience the changes we [management] are talking about (Quality Manager, Company D).

(3) Past experiences with change

People often regard change with a degree of scepticism and consider it to be yet another managerial fad that, like previous changes, will over time will die a natural death. This is because their past experiences with organisational change were short-lived and ended when more pressing issues arose. Dunsing & Matejaka (1994) describe this as the BOHICA (Bend

Over Here It Comes Again) effect, whereupon invariably a few hard-nosed cynics who have been with an organisational for a considerable period of time and have long memories, wait with eager anticipation for the opportunity to say "I told you so" when a change programme fails.

Although not a strong as other sources of resistance, some organisational members were somewhat sceptical of management's commitment to TQM. This was predominantly due to their prior experiences of change which proved to be short lived when other, more pressing, issues arose. As the Tannery Manager of Company D commented

> You've got to convince people that it's not just the latest managerial fad. I suppose this is because all sorts of change happens over the years and people that have been here for a long time take a bit of convincing, there are the ones who say "oh yeah here they go again".

Similarly, the General Manager of Company B noted

> people often have the view that these things are fads or the old story is that "the boss has been on another overseas trip and this is something that he read about in a book in the plane".

Many authors contend that a person's previous experience of change has an influence upon their ability to accept and adjust to future change (Schermerhorn, 1993; Baird *et al.*, 1991; Strum, 1984). Indeed, the General Manager of Company C made an interesting observation about that aspect.

> In my opinion, people from small towns are more resistant to organisational change because they don't have to cope with as much change in their private lives. Everything we have done they have said that they wanted but when it comes to doing it they are still hesitant...I think that in a larger centre people experience more change in their daily lives, I mean even walking down the street they see buildings being demolished and new ones out up all the time...If people are experiencing change in their private life then they are more able to handle change at work.

In contrast to the experiences of the other companies, Company A did not have a significant problem with people resisting TQM. This was partly due to the small intimate culture of the organisation and stable company ownership and senior management and so organisational members were secure in their jobs and the organisation as a whole. Thus, they had no real reason to suspect senior management had an underlying, subversive motive for implementing TQM. Also the gradual, incremental and subtle way in which it was implemented helped to allay those who initially were hesitant and unsure of it, especially as there was not an observable and pressing need for change. But as organisational members attended courses on

quality management and as the TQM principles and procedures began to slowly pervade the company, people began to accept that there was a need for it and adopt TQM. This was then reinforced as they began to directly experience benefits and improvements within their work environment, and their level of job satisfaction increased.

But resistance need not be totally negative. Schermerhorn (1993) suggests that resistance can indeed, be of advantage to management involved in managing organisational change. Resistance can be a sound source of feedback and thus allow management to assess the progress of the implementation process and refine their strategies. Likewise, the General Manager of Company C believed that resistance can be beneficial to an organisation involved in managing change as it can bring management "down to earth" by introducing a more objective perspective of the change process. People who are sceptical of change can often identify practical issues and problems that may have been overlooked in other's enthusiasm for a particular strategy or change programme (Schermerhorn, 1993). Indeed, the General Manager believed that organisations should treasure resistors because they provide management with the opportunity to refine their arguments on the need for change, what its implementation will involve and how this process and the benefits will impact upon the organisation as a whole and individual members personally. He states that the end results of this are threefold.

> (1) You have improved your own explanation of it, and thus your understanding and your commitment; and
> (2) They [resistors] will either go one way or the other. They will either become committed to it and that is wonderful as they will become your greatest allies forever, because they have taken a long time to change and so they have been convinced of the merit of the change and so will take a long time to change their opinions; or
> (3) They remain unconvinced and uncommitted to the change and will ultimately leave.

Dunsing & Matejaka (1994) suggest that the best strategy to deal with hard-core resistors is often to ignore them and have senior managers divert their attention to encouraging and rewarding positive people. This was supported by the General Manager of Company C who observed that often organisations devote too much time and energy to attempting to change the attitudes of hard-core resistor. He believes that management should progressively isolate negative people and instead focus on positive people and issues. Eventually, resistors will either come to realise that the company is fully committed to the change and that they will have to accept and embrace the change, or if they are fixed in their unwillingness to change, then they should leave. Ultimately, the General Manager posits, even the most stubborn of resistors will eventually come to accept the change, but there will be one or two who will steadfastly refuse to accept it and make the obvious decision to leave. The General Manager suggests that it is best that the decision to leave is made by the individual and not management, as this helps

to alleviate any ill-will that can arise when people are forced from an organisation. Meanwhile, it is important that organisations focus their energy on promoting and reinforcing the positive aspects of the change, in order to nullify the negative impact the resistors may have upon the implementation process.

Cursory understanding of TQM

As suggested in Chapter Two, the commercialisation of TQM and prescriptive nature of its literature is predominantly responsible for a cursory level of knowledge and understanding of TQM and which oversimplifies the complexity of the organisational change process its implementation requires. Consequently, many organisations have employed short-term, partial approaches to TQM implementation, which are characterised by the mere attachment of a few popular activities onto existing organisational procedures and culture (Perry *et al.*, 1995; Taylor, 1995; Covey, 1992). This situation was alluded to by the General Manager of Company C, who remarked

> many people involved in implementing TQM actually haven't got a comprehensive understanding of the totality of TQM and what it is all about. Someone is selling them accreditation only and not the whole package and so they are actually doing more harm than good.

Similarly, the General Manager of Company A commented

> I don't think everyone understands what they are getting into when they start TQM. It is a bit of an "act of faith", people can logically see that it is a good thing to do and they logically jump in with all fires blazing.

All of the people involved in the implementation process within the four case companies, made mention of the fact that the process has proved to be considerably larger and more complex than they initially thought it would be. Also, and probably due to their lack of knowledge and understanding of TQM when the implementation process commenced, the substance of TQM has basically comprised the introduction of activities frequently cited within the literature. In fact, the activities introduced by all four companies were:

- education and training
- group problem solving
- rearrangement of work systems into semi-autonomous work teams
- the introduction of employee suggestion schemes
- reassessment of traditional methods of rewards, recognition and remuneration.

Perhaps indicative of the general knowledge and understanding of modern workplace initiatives *per se*, is a tendency for New Zealand organisations to implement activities which are

commonly promoted within the marketplace (Perry *et al.*, 1995). Perry *et al.* (1994) refer to a survey of participants at the inaugural Workplace New Zealand Conference, which identified activities such as job redesign initiatives training and the promotion of safe and healthy work principles were the most common form of change initiatives undertaken. The authors note, somewhat incredulously, that the depth or extent of the reported changes could not be deduced from the survey data. The focus around job redesign and training is perhaps indicative of the prescriptive nature of the literature which tends to focus on topics such as education and training, teamwork and participation in the decision making process while other aspects such as modifying the systems of remuneration and attention to improving organisational member's quality of working life are considerably rarer. The result of this was that participants at the conference responded that they where attending in order to learn how to get more from the change initiative they had already commenced with. Similarly, such approaches to TQM, tend to revolve around the perception of the activities introduced as *being* TQM, when in fact, they are merely the *means* for achieving the integration of the managerial philosophy that is TQM (Bohan, 1995; Dobbins, 1995). Consequently, quality systems implemented in such a manner inevitably do not realise their full potential because they ignore the essence and scope of such initiatives (Lam, 1995).

As also suggested in Chapter Two, the cursory understanding and interpretation of TQM was resulting in implementation efforts which fail to afford the necessary consideration to modifying the underlying theory or *raison d'être* governing the organisation. As previously stated, Grant *et al.* (1994) contend that in order for TQM to be fully and effectively implemented, an organisation's underlying theory needs to move away from the traditional economic model to one that embraces the quality paradigm. This is because of the fundamentally different principles they are based upon. Likewise, Deming posits that the primary concern for organisations should be for its customers and that profit will naturally accrue as a result of how well their needs are satisfied (Covey, 1992; Walton, 1989). Conversely, the traditional economic model implies that the primary role of an organisation is the provision of a return to its shareholders (Grant *et al.*, 1994). Therefore, management need to choose between the two and if the economic model is selected then they need to reassess their decision to implement TQM and perhaps even look to other strategies more consonant with the economic model. This avoids the problems that arise when TQM is applied within an organisation that is governed by the economic model and will invariably result in limited effectiveness and no long-term improvement and the costs of implementing TQM under such conditions may very well outweigh the benefits. This is because under such circumstances, quality does not become the overriding focus and goal of the organisation, instead profit does. Accordingly, when under pressure quality will invariably be sacrificed in favour of profit and productivity.

Evidence from the cases revealed an inability for organisations to divorce themselves from the traditional economic model and totally integrate the quality paradigm within the rationale of the organisation. While, the need for cultural change was constantly iterated by managers and shop-level employees within all four companies, the need to change to the underlying theory of the firm did not receive any attention beyond being vaguely alluded to in a discussion of vision statements with the General Manager of Company C. The inability to move away from the traditional economic model of the organisation, is probably reflective of a generally held superficial understanding of the quality paradigm and top management's accountability to its Board of Directors and shareholders. For Company D, this was compounded by the number of ownership changes that had occurred within the last 10 years and the fact that a percentage of its shares are publicly listed on the New Zealand Stock Exchange and so maintaining a stable and profitable share price was of primary concern. Furthermore, the uncertainty and tenuous financial position the three companies had experienced prior to the decision to implement TQM contributed to a strong focus on profitability. With such preceding factors and mindsets, it is difficult for management to, in practice, put quality before profit and this is reflected in peoples interpretation of the aim of TQM.

> The main aim of TQM is to provide the best possible service for our customers and I suppose to maximise returns to shareholders really. We're 82% owned by an English company and 18% on the New Zealand Stockmarket, but really the shares are owned by a few people and they would like a return on their money. So really, it is to maximise the profits (Quality Manager, Company D).

> The main objectives of TQM would be profitability to shareholders and service for customers (Supervisor, Company D).

The inability to move from the traditional economic model to the quality paradigm often resulted in a quality-profit trade-off which Sluti *et al.* (1995) say develops when quality is sacrificed for productivity. While quality-profit trade-offs have serious ramifications for the diffusion and rountinisation of TQM, the day-to-day demands of running of business within the contemporary business environment where people are under constant pressure to meet deadlines, proved most difficult to overcome.

> We have in the past been threatened with "listen if you are not going to do this then there are many other people out there that will do your job". We have only got to hear that once and it sits in the back of your mind, especially if you have got a mortgage and a couple of kids. It's scary to be told that sort of thing. It should never be said but it has, not from the top but from further down. We were once told that "if I go down then I am taking you all with me" and this sort of thing. Everyone sort of thought that "hell we are doing our best, busting our guts, why should we get threatened like that". At the same time I could see the supervisor's point of view, he has to meet deadlines and he is getting it in the neck from above

because it is not happening. From his point of view I suppose he thought he could score a little bit more effort out of us (Shop-level employee, Company C).

Evidence from the cases revealed that in the practical reality of day-to-day pressures of deadlines and targets it is most difficult to take time out and pay close attention to quality issues when delivery dates draw near. This proved to be especially difficult, given the highly competitive nature of the markets Companies B, C and D operate within, with comparatively low switching costs (Johnson & Scholes, 1989). In such situations, *meeting customers needs* sometimes develops more than one meaning. For example, it may be interpreted as ensuring that products are delivered on time, every time, while for others it may be interpreted to mean ensuring that all products adhere to a certain quality standard. Evidence from the cases showed that those who held the former interpretation were predominantly middle managers and supervisors whose performance criteria remained focused on meeting targets and deadlines. Whereas the latter interpretation was primarily held by shop-level employees who were educated about, and rewarded for paying attention to, quality issues. This creates important problems as because organisational members have the most direct contact with their supervisors and when quality is sacrificed for profit and getting the order out on time, then conflicting messages are given to lower level organisational members and they become somewhat cynical about what is going on. They hear senior management talk about quality and go on courses on quality and get back and it is not being done on the job, that is quite bad and causes them not to bother. This situation is reflected in a number of comments.

I think a lot of it is pressure, in a company where you have deadlines and targets, if an order is due and the customer wants it and implementing something that may improve the product may take an extra week, it could be the loss of an order. So sometimes we wait and see what it is like (Supervisor, Company D)

I think a big problem management has got is covering up substandard quality in order to get a product out. Problems may be addressed at a later stage, but it depends on the customer and the units. They may try to get away with it at that stage they won't worry about that at that stage and concentrate on it later on (Shop-level employee, Company C).

Our biggest fault, at the present time is that we've got what I class *short circuits*. This is where problems are identified but because the pressure is on to get an order out by a certain date, they are ignored. I mean, if it is not right at a certain point, instead of getting it right there and then, managers will say "well, try it and see what happens" and it goes through and fails and then it comes back to us as a reject and extra work. This sort of thing is going on all the time and it's the total opposite of what senior managers tell us and what we learn on courses...I believe the reason why *short-circuits* occur is because there isn't a system where middle and top management are held accountable when they say "put it through" and they don't put their signature to it. And so what happens is that the product comes

> back to us workers, who identified the problem in the first place, to redo and we are blamed for not doing our job right (Shop-level employee, Company D).
>
> Sad to say that in this place here, they still want the numbers, I know that numbers are important but quality is definitely important too, so really it's numbers, it's how many dozens go through the machine or go out the door. I think at the moment, we are on a target of 1800 dozen skins and they want to take it up to 2100 next year, so they are employing an extra five staff, but ultimately it's geared to numbers before quality (Shop-level employee, Company D).

Management placing profit and the need to get the order out before quality sends negative and conflicting messages to lower-level members. It generates a considerable level of frustration amongst shop-level employees, for while senior managers iterate the importance of a quality focus in order to remain competitive and the need for everyone to concentrate on quality, the actions of senior managers belie their words. Consequently, organisation members become cynical about TQM and management with the result that their motivation and drive for quality soon dissipates and they revert back to their previous, often more comfortable habits.

While senior management commitment is necessary, it must be accompanied by full endorsement by the Board of Directors and shareholders. However, it is necessary that they not only endorse TQM, but they have a comprehensive understanding of TQM and its implementation process. This enables them to appreciate the need for the rationale of the organisation to embrace the quality paradigm and that profitability arises from ability of an organisation to satisfy its customers. Therefore, unless shareholders and the Board are willing to put customer satisfaction before their own financial return, full integration of TQM within the organisation becomes impossible, and consequently, the quality system will fail to live up to expectations.

Having reviewed the major constraints to the implementation process, it is time to examine those activities which acted to facilitate the process by increasing peoples' satisfaction with both their job and the organisation as a whole. Specific factors which increased the level of satisfaction of organisational members within the four companies were:

- Leadership
- Working conditions
- Education and training
- Communication
- Reward, recognition and remuneration methods
- Job enrichment

Leadership

> *The job of management is not supervision, but leadership...The required transformation of Western style of management requires that management be leaders (Deming, cited in Covey, 1992: 263).*

There was a consensus opinion among all companies that the role of management, especially top management, was to lead TQM. Leadership was considered to be necessary to drive the implementation process and ongoing improvement activities, which corroborated the literature on TQM and organisational change that states top management leadership is critical to the successful diffusion and routinisation of TQM (Sullivan, 1994a; Covey, 1992; Rosander, 1989; Walton, 1989; Wood, 1986). Evidence from the cases showed that while leadership was important to drive the implementation process of more importance, given the cultures of the companies, was the need for senior managers to gain the respect and trust of organisational members.

Given the prevailing culture of Companies B, C, and D, leadership was an important element in overcoming the established attitude many organisational members held towards management. The effects of the culture were such that the onus fell onto senior managers to gain their trust and ultimately support for TQM. Consequently, while it was important for senior managers to hold communicate the need for TQM and the benefits it will provide both the organisation as a whole and individual members, evidence showed that of critically more importance was having a highly visible senior manager. Senior managers should constantly be among the workforce, talking and listening to people and being seen to have a genuine interest in organisational members. This also provides top managers with the opportunity to demonstrate that they too are applying the principles and values of TQM into their personal work and that they were not just expecting the lower ranks to take it on board and adopt new behaviours. It shows that TQM is organisational wide change, vertically and horizontally, and not limited to those of the lower levels.

> You have to be 110% committed to it or else it never works. People know whether you are committed to something or not and so you have to be seen to be right in the thick of it (General Manager, Company B).

Organisational members within the four case companies were of the opinion that the most important characteristics for senior managers to possess were for them to be genuine and to respect people. By demonstrating a genuine respect for all organisational members and their skills and abilities, senior managers are able to break down some of the barriers and distrust held by shop-floor employees. Eventually, an environment of mutual trust and respect will develop (Covey, 1992). This importance of this was illustrated in the number of comments made by people on the issue.

> Someone who takes a genuine interest in us workers, I mean a boss who treats us as people, and not just as a worker or a number, that is what is needed for TQM (Shop-level employee, Company A).

> Mutual respect of all people and the jobs they do is what is needed. I mean the boss wouldn't be here if it weren't for us and we wouldn't be here if it wasn't for him. We are a team with important jobs and skills and that should be acknowledged and respected (Shop-level employee, Company A).

> They have to have an open mind and respect for the workforce...they can do this by not being arrogant...But to earn the respect of the workers you have to associate with them, not so much become one of them but to earn their respect by not making out that they are better than the workers, little things like knowing people's names has a really big impact (Shop-level employee, Company D).

> They [senior managers] have to be someone who is very willing and honest and someone who, when they say that they will do something actually follow through with what they say. They have to be patient, a good listener and confident so they can carry through because there will be setbacks and they have to be prepared to accept them. They have to be prepared to be surrounded by able helpers (Tannery Manager, Company D).

> They need to have a good memory. Our General Managers memory is absolutely admazing he listens to you and he remembers what is said. He is interested in us as people, not just employees (Shop-level employee, Company B).

To be able to effectively to this senior managers need to possesses excellent people skills, they must be able to listen, comprehend and communicate with people of all levels and more importantly be able to transcend to the level of the person they communicate with, be they a cleaner or the Chairperson of the Board.

As well as having the people skills to be able to relate and communicate with people, senior managers must be able to take control of things and situations when the need arises (Preston & Saunders, 1994). The Quality Manager of Company D aptly summed up the array of characteristics a senior manager must possess when he remarked

> the General Manager here, well he is the captain of the ship really, he's the one that turned the rudder to make the change and so he has got to constantly be actually walking and talking and being down in the workface. He is an integral part of it all. He has got to have leadership skills, I mean it is all very well to be over to the people and listen to them but he has got to be the captain at times and be able to make decisions, listen to everybody's thoughts sure but finally say, the buck stops here, this is what we will do.

The General Manager of Company B believed one of his most important roles was the development of a corporate vision. The General Manager needs to determine what the company should achieve, translate it into goals and then solicit the support and consensus agreement of organisational members to achievement of the goals. This provides the organisation as a whole, and members within it, with a shares sense of purpose which they can identify with and work towards to achieve. The absence of a shared sense of purpose causes serious problems within an organisation and can result in efforts becoming dispersed as the organisation and its members move in separate directions towards different goals, instead of operating as a unified (Sullivan, 1994b; Covey, 1992; Fox, 1991).

The General Manager of Company C described the characteristics necessary for leading a TQM effort.

> (1) Ruthless Consistency: once you head down a path you can't take soft options because there are people out there waiting for you to revert back to the old ways when things start to get tough. You only have to do it once and they will say "ha ha, he is not really committed".
> (2) Determined Patience: Recognising that people will take their own time and their own way to get there. But you must be determined that they are going to get there. The end point is not negotiable, but you must be patient to give the people element time to get there. I think that you can rush in and push and push but you need to have people with you, otherwise one day you will find that you may be leading the race but is no one is there with you.
> (3) Compassionate Realism: That's really the people aspect, that the whole world is out there and we have to go and get on and do it. But in a compassionate and unconditional way. Personally, I have chosen the compassionate way.
> (4) Positive Frustration: I basically say that 70-80% of my job is frustration and if I am not frustrated then I shouldn't be doing it. Because is I ever get complacent then we are in deep trouble. And so basically, we say to people we want you to be frustrated with the inefficiencies that are present now, but I want you to treat them positively. Ranting and raving and swearing and all that doesn't serve any useful purpose but to put people off-side with you. I mean that is just frustration expressed in a negative way. When you get frustrated you should do something positive about it.

Along with senior managers continually demonstrating their commitment to TQM by reinforcing its principles and values in their daily actions and interactions with people, it was generally felt by shop-floor employees that senior mangers should *also* be held accountable for their actions and decisions. In Company C, a shop-floor employee commented that often mangers are not seen to be accountable for their actions and decisions. This was causing great discontent among those on the shop floor, for while they were being held accountable for their actions and work, the same level of accountability was not seen to apply to managers. From their perspective, while senior management may espouse the principles and values of TQM and

state how everyone needs to work together as a team, this amounted to very little when their actions communicated otherwise. Consequently, many were left thinking that "if senior mangers were not taking responsibility for their actions and decisions, then why should they?"

The Quality Manager of Company D made an interesting observation. That the principles and values of TQM were actually pervading his personal life and how he interacted with his family and friends. He noted that he was taking more time to talk to his family, to explain things and to listen to them than he had previously. This is in line with Preston & Saunders (1994) who claim that to effectively lead TQM, the principles and values should flow through to their private lives. Likewise Covey (1992) believes that people need to demonstrate the principles and values both professionally and privately, in order to be able to effectively lead TQM.

Evidence from the cases revealed that the most important aspect to remember when examining the issue of leadership, is that consistency and fairness win through. Like the referee or umpire of a sports match, all people really want is to feel that they have been treated fairly, with consistency of rule interpretation applying to all players and sides (Covey, 1992).

Improvements to working conditions

Implicit within the New Zealand National Quality Award requirements, is the need to have a work environment that is healthy and safe to work within (NZNQAF, 1995; 1993). Evidence within the cases revealed that attention to improving the aesthetic appeal of the working environment had a significant impact upon organisational members. It expressly demonstrated to them that management were committed to the process because they were willing to spend money and time on improving their amenities. This helped to demonstrate that management were genuine in their respect of organisational members.

At Company D, the cafeteria and toilets were painted. Previous to this the toilet walls had been covered in graffiti and they were in fact in a disgusting condition. The effect of such an act was people could not believe that management were willing to spend money on their amenities and it helped to support managerial efforts to secure the trust and co-operation of organisational members. The Quality Manager noted that in the 10 month since the cafeteria and toilets have been painted they have remained free of graffiti. As he comments

> You shouldn't give an adult a pig-sty to go to the toilet in, and that's part of TQM, just treating people as adults and with respect.

A shop-level employee of Company C remarked about working at the company

> I love working here. It's clean. I have always worked in dirty jobs, but this is clean and tidy and safe to work in. You can get the job done within getting too dirty and knowing that you are not going to get injured in the process.

However, as the General Manager of Company B notes, the attention being given to improving working conditions, is not the sole result of TQM. Recent legislation, such as the Occupational Safety and Health Act 1994 and changes to the ACC regulations have more stringently placed the onus of accident prevention upon the organisation. Thus, forcing considerable improvements to working environments. Indeed, Company C has a Health and Safety Strategic Focus Group which reviews issues pertaining to working conditions and ensures that the Act is not contravened.

Nonetheless, such legislation compliments and supports TQM initiatives and in reality they are working towards the same common goal. That is the provision of a work environment that is pleasing and safe to work within, thus helping to reduce organisational members dissatisfaction with their work.

Communication

> I think that the biggest thing is communication, or the lack of it (Shop-level employee, Company C).

Communication is an integral element of TQM. As Covey (1992) points out, all of Deming's 14 Points are based upon open and effective communication with its stakeholders, especially both internal and external customers and suppliers. Communication plays an essential role within the implementation process, for when it operates effectively it can encourage the diffusion and routinisation of TQM and when it does not operate effectively it can become a serious constraint and impediment to the process. Covey (1992: 118) believes that 'effective communication is built on the cement of trust' with trust being dependent upon people's perception of trustworthiness. When there is a high level of trust, communication is easy and often it is not necessary to allocate as much time and energy to the process as people are willing to believe and accept what is being transmitted. Conversely, when there is a low level of trust, regardless of a person's relative skills in the area, communication becomes difficult and often ineffective because people are not willing to accept and believe what is being communicated to them. To a large degree, this was the case within Companies B, C and D where organisational members had a low level of trust in their senior managers. Consequently, senior managers were having to spend a considerable amount of time trying to convince people to accept what they are being told.

Communication was deemed to be an integral aspect of the implementation process, with all the case organisations taking great care to ensure that the communication channels, both horizontal and vertical, were open. Moreover, all of the General Managers made a concerted effort to keep organisational members informed of what was going on within the organisation, and actively sought to talk and listen to people.

> Communication would be a key component of TQM implementation. Ensuring that everyone knows the same thing. Communication and commitment, being out on the shop floor and making sure that the General Manager is out on the shop floor listening and talking and communicating with staff and not with a three piece suit on, it's treating everybody as an equal. And there's the power sharing thing, it's honesty, integrity, I suppose those things all come under the communication umbrella really (Quality Manager, Company C).

Various meetings were initiated with input from all people being encouraged and sought. But the level of distrust of management inherent within the culture of Companies B, C and D, meant that while organisational members appreciated being kept informed of events and issues and having the opportunity to provide some input, they remained suspicious and wary of senior managers and so the efforts were of limited effect. Furthermore, the problem of middle management resistance meant that for many organisational members information was often not communicated to them and likewise, their suggestions and opinions were not communicated to senior management.

> There is poor communication, well it is lacking in a lot of cases. I mean, some people have ideas that they put forward to their supervisors and they don't go any further and the supervisors don't say why it has not gone any further. Also, when an explanation is provided the correct or proper information is not given. In certain departments this is really bad, but in other departments it's pretty solid (Shop-level employee, Company D).

Communication activities introduced by the companies included the instigation of regular meetings, predominantly departmental and within work groups, where members get together to discuss issues and solve problems. Indeed, Covey (1992) contends that communication is critical to problem solving.

> I think that communication is better in the company, people used to moan and groan to me that communication was rotten and that they think it should be better, that doesn't happen as much these days. I think that we are holding more meetings, even when there really isn't the time for them because I believe that it is important to make time for them (General Manager, Company A).

In Company C the General Manager also introduced monthly "state of the nation meetings" at both sites, attended by all organisational members. This informed people of issues and events

pertinent to the company. These meetings had the effect of making many members feel more like a part of the organisation, not just a worker.

> I enjoy the "state of the nation" monthly meetings, it's like we have a share in the place (Shop-level employee, Company C).

Other activities included erecting notice boards in the cafeterias and in the case of Company C, on the factory floor. These were used to convey information, such as the results of surveys, improvement reports and statistics, notices of coming events, and anything else of general interest. Notice boards were regarded as a good means of communicating information to organisational members. Also, internal newsletters were another means of communicating what has been happening and progress of the implementation process and to recognise the efforts and achievements of organisational members. However, the use of such methods of communication place the onus upon individual members for being informed of events and issues.

The key to effective communication was identified as consistency. Many shop-level employees commented that a major source of frustration was when they were told one thing by one person and then something different by another. This often lead to uncertainty among shop-level employees which, in addition to increasing their cynicism about the changes and often resulted in them reverting back to the security of the status quo and their well established methods of operating.

> This is an observation from the factory floor, but there needs to be consistency in what people are told. You don't need to be confused. You only have to get confusion in a couple of places and people become reluctant to make decisions on their own (Shop-level employee, Company C).

Also many people think that they have communicated things well and yet they have not.

> Communication would be one of the major problems. Sometimes people think that they have explained things well or that people already know things but in a lot of cases this is not so. A lot of people take it for granted that it will be done this way or that and they don't check up on it (Shop-level employee, Company C).

But effective communication within an organisation is dependent upon the level of communication skills of all organisational members. In an organisational climate that operates on open communication, it is important that people are able to communicate with one another and at least possess the necessary skills to enable them to do so (Covey, 1992; Kanter, 1984). As a shop-level employee within Company C observed, the need for people to possess effective communication and inter-personal skills is particularly pertinent for supervisors who are generally having to communicate on a day-to-day basis with a wider range of people. She

continued to suggest that part of this involves being prepared to listen and understand and appreciate things from the other person's perspective. Being able to put oneself into the shoes of the person they are communicating with the helps to enable one to more effectively understand what they are saying.

In addition to opening up formal channels of communication, informal channels should be developed. Often within the TQM implementation process a great level of energy is allocated to opening up formal channels of communication, with informal channels remaining largely undeveloped, especially within larger, departmentalised organisations. A shop floor employee from Company A was of the opinion that informal communication channels are just an important as formal. She referred to the fact that recently a "smoko" room had been installed, which enabled people from different departments to mix with each other during lunch and tea breaks. This she believed was beneficial as it brought together people who would not have naturally communicated with each other, by virtue of the layout of the company and the fact that people previously tended to spend their breaks in their functional areas. But now with the "smoko" room, people were from all areas were mixing and discussing things, including issues pertaining to TQM.

Accordingly, communication comprises two important elements. Firstly, communication on the part of management, or vertical communication, involves communicating the reasons for TQM, listening to people and those activities that are required to gain the trust and support of organisational members. Secondly, communication activities between people, or horizontal communication, involves the relay of information to assist a person to do a job and general communication needed in work groups. It is concerned with communication between different departments and functions. It is also the ability of supervisors to bring people out and solicit their opinions.

Education and training

> More often than not managers forget that they have actually got to give people education and training so they can understand what is being talked about and perform new tasks being asked of them, otherwise it won't work (General Manager, Company C).

Education and training receives a considerable level of attention within both the literature on TQM and organisation change, with the contention being that education is required to inform people of the change, what is involved in its implementation and the impact it will have upon the organisation as a whole and individual members. Education should then be supported by training which provides people with the confidence and skills to effectively perform within the new environment (Crosby, 1995; Sullivan, 1994a; Kanji & Asher, 1993; Covey, 1992;

Hutchins. 1992; Fox, 1991). Within the four companies education and training played a prominent role within the implementation process. Generally, advantage was taken of courses in Quality Management offered by the local Polytechnic, with all companies offering positions on the courses to organisational members. Although the respective companies paid the course fees, people had to attend the courses in their own time. This proved to be a deterrent for some as they were not prepared to prepared to attend a course in their own time. Given that it was not feasible for all organisational members to attend courses at once, the expectation was for those who had attended the courses to impart their knowledge and skills onto those who had not been on them

> Now it is up to us, I mean they won't send the rest on the course, so it's up to us who have been on it to show them (fellow workmates) what we have learnt (Shop-level employee, Company A).

The Polytechnic courses were the predominant form of quality education and training for companies A, C and D. The introduction to Quality Management course provided people with a good overview of the TQM philosophy, why organisations should adopt it and some of the more popular tools and procedures pertaining to TQM. However, many people commented that while the course was good, because of its generic nature, the content was very general. Many said that they would have got more from the course if it had been company specific, as it would have enabled them to relate the information directly to their company and jobs.

At Company C, a shop-level employee remarked that only selected people were offered a place on a course. Unfortunately, this generally resulted in only those who showed eagerness for TQM were offered the opportunity to attend a course. While this rewarded eager people, the shop- level employee commented that those who were sceptical of TQM were the ones that most needed to attend a course. She preceded to state that by not being offered the opportunity to attend a course, those people were felt as if they were being excluded from TQM and this heightened their resolve against it.

> I think that the most sceptical people are those people who really need the most to go on the courses. It's simply because if they understand exactly what TQM is then they would have a better idea of what's happening within the company and why (Shop-level employee, Company C).

Management in Company D had noted that this approach to education and training was resulting in a distinct gap in the level of knowledge of TQM between those who had attended a course and those who had not, despite the fact that those who had attended were imparting their knowledge to those who hadn't. They found that this gap was in fact hindering the progress of the implementation process. Consequently, the Quality Manager was in the

process of developing a one-day internal course for those who had not been on the course in order to close the gap.

The approach to education and training employed by Company B contrasted to that employed by the other companies. As the General Manager noted

> we really took the view that we really had to have people understand it [TQM] and give them the tools to be able to do it.

The education and training began with the complete senior management team attending on TQM, in order to for them to understand what it was all about, to gain their support for TQM and give them the knowledge necessary for them to lead the process. From this course, three people were selected to become internal trainers, one of whom was the General Manager. The reason for this was not because he harboured a desire to be in front of a class, but because it would provide him with a comprehensive knowledge of TQM which he considered to be requisite for any person in his position. Having the General Manager involved in the training of organisational members demonstrated his personal commitment to TQM. A series of education courses were undertaken, at the end of which all organisational members had received some form of education and training in TQM. In addition, positions on the Polytechnic courses were offered to some people in order to cement and extend upon the foundations that had been laid by the internal courses. The General Manager believed that providing all organisational members with some education and training on TQM is integral to its successful implementation.

Having experienced some form of education and training, it is important that people are immediately provided with the opportunity to apply what they have learnt to their jobs, that is apply their new skills and knowledge to their work situation (Sullivan, 1994a; Cullen & Hollingum, 1987). Many shop-floor employees commented that after completing a course people became enthusiastic about TQM and eager to apply the skills and knowledge they have learnt. But often they found because their work systems remained the same and so they did not have an opportunity to put their new knowledge and skills into practice. This created a considerable level of disillusionment and frustration among shop-level employees and also a perception that senior managers were really not committed to TQM after all. Therefore, it is important that changes to the work systems coincide with people attending courses.
As one person observed

> it's okay to send people on courses, but if they don't use the information that they have gained then it is a waste of time. I believe that that happens a lot (Shop-level employee, Company C).

In addition to education and training on TQM, a concerted effort had been made within all four companies to provide courses on other subjects. This provided organisational members with the opportunity for both personal and professional development, which Walton (1973) contends helps to improve the QWL of people. Similarly, Herzberg (1968) identified that the opportunity for personal and professional development increases people's job satisfaction which in turn, can motivates them achieve higher levels of performance. At Company A, internal courses on First Aid and human bacteria had been run, and people were also being provided with the opportunity to obtain their fork-lift licence. Likewise Company C provided courses to help organisational members develop and grow.

> We are encouraged to learn and develop new skills. I mean I am doing a maths course here at the moment and I hear that they are going to do a reading and spelling one (Shop-level employee, Company C).

Along with improving organisational member's job satisfaction, evidence from the cases revealed that allowing people to extend their skills and abilities helped to improve their personal sense of self-worth and confidence. The General Manager of Company B observed that a major impediment to TQM implementation was illiteracy. He acknowledged that this was often manifested in low self-confidence amongst those who were illiterate. Consequently, they were investigating the possibility of providing people with the opportunity to learn to read and write, either by way of developing an internal course or offering an external one to people.

The cascading approach to training employed by the companies, while being relatively cost effective in terms of actual cost and time, created concern among a shop-level employee for the success of the approach is dependent upon the willingness of people to pass on what they have learnt. Indeed, as noted in Chapter Three, often control over information is regarded as a source of power for people (Mitchell, 1978). As middle management often perceive TQM as eroding their power base, when a cascade approach of education and training is employed this group may often see it as an opportunity to regain some of their lost power and so become reluctant to pass on the information and knowledge they have learnt. Consequently, this can greatly inhibit the progress of the implementation process as people below them do not receive the required information on TQM and its tools and procedures.

> The people who are going on these courses are usually from the team leader upwards and not actually people working on the shop-floor. But often the team leaders don't pass on what they have learnt onto other people, then us on the shop-floor we don't get to know what it is all about. The workers have to know what is going on and they have got to be and feel that they are a part of the quality system. You can't just have a quality system that works from the team leaders up, it must involve everybody (Shop-level employee, Company C).

Within all companies, organisational members had received some form of on-the-job training. A shop-level employee from Company C believed that on-the-job training would be enhanced by some form of induction training, whereby people could be taught about: the company; its history; its products, markets and customers; the company's production processes; what the product actually does; and where applicable, where the product fits within its customer's own production process. The shop-floor employee believed that this would help people to understand more their job and identify where they fit within the company's production process. This would add some credence to what organisational members do and help to foster the internal customer philosophy. Presently, on-the-job training for new people amounted to little more than a brief tour of the factory and then assigning them to an organisational member for a couple of days in order for them to be shown how to do their job. While a cost-efficient, and usually effective means of teaching people how to perform a job, it does have a major drawback. It can result in the person in receipt of the training adopting any bad habits the incumbent may have. Organisational members noted the problems of such an approach and said that systems need to be in place to avoid this happening.

Education and training proved to be an important element of the TQM implementation process. It provided people with the knowledge and skills necessary to adopt the principles, values, tools and procedures of TQM. In this respect it represented an important aspect to facilitate the diffusion and routinisation of TQM. However, insufficient education and training and the inability of people to apply their knowledge and skills constrained the implementation process.

Remuneration, rewards and recognition

Aligning the remuneration system that it was more closely aligned to the principles and values of TQM formed a major part of the human resource activities employed within Companies C and D. Both, had previously employed a bonus system, born of the days when productivity, not quality, was the focus of work design systems and management. But as the General Manager of Company C commented

> this [bonus system] bred a production line "do what you are told" mentality. The bonus scheme was based on throughput, not productivity because productivity is measured in saleable products, not total products produced. We were in reality paying people to make rejects and then paying them a bonus to replace them...No matter how strong your personal ethics are, given a month of two of such a system you would not care about the quality either. Especially if you have a family and mortgage, with a husband or wife expecting your pay packet to be of a certain amount each week and you come home and say "oh sorry. I didn't earn as much this week because I was too busy worrying about quality and housekeeping". You

> wouldn't go a second week in a row, your husband or wife would sort you out real quick. It's natural.

For Company D, the bonus scheme, as well as encouraging productivity and output rather than quality, was not equitable. Because of the nature of the work involved in the production process, it was easier for some to earn a bonus than others, even though they may work just as hard.

> We particularly wanted to promote the fact that we are far more interested in quality and fairness than productivity and that that is why we are altering the method of pay (Tannery Manager, Company D).

In developing the new method of pay for the factory, a committee was established comprising volunteers from management and the shop-floor. This group then reviewed the previous method of pay and modelled a new, merit based system that would proved to be more equitable for all organisational members. The new system would enable individual people to have more control over their level of pay as it incorporated such things as: the nature of the job; the level of skill required to perform it; the skills possessed by a person; participation in groups; quality; and attendance. The Tannery Manager noted that having people from the shop-floor on the committee was beneficial as they had a better idea of what the different jobs involved and the ability of the job to provide a bonus, than management. Prior to implementation of the new pay method, demonstration pay slips had been included within people's pay packets to show organisational members what they can expect to earn under the new system. Generally, people have supported new system as they realise it is fairer than the previous system and it will provide them with more control over their pay level. In addition, having people from the shop-floor involved on the committee, helped management gain acceptance for it and introduced a sense of ownership in it. Furthermore, the fair and equitable nature of the new scheme was reinforced by union approval.

Along with changes to pay methods, the companies implemented other, more intrinsic methods of rewarding desired behaviour and performance. As discussed in Chapter Three, the use of intrinsic rewards has been recognised as an effective tool to encourage people to adopt a change and motivate them to achieve higher levels of performance (Covey, 1992; Hackman *et al.*, 1975; Walton, 1973; Herzberg, 1968). Within Company C, people who had successfully completed external courses were presented with framed certificates during company meetings, also during these meetings special achievements by organisational members were acknowledged. But the shop-level employees were of the opinion that they did not receive enough recognition for their efforts. They stated that having their supervisor, or team leader occasionally acknowledge good performance, by way of a pat on the back and telling them that they have done a good job, would reinforce their behaviour in a positive manner. In fact, the

use of more intrinsic methods of rewards and recognition emerged as being a most effective motivating technique for shop-level employees. This supports Herzberg (1968) who stated that intrinsic factors can increased peoples satisfaction with their job and thus, motivates them to achieve higher levels of performance.

> We have been told that if we [work-group] meet our performance objective for the year, then we will have a booze up, it's like a pat on the back, isn't it? (Shop-level employee, Company C).

> Constant, positive reinforcement is important, but unfortunately not enough of that goes on. You have only got to mentions things occasionally, definite acknowledgement of some sort. You know a lot of people, be it right or wrong, well they would bust their guts if they thought that they were going to get some glory out of it. Some of them are a lot more modest and they get quite embarrassed if they are made an issue of, but they get a hell of a lot of satisfaction out of it (Shop-level employee, Company B).

> It's very important to get recognition for ideas and attempting to make improvements. Not just the person above them getting the pat on the back, but the actual person who's idea it was should be acknowledged. Acknowledgement could come from the General Manager, team leader or co-ordinator. I mean we have meetings and people make an issue out if it and a lot of people get embarrassed, but in a lot of cases a great deal of satisfaction comes from having people know that you achieved something or that an improvement come from your idea (Shop-level employee, Company D).

Job enrichment

> We spend about 40-45% of our working life at work, so it is important that you get challenge and stimulation and also respect. trust and honesty. Unfortunately a lot of people just do not think of work in that way. But how can you say that you respect people and then create an environment where they can't be challenged and get trust and stimulation...You have got to enjoy your work. If people are actually working in a clean and tidy environment, with good housekeeping and given involvement and they can make improvements, and in which they can grow and develop their personal and professional skills, then they are going to be satisfied and willing to work towards TQM (General Manger, Company C).

Job enrichment involves having a job vertically loaded with activities that provide people with challenge, stimulation and the ability to grow and develop. Such activities include providing people with the ability to use a variety of skills within performance of their daily tasks, a sense of control and autonomy over their job plus the opportunity to participate in the decision making process (Bruce & Blackburn, 1992; Hackman *et al.*, 1975; Herzberg, 1968). Job enrichment differs from other, more common methods of job design - job enlargement and job rotation. Job enlargement involves jobs being horizontally loaded with more tasks of a similar nature and skill level. Herzberg (1968) views this method with a degree of negativity, he believes that job enlargement amounts to little more than adding meaningless tasks onto other

meaningless tasks. Likewise he believes that job rotation simply involves moving someone from one meaningless task onto another. Both methods, he contends do little to increase a persons level of job satisfaction, and motivation to improve performance. In contrast, the challenging and stimulating nature of an enriched job can provide people with a sense of purpose, that what they are doing is worthwhile. This helps to increase their level of satisfaction with their job, which in turn helps to generate a highly motivated and committed workforce (Bruce & Blackburn, 1992; Herzberg, 1968).

Within the cases, a concerted effort was made to enrich the jobs and thus, work lives of organisation members. This is perhaps best illustrated by the activities undertaken within Company D, however these activities went beyond Herzberg's (1968) definition of job enrichment to encompass enrichment of the total work experience. Job enrichment comprised an important aspect of the internal changes within the company. Although the jobs were generally highly specialised and people needed a considerable level of skill to effectively perform them, they were most mundane and often had to be performed in less than desirable conditions, i.e. some jobs produced a considerable amount of dust. Therefore, because of the highly specialised nature of the work, both job enlargement and rotation were not applicable and so management had no option but to look to enrich the work of its organisational members.

A number of changes were made in order to enrich the lives of organisational members. Firstly, jobs were enriched by way of redesigning different work areas into semi-autonomous work-teams, each headed by a team leader and a team co-ordinator. The work teams had responsibility for overall performance of the group, which included responsibility for solving any problems that arise as well as monitoring and maintaining a high standard of work. Secondly, people were encouraged to participate in committees, such as the "open door committee", and they were encouraged to identify and suggest areas for improvement. Also, at the time of the data collection, Quality Circles were in the midst of being introduced and so volunteers were being sought to participate in them. These changes were generally viewed positively by organisational members, with senior management noticing a growing willingness of people to participate in such activities.

> I enjoy the fact that the work is more challenging now and I have responsibility for it (Shop-level employee, Company D).

> Some people are terrific, and there is no question that some people have taken to it really well. In fact there are some who are quite excited about coming to work and enjoy being here, and they get involved in everything. They are very satisfied and you know that they will end up doing their work well. They are good value and they have useful opinions and ideas (Tannery Manager, Company D).

But the Tannery Manager notes that while many people have been eager to accept the freedom they have been given, they are not willing to accept the responsibility that accompanies it. Instead, they prefer to revert back to relative security of passing the buck, that is they were told to do something even though they knew that there was a problem. However, the Tannery Manager concedes that it is really a matter of time for people to start to repel old behaviours and habit of "passing the buck".

Along with changes to work content, peoples' total work experience was enriched by way of providing them with a sense of achievement and a sense of pride in their work. This was an important activity because previous authoritarian management regimes had left staff with a low level of esteem and pride in their work and the company was almost non-existent. This was achieved by providing people with challenging jobs and additional responsibility, which communicated to them that management respected their skills and had faith in their ability to perform challenging tasks. The improvements to the production processes and management systems, also enabled people take more pride in their work because they knew that they were producing a high quality product. This helped to increase their sense of satisfaction in the job they were doing. As a shop-level employee from Company D remarked

> It is so satisfying to know that you are making a high quality product that someone is going to be able to use without it falling to bits. That makes you feel really good. Also it is good to know that you are not going to have half the products you have made returned to be fixed because they are not up to standard.

As people's satisfaction with their job and work life grew, so did their satisfaction in the organisation as a whole and so they were beginning to take pride in the organisation for which they work. This was demonstrated in the establishment of company sports teams. This represented a significant departure from previous times, when people merely viewed the company as a place that provided them with a weekly pay cheque. But, now they are willing to participate in company sponsored team sports.

> We had staff sports teams which entered the local touch competition, and one of the teams actually won it. Also, we have a twilight cricket team which is doing well and there is quite a bit of interest in getting a dragon boat team together. This is really great, as it shows that people want to participate in a company sports team, I mean they want to publicly acknowledge that they work here, this would never have happened a few years ago (Quality Manager, Company D).

Therefore, it can be seen that as people experience positive benefits from activities introduced within the TQM implementation process, peoples satisfaction with both their job and the organisation as a whole improves. This results in people being willing to participate activities and this builds commitment (Covey, 1992). The cumulative effect is the creation of a workforce that is motivated to accept and routinise the principles, tools and methods of TQM.

Summary

This chapter focused in the processes by which TQM was implemented within four manufacturing companies. While traditional organisational change literature contends that change occurs in a rational and linear method, evidence supported the emerging processual perspective of change. This perspective views change as a process and not a programme and appreciates the cyclical, unfolding nature of change, which encourages the return to previous activities in order to refine and adapt them as required. This helps to instil a capacity for organisational self-assessment and renewal.

Examination of the implementation method employed by the organisations identified that motives for implementing TQM and existing organisation culture influenced the particular approach employed. The chapter also succeeded in isolating factors within the implementation process which may act to constrain or facilitate the diffusion and routinisation of TQM. What emerged from this analysis was that when implementing TQM organisations should look to employ strategies which aim to increase the satisfaction and thus, quality of working life of organisational members. These strategies should be supported by senior mangers who's role is to drive the implementation process and ongoing improvement, and reinforce the principles and values of TQM through ensuring consistency within their actions and words and demonstrating honesty, fairness and integrity.

Chapter Six

Conclusion

> *I think it's impossible to really innovate unless you can deal with all aspects of the problem. If you can only deal with yolks or whites, it's pretty hard to make an omelette* - Gene Amdahl, founder of Amdahl Corporation and Acsys, Ltd.

Introduction

The analysis in the previous chapters has provided insights into the processes by which TQM is implemented within four New Zealand manufacturing organisations. Specific attention has been given to examining the character of organisational change as experienced by the organisations and what is generally portrayed in the literature. While appreciating that because of the methodology employed insights may not be immediately generalisable to other organisations, they do provide a depth of understanding which the traditional prescriptive nature of literature on the topic has failed to provide.

Within this chapter, the three research questions are answered by combining the major themes which have been identified in analysing the empirical data with those of identified within the literature review. Thus, they have been brought together to explain the TQM implementation process and what is necessary to secure the diffusion and routinisation of the principles, tools and procedures of TQM. This chapter will also discuss any limitations to the study, the significance of the findings and highlight areas for future research.

A study of organisational change

The previous two chapters have provided a detailed analysis of the process of TQM implementation. The analysis centred on events which occurred over time within medium sized manufacturing organisations.

In developing and analysing the four cases, the principal aim was understand the processes involved in the implementation of TQM. In order to do so, it was necessary to examine the holistic nature of TQM and characteristics of the organisational change process its implementation necessitates. In this respect the study has build upon the research by Dawson & Palmer (1995; 1993) into TQM implementation. The nature of TQM was discussed, and obstacles to its implementation identified and evaluated in Chapter Two. Within this chapter is was established that the commercialisation of TQM in conjunction with the predominantly prescriptive literature had resulted in a cursory level of knowledge and understanding of the holistic nature of TQM and an oversimplification of the organisational change process, implementation necessitates. From this it was concluded that the combination of both factors was resulting in partial TQM.

Partial implementation refers to situations whereupon only a few activities are merely applied to existing organisational infrastructure and culture. Such approaches do not generate the necessary cultural change and as well they fail to appreciate the true nature of TQM. TQM is a managerial philosophy which focuses on satisfying customers through continual improvement, and utilises a variety of tools and procedures to facilitate continual improvement. When partial implementation occurs, TQM is frequently considered to be a programme, with its the tools and procedures regarded as *being* TQM, not merely the *means* to TQM (Bohan, 1995; Dobbins, 1995). This contention is supported by recent international empirical research into the implementation of TQM which identified a lack of knowledge and reliance upon consultant's standard "packages" as contributing to the phenomenon (Dawson & Palmer, 1995; Redman, 1995; Taylor, 1995; Wilkinson & Witcher, 1993).

From this it was contended that an implementation gap had arisen between what *is* occurring in practice and what *should* be occurring. In order to overcome this gap, it was necessary to examine the process of organisational change that TQM implementation requires. This examination provided insight into the influence contextual factors such as an organisation's task environment and its internal operating environment had upon the implementation process.

By examining the process of change, this study shows that TQM implementation occurred in a cyclical and evolutionary manner. A review of events that preceded the decision to implement TQM, suggests that motives for implementation as well as existing organisational culture influenced the method of implementation employed. A review of the content of the TQM implementation process provides insights into those factors which act to constrain and facilitate the diffusion and routinisation of TQM. Factors such as resistance and a cursory level of knowledge of TQM were found to constrain the implementation process. Whereas factors such as leadership, education and training, and job enrichment were found to act to both constrain and facilitate the implementation process, with their effect being conditional upon how they were managed.

Finally, this research provides insights into the implementation of TQM in medium-sized, mature New Zealand manufacturing organisations. In this respect this research forms an important contribution to the study of TQM implementation within New Zealand, because studies of this nature have tended to focus on large service organisations, or alternatively, and have not focused upon the process nature of organisation change that organisations are required to undergo when they implement TQM.

Emergent themes within the TQM implementation process

In attempting to answer the three research questions posed in Chapter One, a number of themes emerged that helped to explain the TQM implementation process.

Motives for implementing TQM

The study showed that the decision to implement TQM stemmed from a number of forces for change, both exogenous and endogenous. Exogenous forces arose from changes within the external task environment of the organisations. Deregulation and restructuring of the domestic economy had created a considerable level of turmoil within the domestic economy. Consequently, the organisations were experiencing crises in the form of increased competition, reduced profitability and increasingly sophisticated customers demanding a higher standard of product at lower cost. In order to remain competitive within such an environment, senior managers were charged with the task of reassessing the overall aim and competitive strategy of their organisations, with the express objective of identifying an appropriate method to enhance its strategic capability. TQM was considered to be the means to do so, for it provides organisations with the ability to become more flexible and responsive to changing market and environmental conditions.

However, the decision to implement TQM may not always arise from exogenous forces for change. For Company A, environmental forces for change were not as prevalent and so the prominent force for change originated from within its internal operating environment; namely a desire to improve its operating processes.

The method of implementation

The forces for change in combination with existing organisational culture were shown to influence the method of implementation employed as well as the focus of the implementation process. Within three of the case companies, the was an urgent need for change and yet, while organisational members were generally aware, and accepting, of the need for change the organisational culture was distinguished by a high level of distrust of management. Consequently, TQM was implemented in a radical manner, with the process focusing on the development of a new corporate vision and communication of the new vision to organisational members. This was achieved through having a highly visible General Manager, who was seen to live the new corporate vision by reflecting the principles and values of TQM in his day-to-day actions and interactions with all people, including organisational members, customers and suppliers.

In contrast, the motives for implementing TQM within Company A stemmed from an internal desire for improvement. As a result organisational members were not as aware of the need for change, and so the TQM was introduced incrementally. The focus of the implementation process was upon implementing quality assurance systems within the

production processes in order to overcome problems. As improvements began to exude through the organisation and acceptance of TQM grew, the process was introduced within other functions. The General Manger had an important role in driving the implementation process and ensuring that momentum did not fall, as apt to happen when an incremental approach to change is employed.

The processual nature of TQM Implementation

Essentially, TQM is a managerial philosophy which focuses all facets of an organisation towards meeting customers' needs through continual improvement. TQM provides organisations with an array of tools and procedures which create the infrastructure and culture necessary for it to become responsive to changing customer needs. As such, it introduces a self-renewal capacity, whereby organisations learn to continually monitor both their external task and internal operating environments in order to meet changing conditions. In this respect, TQM is an OD intervention as it facilitates an organisation's ability to continually manage change by improving their internal problem solving capabilities, through instituting changes to its structure, processes and culture.

However, although promising a great deal, TQM often does not deliver expected results. Many investigations have been undertaken in order to determine those factors which act to inhibit TQM. This study showed that the underlying reason for the occurrence of those factors was a compounded effect of the commercialisation of TQM and the prescriptive nature of its body of literature. This resulted in people involved with the implementation of TQM not truly appreciating neither the holistic and integrated nature of TQM, nor the complexity of the process of organisational change its implementation requires.

The study showed that the true nature of TQM and its implementation process essentially conflict with established "Western" managerial theories and practices. Evidence from the cases revealed an inability to replace the traditional economic model of the firm with the quality paradigm. As a result, a quality-profit trade-off was often observed among the companies, whereupon attention to quality issues was often forsaken in the pressure to meet deadlines. This demonstrated that, while espousing the principles and values of quality, when placed under pressure senior managers believed that profit came first. Such action had a negative effect upon organisational members, as it provided them with conflicting messages. On one hand, senior managers were saying that quality is the priority of the organisation, while on the other hand, they demonstrated that despite what they say, profit comes first.

Also, the study provided support for an emerging perspective of organisational change. This contends that instead of being logical, rational and systematic, change is, in fact, a cyclical, iterative and dynamic process, which does not follow a set pattern of phases and/or steps. While recognising that within the implementation processes experienced by the companies some of the constituent elements mentioned within the traditional organisational

change literature were present, they did not occur the logical manner it suggests. Evidence revealed that many components occurred simultaneously, and often they were revisited in order to refine and adapt the processes. Among other things, this showed that TQM implementation involves organisational learning, for as management and the organisation become proficient in activities, they returned to previous ones in order to refine and adapt them.

Whereas, the traditional literature on organisational change prescribes a series of steps and/or phases organisations should progress through in order to effect a planned change, the emerging processual perspective merely identifies factors which serve to influence the change process. It does not seek to prescribe to organisations how to manage change, instead it merely provides a guide to the process. In doing so, it appreciates the uniqueness of all organisations and the environments in which they operate, and so accepts that every change process will be different. Therefore, the emerging perspective seeks to guide, through helping people to understand the complex and evolutionary nature of the change process. In this respect, it is expected that practitioners will have a better understanding of the nature of the process and so will be able to manage a process that meets the express needs of their organisation.

One of the major problems in managing TQM implementation arises when traditional managerial techniques and prescriptions are used to direct the process. Previous models of change were developed when organisations: were highly controlled and bureaucratic; comprised of work systems that were predominantly based upon Taylorism i.e. employees applying a limited set of skills to highly specific tasks in an authoritarian style of management; and operated within a stable environment Unfortunately these models are no longer as applicable as they fail to appreciate and accommodate the cyclical, iterative and dynamic nature of the modern business environment and the need for organisations to be organic; team based; with consultative approaches to management employed.
Both Dawson & Palmer (1995) and Pettigrew & Whipp (1991) have developed processual models to describe the process of organisational change. Factors identified within both of the models were identified as influencing the change processes experienced by the four case companies. While, the five components of the Pettigrew & Whipp (1991) model provided a general description of change process experienced by the companies, the model developed by Dawson & Palmer (1995) was specifically applicable to that experienced by the companies, as it had been developed expressly to describe that process.

The traditional perspective suggests that change is static and does not alter once it has been implemented. This, however, is not the case with TQM. Just as its implementation process is evolutionary, so to is TQM itself. As previously stated, TQM is a managerial philosophy which has as its ultimate goal the provision of value to customers and utilises a number of different techniques in order to create an organisation that has an infrastructure and culture that is continually able to improve, and thus provide value to its customers. In this respect, as suggested in Chapter Two, TQM provides a self-assessment capability within

organisations and as such enables them to monitor their internal and external environment in order to continually improve and keep meeting the needs of its customers. Over time, the nature of TQM evolves, and moves to utilise different techniques in order to sustain continual improvement and customer satisfaction. This evolutionary nature of TQM is best demonstrated when viewed in conjunction with lifecycle theory. As the process moves along its lifecycle it has to employ strategies applicable to its position and to stop it falling into decline. Thus, TQM does not stay still and is necessary for it to focus on different techniques in order to maintain its ability to continually improve and satisfy its customers. Unfortunately, many who have been conditioned by the traditional perspective of change, view this to be an example of the process failing, and not of it naturally evolving.

Factors which served to constrain and facilitate the TQM implementation process

Within the study two specific element were identified as acting to constrain and facilitate the diffusion and routinisation of TQM. These were respectively, organisational members frustration and satisfaction with the changes. There were two specific examples of constraints to the implementation process identified. The first was resistance to TQM and the other, a cursory understanding of TQM and its implementation process.

Resistance: Because the need for change was generally accepted by organisational members, only a few proved to significantly resist it. However, three mains sources of resistance were identified: distrust and suspicion of management; personal unwillingness to change; and past experiences with change. While only a small proportion of organisational members presented any significant resistance to TQM, by virtue of their position within the companies they had a significant impact upon its progress. The major group to resist TQM was middle management, for they perceived that they had the most to loose in terms of lost power, authority and thus organisational status. This was compounded by the fact that many middle managers had been with the companies for a considerable period of time, and for some they were nearing retirement and so they could not perceive any real reason to justify their adoption of TQM.

Unfortunately, their resistance was creating a considerable level of frustration among those directly under them. For these people were not experiencing any of the benefits of TQM and as a result their willingness to adopt TQM was being eroded. Management had recognised the effect that this group of middle managers were having upon the implementation process and they tried to overcome their resistance through education and training.

Cursory understanding and knowledge of TQM: This, as discussed previously was revealing itself in an inability to fully adopt the quality paradigm a resultant quality-profit trade-off. The cursory understanding was also resulting in partial implementation, whereupon one or two popular activities were being introduced. However, such an approach usually results in difficulty in generating organisational alignment of the

components of TQM. While such approaches to TQM result in the realisation of some immediate gains they fail to provide any long term improvements.

The study showed that attention to improving organisational member's level of satisfaction with both their job and the organisation helped to facilitate the diffusion and routinisation of TQM. However, those factors were sensitive and easily turned into frustration, and thus a constraint, when inconsistencies and blockages developed.

Leadership: This was considered to be a most important element of the implementation process. Senior managers recognised the need to lead by example and demonstrate their commitment to TQM. The importance of this factor was heightened by the existing organisational culture, which held within it a distinct level of distrust and suspicion of management. Accordingly, the General Managers had to be seen to totally embrace the principles and values of TQM and continually reflect them in their daily work and interactions with people. This demonstrated to organisational members the level of their commitment to the process and the fact that TQM was not confined to the shop-floor. Another important role of senior managers, identified, was the need for them to show they genuinely respect organisational members as people and as being experts in their own right. Actions such as knowing people's names, listening to them and discussing aspects with them and following through on issues were shown to be integral in securing people's trust.

Above all, it was revealed that a General Manager needs to demonstrate consistency and fairness. They needed to be consistent in everything they do and say, for the slightest contradiction of words and/or actions added to the distrust and scepticism amongst organisational members. But in order to embrace the principles and values of TQM professionally, leaders must embrace them privately, for if they do not then they are merely paying lip-service to TQM and their true values and principles will eventually emerge.

Working conditions: Improvements made to the working environment had a significant impact upon reducing people's dissatisfaction with their job and the organisation. Improvements to the aesthetic appeal of the environment proved to be a powerful demonstration of management's commitment to TQM, and respect of organisational members.

Communication: The key elements to communication were identified as being consistency and ensuring that all channels were open and easily assessable. People appreciated being kept informed of what issues, both within their immediate work area and within the organisation as a whole. Therefore, meetings and internal mechanisms of communication, such as newsletters and noticeboards played an important role in the implementation process. Also informal channels played a useful role in facilitating the spread of information.
However, people become frustrated when there were blockages within the communication channels. For many shop-floor employees, their ideas were not being forwarded beyond

their immediate supervisor and also information from senior management was not being communicated to them. This became a source of frustration and often resulted in shop-level employees ceasing to identify and communicate their ideas for improvement.

Rewards and recognition: It is important that an organisation's system of remuneration is aligned to TQM, in order for it to support and reinforce the process. For two of the case companies, this involves moving from a bonus system to a merit system of remuneration, which rewarded people for exhibiting desired behaviour such as attention to quality, participation and increasing their level of skills.

The study also showed that intrinsic rewards were a powerful means of encouraging people to reject old habits and behaviour and adopt new, desired behaviour. Recognition of good work in the form of a pat on the back, public acknowledgement of a good suggestion or significant achievement, and the provision of drinks after work for the achievement of performance objectives increased organisational members job satisfaction and satisfaction with the organisation as a whole.

The study identified that intrinsic rewards were effective in encouraging people to adopt TQM, and extrinsic rewards were best used to reinforce and cement desired behaviour.

Job enrichment: Redesigning work systems to provide organisational members with challenge, responsibility and the opportunity to participate in the decision making process helped to make jobs more fulfilling and thus increase organisational member's satisfaction. Also, improvements to operating systems meant that people were able to take pride in their work as they were producing something of a high quality and not have it returned to them as a reject. Job enrichment was broadened to encompass the enriching the total work experience, through things like social events and company sponsored sports teams.

Managerial Implications

This thesis has identified a number of issues of concern to New Zealand managers. Although the methodology employed involved investigating TQM implementation within four organisations, its findings are not readily generalisable, the explanatory nature of this study provides pertinent insights into the implementation process and as such identifies factors of relevance to New Zealand managers.

Managers ought to have a greater understanding of TQM and what its implementation involves. This understanding should include appreciating the holistic nature of TQM and that it is a managerial philosophy which enhances the strategic capability of organisations by focusing on continual improvement in order to meet customers needs and ensure their satisfaction. In this respect it is an ongoing process and not a programme, as commonly advocated within the literature and many consultants and proponents. Belief that TQM is a programme, can lead to situations whereupon people view the activities and procedures

which accompany TQM as being TQM and not merely the means to achieving continual improvement. Consequently, people view implementation as comprising the introduction of a few activities and that they have achieved TQM, upon the introduction of the activities. It is important that management understand the exact nature of TQM before the decision to implement TQM is made. This is because people often view TQM as being a panacea for organisational problems, when in fact while beneficial for an organisation, it may not be the most appropriate solution for the problem.

Consider, for example a situation whereupon an organisation is experiencing falling market share and management decide to implement TQM in order to improve the organisations position. The premise being that the company is not meeting customers' needs and so they need to introduce a customer focus and improve the efficiency of operating procedures. Unfortunately, what was not identified was that the reason for reducing market share was that they were targeting the wrong market. Consequently, the company spends considerable time and money implementing TQM, and yet significant gains in market share were not achieved. This is because, although the company was focusing on satisfying its customers and improving the efficiency of organisational procedures, it was satisfying the wrong customers and not operating effectively. Aspects of this scenario, while not expressly found within the case companies, they occur in practice and have been identified in recent literature on the topic. An understanding of the nature of TQM may help managers to determine when it is most appropriate for it to be implemented, and the appropriate focus of the quality system. In saying this, however, TQM implementation when implemented correctly will always produce benefits and enhance the strategic capability of an organisation, but the circumstances of its implementation will determine the type of results and benefits generated. The overall position of the study is that people's understanding and knowledge of TQM has a significant influence upon the success or otherwise of the implementation process and the benefits which result from its implementation. Evidence from the case companies supported this stance.

Along with mangers understanding the nature of TQM, they should also understand the nature of the change process its implementation necessitates. Evidence from the study shows that problems arise when the traditional perspective of organisational change is used to direct the implementation process. As identified within Chapter Five, TQM implementation is a cyclical, iterative and evolutionary process. Consequently, managers need to be aware of its processual nature when implementing TQM because its nature means that traditional methods of managing change are not effective when implementing TQM. Managers need to be flexible when implementing TQM, they ought to continually monitor the progress of the process in order to ensure that activities are implemented when needed and most appropriate, and not as according to a particular prescription, or package. Also several activities may be undertaken at any one time and often managers will have to return to previous ones in order to refine and adapt them to changing conditions. Rather than be directed by a series of steps and/or stages, managers should be guided by a processual perspective of change, like those of Dawson & Palmer (1995) and Pettigrew &

Whipp (1991), which identifies a number of elements managers should give due consideration to.

A major theme identified within the case evidence, which has strong managerial implications is the need for managers involved in leading and driving the TQM implementation process is there should be consistency in everything they do and say, personally, and the actions of the organisation. Managers must be willing to totally embrace the principles and values of TQM, both personally and professionally, and continually demonstrate their commitment to the process to organisational members, by reflecting them in their daily actions and interactions with people. This also demonstrates to organisational members that TQM does not only apply to those on the shop-floor. Consistency should be reflected in their leadership and communication.

When looking to advance the diffusion and routinisation of TQM, managers must also pay due attention to ensuring the changes increase the satisfaction of its internal customers, i.e. its organisational members. This study identified a number of factors which act to facilitate the diffusion and routinisation of TQM, however, it also identified that they were most sensitive and easily turned into constraints when organisational members became frustrated with elements within the implementation process, such as the inability to apply the skills and knowledge they have learnt from the courses and inconsistent communication.

Explicit within TQM is the need for self assessment of the organisation as a whole, and individual organisational members, accordingly, intrinsic rewards become important to promote and encourage the adoption and routinisation of new behaviours and procedures. These should be supported through the use of extrinsic rewards, in order to reinforce and cement desired behaviour. Similarly, within the modern business environment, a new perspective of change has been identified. In support of the new perspective of change, management need to utilise mechanisms which support and compliment the change. Inherent within this is the use of intrinsic rewards. These play an important role in generating commitment to, and adoption of, the change by organisational members, with extrinsic rewards being used to reinforced and cement the change.

Limitations to the study

In seeking to answer the three research questions, a comparative case study methodology was employed. This proved to be the appropriate research design, given the aim of the research was to examine the process of organisational change and that Pettigrew (1987; 1985) advocates that this provides an accurate and detailed insight into the process of change, than that would be provided through the use of other, more traditional, methods. Pettigrew recommends the most appropriate method is longitudinal, comparative case studies, as this enables people to understand the temporal nature of the change process. Unfortunately, this approach was unable to be employed given the time and research constraints upon the researcher. Nevertheless, a longitudinal element was built into the

research design, by selecting case sites that were in different stages of implementation. This method was employed successfully by Dawson & Palmer (1995). However, the researcher found that this approach did not provide sufficient data to provide any substantial insights into the temporal nature of the implementation process experienced by the four companies.

The method of data collection comprised personal interviews with people from different levels in the case company's hierarchy. While this enabled the researcher to capture the different impressions people had and match them to their position in the hierarchy, it did generate some difficulties within the actual condition of the interviews. The researcher found that was a considerable level of disparity in the abilities of participants to express themselves. Consequently, there was some difficulty was encountered in trying to draw information from people, while at the same time not being seen to "lead" the informant.

Areas for future research

The findings of the study indicated areas which require further investigation. An implication within the study was that the history of an organisation had a significant influence upon the approach to TQM implementation employed. Within Company B, there was a suggestion that the previous history of industrial disputes and redundancies had impacted upon unwillingness of its members to work together in teams. People's past experiences had taught them to be protective of their job and not to do anything to bring undue attention to themselves. As a result, they were most unwilling to adopt new procedures of self monitoring and team work, for they felt that by doing so they would jeopardise their position within the company. Accordingly, an area for future research would be to investigate the degree to which an organisation's history may hinder the diffusion and routinisation of TQM, in particular, and the organisational change process, in general.

One of the major contentions within the research was that the cursory level of knowledge and understanding of TQM was resulting in its partial implementation. It was found that a lack of understanding of TQM did influence the degree to which the quality paradigm was assimilated within the rationale of the organisation, and consequently, influenced the expectations, and focus, of the quality system. TQM is not a simple solution to organisational problems as frequently advocated within the literature, rather, it is a managerial philosophy which pervades the entire organisation and its implementation constitutes a complex and cyclical process of organisational change. Consequently, successful implementation of TQM is dependent upon those charged with driving the implementation process being fully conversant with the nature of TQM and the change process. When this is not so, the implementation process inevitably falters and results in the abandonment of such before it becomes fully routinised and the full spectrum of benefits and improvements. Accordingly, it is important to investigate, specifically, the perceptions

and understanding of TQM and the organisational change process held by people in the process of implementing TQM and those yet to implement it. This would be important to identify specific deficiencies in the general body of knowledge of the TQM implementation process.

This study has shown TQM to be an evolutionary process of change, which essentially conflicts with the traditional "Western" perspective of change, which believes that it occurs in a linear, rational and systematic manner. Therefore, of interest would be investigating the degree to which the "Eastern" cultural beliefs of change have influenced Japanese organisational ability to continually manage change. As well, this could be broadened to include the degree to which the traditional "western" interpretation of change and methods of managing it have influenced "Western" organisations ability to successfully and holistically embrace the TQM philosophy and implement TQM.

Investigations into the evolutionary nature of TQM, would help to increase the knowledge in this area. It has been suggested that TQM implementation conforms to lifecycle theory and so requires different managerial approaches within the different stages of its lifecycle. Consequently, research needs to be undertaken to determine the degree to which TQM conforms with the lifecycle theory and the what the most appropriate methods implementation and focus of TQM for the different stages of its lifecycle.

A final area of future research identified within this study is investigating the management of change, and TQM implementation, within small organisations. Of interest within the study was the different approach to implementation employed by Company A, which was significantly smaller than the other case companies. While appreciating the different approach to implementation employed by the company, there were indications that its size contributed to the methods employed and presented different problems and issues than those experienced by larger organisations. Most studies on TQM implementation undertaken within New Zealand have tended to focus on implementation within large organisations. While, these provide good insights into the implementation process, there findings are not always applicable to smaller organisations. Given that most New Zealand businesses are categorised as being small, it is important that studies be undertaken investigate the process of TQM implementation and change management within this category of business size.

There will be no progress if you keep on doing things exactly the same way all the time - Imai, 1986.

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Appendix One

Deming's 14 Points

1. *Create constancy of purpose.* Continuous improvement through the elimination of all waste of materials, capital, and human resources has to become a way of life.

2. *Adopt the new philosophy.* When all waste is eliminated, quality improves, productivity increases, costs decline and competitive position improves. Companies unwilling to adopt this philosophy will be unable to compete with those companies that do.

3. *Cease dependence on mass inspection.* Use statistical tools to monitor the systems and to ensure that quality is built in, thereby eliminating the need for mass inspection.

4. *End the practice of awarding business on the basis of price tag.* Supplier price alone does not account for the expenses associated with the waste produced by delivery of poor quality material. Instead, depend on meaningful measures of quality along with price.

5. *Improve constantly the system of production and service.* It is management's job to work continually on the system and to seek continual improvements.

6. *Institute training on the job.* Human resources cannot be appropriately utilised if employees are not properly trained.

7. *Institute modern methods of supervision.* The responsibility of supervisors must be changed from sheer numbers to quality, and management must be prepared to take immediate action on reports from supervisors concerning barriers such as inherited defects, machines not maintained, poor tools, and fuzzy operational definitions.

8. *Drive out fear.* Co-operation and communication among all employees is necessary to detect waste, determine the causes and institute remedies. Management must work on those sub-systems that affect the climate to enable open, non-punitive discussions about problems.

9. *Break down barriers between departments.* People in research, design, sales, and production must work as a team to foresee problems of production that may be encountered with various materials and specifications. Effective systems change will require joint inter-departmental teams to find proper solutions.

10. *Eliminate numerical goals, posters, and slogans for the work force.* Goal and slogans do not provide the vehicle for achieving quality improvements.

11. *Eliminate work standards that prescribe numerical quotas.* If a numerical quota is given, emphasis will be placed on production rate, rather than quality.

12. *Remove barriers that stand between employees and their pride in their work.* If management does not change the system that produces defective incoming material, or if the work process must be conducted with poor tooling and equipment, then quality work is not possible. Management must therefore eliminate any barriers built in to the system.

13. *Institute a vigorous programme of education and retraining.* Methods and tools for detecting and eliminating waste must be learned by all employees.

14. *Put everyone in the company to work to accomplish the transformation.*

Taken from Dawson & Palmer (1995: 199-200).

Workers can't do it on their own, nor can managers. A critical mass of people in the company must understand the Fourteen Points, the Seven Deadly Diseases, and Obstacles that Deming identified.

The Seven Deadly Diseases

1. *Lack of constancy of purpose.* A company that is without constancy of purpose has no long-range plans for staying in business. Management is insecure, and so are employees.

2. *Emphasis on short-term profits.* Looking to increase the quarterly dividend undermines quality and productivity.

3. *Evaluation by performance, merit rating, or annual review of performance.* The effects of these are devastating - teamwork is destroyed, rivalry is nurtured. Performance ratings build fear, and leave people bitter, despondent, and beaten. They also encourage mobility of management.

4. *Mobility of management.* Job-hopping managers never understand the companies that they work for and are never there long enough to follow through on long-term changes that are necessary for quality and productivity.

5. *Running a company on visible figures alone.* The most important figures are unknown and unknowable - the multiplier effect of a happy customer, for example.

Diseases 6 and 7 are pertinent only to the United States:

6. *Excessive medical costs.*

7. *Excessive costs of warranty, fuelled by lawyers who work on contingency fees.*

In addition to the Diseases, Dr Deming identifies a lesser category of Obstacles that thwart productivity. These include: neglect of long-range planning; relying on technology to solve problems; seeking examples to follow rather than developing solutions; excuses such as 'Our problems are different'; and others.

Taken from Walton (1989: 36-37).

Appendix Two

Submission for Ethical Review

Description of the Project

1. Justification

New Zealand businesses are following the international trend for "Quality" and as a result, many are embarking upon a process of organisational change through the introduction of Total Quality Management. The objectives of implementing such a process are: improved efficiency and effectiveness of organisational procedures; increased productivity; and maximising customer satisfaction through the consistent provision of goods and services which meet their requirements and expectations. These generally result in the firm maintaining or developing its market share, as well as, increased profitability and returns to shareholders. Nevertheless, although there have been numerous, well-publicised success stories of organisations which have implemented TQM, there are many which have failed to achieve their stated objectives.

2. Objectives

The overall objective of the study is to investigate and explain why a process of organisational change, namely the implementation of TQM does not always deliver its intended results. Specifically the researcher intends to explain the relationship between the commitment of top level management to the process and how this may impact upon its eventual success or failure.

3. Procedure for Recruiting Participants and Obtaining Informed Consent (Information and Consent Forms Attached)

General Managers, Quality Managers and "shop floor" employees from four manufacturing businesses, which have engaged upon TQM within the last two years, will be invited to participate in semi-structured, tape-recorded interviews. Approval to carry out the study will initially be sought from the General Managers. A letter will be sent, detailing the reasons for the study, introducing the researcher and explaining what is involved. A few days later the researcher will either telephone or send a follow-up letter to see if approval has been granted. Once approval has been obtained, quality managers and shop floor employees will be approached by letter and follow-up phone call. Each will be given the same information and invited individually to participate.

As each employee agrees to participate, appointments will be made for interviews. Before interviews begin, each participant will be asked to sign an Informed Consent Form. This will state that they may withdraw their participation at any time, and that they will have control of the tape-recorder during the interview, and may turn it off if they wish. The form will be discussed with participants before signing.

4. Procedures in which Research Participants will be Involved

In a taped recorded semi-structured interview, each participant will be invited to reflect on their experiences with the introduction of TQM, (and in the case of top-mangers, the reasons behind their decision to implement it). Questions will attempt to elicit the factors pertaining to the signals emitted by top management, the affect of them upon employees and the degree to which they

impacted upon the implementation process. Participants will be encouraged to discuss any problems that may have arisen during the process and asked to suggest how it could have been better managed.

During the interview participants will have control of the tape recorder.

5. Procedures for Handling Information and Materials Produced in the Course of the Study

Tapes and transcripts will be available to the researcher, her supervisor and advisor only - they will not be released to any other party. Where appropriate, draft copies of relevant sections of the report will be sent to individual participants for comment before being finalised. A summary of final results will be sent to participants.

Ethical Concerns

1. Access to Participants

Each subject will be free to decide whether or not to participate.

2. Informed Consent

Potential participants will be fully informed about the study and their rights, both verbally and in writing, and will have the opportunity to raise questions with the researcher. Participants will sign a consent form before the interview begins (attached). Participants will be free to both, withdraw from the research at any stage and/or decline to answer particular questions. They will have control of the tape recorder and may turn it off at any time.

3. Confidentiality

The research material will be available to the researcher, her supervisor and advisor only. The thesis and any published results will be in a form that will continue to protect confidentiality.

4. Potential Harm to Participants

It is not anticipated that the study could cause harm to participants. On the contrary, it is intended to be a positive exercise in which participants are asked to share their experiences and expertise.

5. Participants' Right to Decline

Participants will have the right to decline to take part, or withdraw from the study, at any time.

6. Arrangements for Participants to Receive Information

Participants will be provided with a summary of results. They will also be free to contact the researcher if they wish.

7. Use of the Information

The study is an explanatory one. Results may be published in an appropriate peer-review journal and used to further the knowledge of the TQM implementation processes within New Zealand organisations. It is also hoped that the results may be of practical use to mangers.

8. Legal Issues

No legal issues concerning copyright, ownership of data or materials, or any conflict of interest arising from the research are foreseen.

Other Ethical Committee Submissions

No submission to other ethical committees is foreseen.

Matters to be Discuees with the Human Rights Ethics Committee

There are no other specific matters which we wish to raise with the Ethics Committee for discussion.

CONSENT FORM

A STUDY OF ORGANISATIONAL CHANGE: THE IMPLEMENTATION OF TOTAL QUALITY MANAGEMENT WITHIN SELECTED NEW ZEALAND MANUFACTURING FIRMS.

I have had the details of the study explained to me. My questions about the study have been answered to my satisfaction and I understand that I may ask further questions at any time.

I also understand that I am free to withdraw from the study at any time, or not to answer any particular questions. I understand that I will have control of the tape recorder being used.

I agree to provide information for this research on the understanding that it is completely confidential.

I understand that should this research be published or reported in any way I will not be identified.

I wish to participate in this study under to conditions set out in the information letter.

SIGNED: _____
NAME: _____
DATE: _____
RESEARCHER: _____

DRAFT ONLY

LETTER TO GENERAL MANAGERS

Dear _____

Re: A Study of Organisational Change: The Implementation of Total Quality Management Within Selected New Zealand Manufacturing Firms

I am a Masters student in the Department of Management Systems at Massey University, and am doing research for my thesis on the implementation of Total Quality Management. During my time in the workforce, I have experienced the implementation of Total Quality Management, both as an employee of a large Trading Bank and as a member of a management team charged with the introduction of a system within a small manufacturing business. Accordingly I have developed a strong interest in both the management of the process and the advantages it provides the organisation.

I would like to invite you to be part of this study in addition to your Quality manager and a general employee. The study will look at the management of the process of TQM implementation.

Participation would involve taking part in a semi-structured interview at a time and place convenient to the participant. Interviews would be tape-recorded, but the participant would have control of the recorder and be able to turn it on and off as they liked. The interview would take between 45-60 minutes, with the information provided being treated in the strictest confidence and when the research was written up participants would not be identified. If desired, draft copies of relevant sections of the report would be provided to individual participants for comment before being finalised.

Summaries of the research would be provided to participants and it is hoped that the results will be of practical use to businesses.

By participating, you would be helping to expand the body of empirical knowledge within the area of Total Quality Management within New Zealand. You would also be sharing your expertise with others who may be contemplating implementing a similar process.

I will contact you in a few days to see if this proposal meets with your approval. If you have any queries please ring me or my supervisor, on (06) 356 9099 at the Department of Management Systems, Massey University.

Yours sincerely

DRAFT ONLY

LETTER TO PARTICIPANTS

Dear _____

Re: A Study of Organisational Change: The Implementation of Total Quality Management Within Selected New Zealand Manufacturing Firms.

I am a Masters student in the Department of Management Systems at Massey University, and am doing research for my thesis on the implementation of Total Quality Management. During my time in the workforce, I have experienced the implementation of Total Quality Management, both as an employee of a large Trading Bank and as a member of a management team charged with the introduction of a system within a small manufacturing business. Accordingly, I have developed a strong interest in both the management of the process and the advantages it provides the organisation.

I would like to interview employees about their experiences with the implementation of a Total Quality Management process into their organisation. I have been in touch with the General Manager and have been given your name.

I would like to invite your participation in this study. Participation would involve taking part in a semi-structured interview at a time and place convenient to the participant. Interviews would be tape-recorded, but the participant would have control of the recorder and be able to turn it on and off as they liked. The interview would take between 45-60 minutes, with the information provided being treated in the strictest confidence and when the research was written up participants would not be identified. If desired, draft copies of relevant sections of the report would be provided to individual participants for comment before being finalised.

Summaries of the research would be provided to participants, and it is hoped that the results would be of practical use to managers.

By participating, you would be helping to expand the body of empirical knowledge within the area of Total Quality Management within New Zealand. You would also be sharing your expertise with others who may be contemplating implementing a similar process.

I will contact you in a few days to see if this proposal meets with your approval. I would like to thank you in advance for your assistance. If you have any queries please ring me or my supervisor, (06) 356 9099 at the Department of Management Systems, Massey University.

Yours sincerely

Appendix Three

A Guide for Interviews - Question and areas to be covered

Overview of the Organisation

- When was it founded
- Main product line and market
- Nature of industry(s) the company competes in
- Size of the company
- What was the organisational structure, before, during implementation and now. Hierarchy, staff numbers etc.
- Organisational culture - past and present
- Prior experiences of organisational change
- Interviewee, length of service with company and current role.

Background to the Decision to Introduce TQM

- Impetus behind the decision to implement TQM. Was there a particular person who spearheaded the decision? Was there a crisis or a particular need for which TQM was seen as the answer? Why was TQM adopted?
- Did ISO certification provide some drive for the introduction of TQM?
- Prior knowledge and understanding of TQM, its philosophy, tools, procedures, expectations for the system and how to implement it (i.e. before implementation)
- Current perspective of TQM (i.e. after experienced implementation). Note for shift in attitudes, holistic change or just predominantly pertaining to production function.

The Implementation Process

- Was the implementation process planned?
- Was there any consultative committee set up to discuss the implementation process?
- Were objectives of the implementation process formulated?
- Timeframe
- Resource allocation
- Expectations
- Was the TQM process adopted, designed specifically for the organisation or was a consultants package used?
- How was the implementation process managed?
- Was a change agent, champion, external consultant, or someone else specifically appointed to oversee the implementation process and ongoing improvement?
- Characteristics and/or experience important for a change agent etc.
- How was the move to TQM communicated to organisational members?
- Should TQM implementation be driven from the top-down or bottom-up?
- Any problems experienced within the process?

Organisational Change Management

- Has the organisation's structure and methods of managing changed? If it has, in what way? and why has it changed in that way as opposed to different structures and alternatives?
- Have these changes been difficult to incorporate into the organisation, specifically how have they been embraced by organisational members?
- Participation in the change process.

Human resource Issues

Leadership

- Has the/your style of leadership and management changed, if so in what way? Why do you consider this new method of leadership and management to be appropriate? Has it been difficult adjusting to these new methods?
- How important do you consider leadership to be, during the initial and transformational phases of the implementation process?
- Importance of top management leadership and commitment
- Important leadership characteristics/qualities
- What do you believe the role of top management to be in the process of implementing TQM?

Method of Remuneration

- Has a new remuneration system been developed and introduced?
- Why did the company decide to change the system?
- How was the new system developed?
- Method of introduction to organisational members?
- What was the general response been to the new system?
- Have alternative methods of rewarding and recognising good performance been introduced?
- If so, how successful have they been?

Resistance to TQM

- Has the implementation of TQM been resisted?
- Has there been any specific group of people that has resisted the change?
- Why do you think they have resisted it?
- How has their resistance been managed and overcome?
- Has people's resistance effected the progression of the implementation process?

Changes to Job Content and Job Context

- Describe any changes that have been made to the work environment, as a direct result of
- TQM.
- Acceptance of the changes by organisational members
- Have there been any changes to the design of work systems and tasks?
- Have they increased people's level of satisfaction and quality of work life?
- Have the changes enhanced task performance?

Education and training

- Describe the education and training on TQM you have received?
- Has it been sufficient?
- Ability to apply new skills and knowledge to work
- Improvements and/or problems within the methods of education and training used by the organisation.

Present Situation

- Where is the organisation now, in terms of the TQM process?
- Where do you expect it to be in a year, two years and five years time?
- Success of TQM.

Conclusions about the Process

- Who is responsible for "quality"?
- What is empowerment, is it present within the company?
- Is TQM synonymous with ISO certification?
- Define "quality" and TQM
- Do you believe that the implementation process follows a series of phases, or is it only a single procedure?
- Has the organisation achieved TQM, i.e. it is a distinct programme with a beginning and end or is it a continual process?
- Is the success TQM measured and communicated?
- Some people have said that TQM should not be undertaken by organisations unless they are fully aware of TQM and comprehend what is required to implement it and the need for those with the organisational power to be fully committed to it in its widest sense, do you now agree with these statements? Why?
- Were you aware of what you were letting yourself and the organisation in for, before you began the process?
- Has the organisation begun to realise the benefits of the process? If so, are they what you expected or have they differed?
- If you had to do it all again, would you implement it or would you do things differently?
- Why do you think TQM may fail to realise its full potential for some organisations?
- From your experience, what do you believe to be the key aspects of the implementation process which you consider to be integral for the successful implementation of TQM?
- What have you learned from the experience?