

critical SHIFT

The Future of Quality in Organizational Performance

How to Shift to TOM in Your Organization

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Does the shift from TQM to Total Organizational Management, with its focus on value creation, mean that quality is no longer an important contributor to organizational performance? Not at all. The concept of quality is timeless.

Table 1. The Five Essential Fields of Performance Practice in Organizations

Field of Practice	Purpose	Desired Outcome	Underlying Concepts	Commonly Used Tools and Methods
1. Quality Assurance	<ul style="list-style-type: none"> ■ To ensure customers receive what they contract to receive 	<ul style="list-style-type: none"> ■ Product and service conformance to customer requirements 	<ul style="list-style-type: none"> ■ Quality assurance ■ Customer responsiveness ■ Process-oriented thinking ■ SDCA Cycle* ■ Discipline 	<ul style="list-style-type: none"> ■ Quality system ■ Standardization ■ Basic tools of quality ■ The 5 S's*
2. Problem Resolution	<ul style="list-style-type: none"> ■ To improve bottom-line performance and customer satisfaction 	<ul style="list-style-type: none"> ■ Reduced costs ■ Improvements in performance ■ Improvements in customer satisfaction 	<ul style="list-style-type: none"> ■ PDCA Cycle* ■ Customer focus ■ Variation ■ Teamwork 	<ul style="list-style-type: none"> ■ Process management ■ Constraint management tools ■ Advanced tools ■ Creativity tools
3. Alignment and Integration	<ul style="list-style-type: none"> ■ To ensure all organizational work contributes to achieving the organization's mission, vision, and plans 	<ul style="list-style-type: none"> ■ Improved organizational effectiveness ■ Elimination of barriers and unnecessary work ■ Improved overall customer and employee satisfaction 	<ul style="list-style-type: none"> ■ Alignment ■ Integration ■ Organization as system ■ Transformation ■ Large-scale organizational change ■ Self-management 	<ul style="list-style-type: none"> ■ Organizational architecture ■ Organizational partnerships ■ Managing the organization as a system ■ Large group interventions ■ Strategic planning ■ 7 Management & Planning Tools* ■ Project management
4. Consumer Obsession	<ul style="list-style-type: none"> ■ To promote long-term survival of the organization 	<ul style="list-style-type: none"> ■ Create value for consumers ■ Create value for employees ■ Create value for stakeholders 	<ul style="list-style-type: none"> ■ Value creation ■ Organizational renewal ■ Mass customization ■ Lifetime relationships with consumers 	<ul style="list-style-type: none"> ■ Innovation ■ Competitive intelligence ■ Relationship marketing ■ Brand management ■ Non-traditional market research techniques
5. Spiritual Awakening	<ul style="list-style-type: none"> ■ To serve society 	<ul style="list-style-type: none"> ■ The planet managed as a system ■ Improved life for everyone on the planet 	<ul style="list-style-type: none"> ■ Spirituality ■ Organization as community ■ Social responsibility and accountability 	<ul style="list-style-type: none"> ■ New social contract for employment ■ Community building ■ Social responsibility audits ■ Zero-emissions systems

*The SDCA (Standardize-Do-Check-Act) cycle is the thought process behind standardizing quality in an organization. The PDCA (Plan-Do-Check-Act) cycle is the thought process for problem-solving and continual improvement. The 5 S's (Sort, Simplify, Sweep, Standardize clean-up, and Self-discipline) help organize the work area to boost efficiency. The 7 Management & Planning Tools (Affinity diagrams, Interrelationship diagrams, Tree diagrams, Matrices, Process decision program charts, Matrix data analysis, and Arrow diagrams) are useful in strategic planning and market research.

Creating value, however, can be accomplished only through the improvement of performance. And the tools and methods of quality are but one means for improving performance. To be effective, organizations must move beyond an exclusive reliance on quality to focusing on the whole of the organization.

Research has uncovered five fields of performance necessary to create value in an organization. Table 1 lists these five fields and identifies the purpose, desired outcome, underlying concepts, and commonly used tools and methods for each field. Collectively, these five fields of performance practice provide a framework for creating value for consumers, employees, shareholders, and society at large. No one field is sufficient in itself; all are necessary.

In fact, working on one field at a time can cause an organization to go out of business because it won't be able to keep up with external changes.

Each organization has its own unique developmental needs. Thus, you must determine those concepts, tools, and methods that will help your organization to systemically improve overall performance. At a minimum, you must do the following:

- Define the term "value" and what it means to simultaneously create ever-increasing value for your consumers, employees, shareholders, and society at large.
- Be sure that quality engineers, trainers, organizational development practitioners, and other staff members function as internal systems consultants and work as partners with operational units.

- Learn how to plan and implement enterprise-wide initiatives.
- Integrate a variety of seamlessly linked concepts, tools, and methods for improving performance as part of everyday organizational life. ■

Concepts and practices related to Total Organizational Management (including Table 1) can be found in *Critical SHIFT: The Future of Quality in Organizational Performance* by Lori L. Silverman with Annabeth L. Propst (Milwaukee, WI: ASQ Quality Press, 800-248-1946). Lori Silverman can be reached at Partners for Progress, 1218 Carpenter Street, Madison, Wisconsin 53704, 608-241-8082, 800-253-6398, pfprogress@aol.com. © Copyright 1999 Steven N. Silverman, Ph.D. and Lori L. Silverman. All rights reserved.