IE407 Total Quality Management
Lecture 16

Instructor: Dr. Ali Ahmad

Reminder: SA grade

▸ SA grade will be determined by the attendance system

▸ More than 8 absents will automatically lead to SA grade

▸ Please be careful about your attendance in lectures

Besterfield Chapter 4: Employee Involvement

Teams

Ten Common "People Problems" and Their Solutions

When people work together on a team, some of their energies are expended on "people issues."

Mastery of these "people issues" leads to team success

Ten Common "People Problems" and Their Solutions

- Floundering
  - Difficulty in starting (or ending) a project or its stages
  - Solution: Critical review of project charter
- Overbearing participants
  - These participants have unusual influence in the team because of authority or expertise
  - They tend to discourage discussion in the area of their expertise and disregard other members' ideas
  - Solution: Talk to person off-line and request cooperation
  - Solution: Enforce the importance of data and the problem-solving method

Ten Common People Problems and Their Solutions - 2

- Dominating participants
  - They tend to dominate the meeting by overlong anecdotes
  - Other participants tend to miss meeting because of them
  - Solution: Talk to them off-line
  - Solution: Leader can structure discussion with equal participation
- Reluctant participants
  - They do not contribute due to shyness or being unsure
  - Solution: Structure activities making contribution by everyone compulsory

Ten Common People Problems and Their Solutions -3

- **Unquestioned acceptance of opinions as facts**
  - Members assert personal beliefs with such confidence that other members think them to be facts
  - Solution: Request data and follow the problem-solving method
- **Rush to accomplish**
  - Team is pushed by one or more members to hasten results
  - Solution: Confront the rusher off-line and explain the effects of impatience
- **Attribution**
  - Guessing at a person's motive when we disagree with him/her
  - Solution: Question whether this opinion is based on data
  - Solution: Reaffirm the importance of problem solving method

Ten Common People Problems and Their Solutions - 4

‣ Discounts and "plops"
  ‣ Discount arises when members fail to give credit to another's opinions
  ‣ "Plops" is no response to a statement
  ‣ <u>Solution:</u> Reinforce active listening as a team behavior
  ‣ <u>Solution:</u> Support the discounted member, or talk off-line with members who frequently discount

‣ Wanderlust: digression and tangents
  ‣ Members lose track of the meeting's purpose or want to avoid sensitive topic
  ‣ Discussions wander in many directions at once
  ‣ <u>Solution:</u> Use a written agenda with time estimates
  ‣ <u>Solution:</u> Redirect conversation back to the agenda

Ten Common People Problems and Their Solutions - 5

▸ Feuding team members
  ▸ Can disrupt an entire team with their disagreements
  ▸ <u>Solution:</u> Get the adversaries to discuss the issues off-line
  ▸ <u>Solution:</u> Facilitate the discussion

Common Barrier to Team Progress

Common Barrier to Team Progress

▸ The following barriers originate from the system rather than from team members:

- ▸ Insufficient training
- ▸ Incompatible rewards and compensation
- ▸ First-line supervisor resistance
- ▸ Lack of planning
- ▸ Lack of management support
- ▸ Access to information system
- ▸ Lack of union support
- ▸ Project objectives are not significant
- ▸ No clear measures of success
- ▸ No time to do improvement work
- ▸ Team is too large
- ▸ Trapped in groupthink

Training

- Training is essential to enhance team effectiveness
- The quality council must take an active role in establishing training programs
- Large sums of money are spent on training by large organizations and this investment has its payoffs
  - Motorola, Inc. estimates that it earns $30 for every dollar invested in employee training
  - A study in 2001 found significant positive relationship between profitability and quality management training
- Training should be practical and activity based
  - Trainees will retain only 20% of what they hear and about 90% of what they do
  - Role-playing and case studies should be used

Training - 2

- Trainers should be carefully selected
    - Knowledgeable, enthusiastic and inspire respect from trainees
    - Credibility must be established early
    - The team members should feel comfortable with the trainer and the program that has been developed
- A clear picture of the objectives and how each member will benefit must be in place
- The trainees should be encouraged to express their thoughts about the training program
    - Employees are much more likely to support a program that they helped develop

Training: Steps

- The first step in the training process is to make everyone aware of what the training is all about
  - Thoughts, suggestions, and feedback should be gathered
- The second step is to get acceptance
  - Trainees must feel that the training will be of value to them
- The third step is to adapt the program
  - Is everyone ready to buy into it?
  - Does every one feel they are a part of what is going to take place?
- The fourth step is to adapt to what has been agreed upon
  - What changes must be made in behavior and attitudes?

Training: Content

▸ Training content should include:
- ▸ Group dynamics, communication skills, TQM specific problem solving techniques, safety, and technical aspects of the job
- ▸ See Table 4-3 on page 108
- ▸ The only difference among the types of training is that some may be required more often and for greater lengths of time than others

▸ The major reason for failure of a training program is more focus on training itself and less on helping the organization improve in a real and measurable way
- ▸ To be efficient for the team members and the organization, training should be action oriented so that results can be obtained right away

Training for Team Leaders

- To be a good team leader, the team leader requires specific training
    - A well-trained team leader can help ineffective team members improve, but team members usually cannot help ineffective team leader to become effective!
- There is a difference between being a supervisor and a team leader
    - Supervisors who become team leaders will experience a different situation than what they were accustomed to as supervisors
    - Team leaders share their responsibilities with other members
    - They give team members a chance to succeed on their own

Suggestion System
Recognition and Reward
Gainsharing
Performance Appraisal

Suggestion System

- Management must make it easy for employees to suggest improvements
- Employees need to be encouraged and stimulated for giving suggestions
    - Be progressive by regularly asking your employees for suggestions
    - Remove fear by focusing on the suggestion and not on person
    - Simplify the process so it is easy to participate
    - Respond quickly to suggestions and within a specific period of time
    - Reward the idea with published recognition

Recognition and Reward

▸ Recognition is public acknowledgement and praise
  ▸ Can be verbal or written. For example certificates and plaques
▸ Reward is giving something tangible
  ▸ For example Umra ticket, cash, dinner coupon
▸ Recognition and reward motivate employees
  ▸ It makes them feel that they are valuable members of the organization

System for Recognition and Reward

▸ The system for recognition and reward should be managed by a cross functional team with employees' involvement

  ▸ The system should be simple and fully understood by the employees

  ▸ Clear recognition criteria should be consistently and fairly applied for the selection and nomination of individuals and teams

  ▸ Ranking of employees should be avoided as it gives rise to counterproductive thinking that there are winners and losers

▸ Read examples of recognition and rewards on page 110 and 111

▸

Recognition and Reward Summary

- Recognition and reward system:
  - Serves as a continual reminder that the organization regards quality and productivity as important
  - Offers the organization a visible technique to thank high achievers for outstanding performance
  - Provides employees a specific goal to work toward. It motivates them to improve the process
  - Boosts morale in the work environment by creating a healthy sense of competition among individual and teams seeking recognition

Gainsharing

▸ Gainsharing is a financial reward and recognition system that results from improved organizational performance
  ▸ It is different from profit sharing which takes place at the end of accounting year
  ▸ Profit sharing is also called bonus
▸ The performance of a team is monitored on a weekly basis in terms of potential income and rejection and outsourcing costs
  ▸ Weekly gain (or loss) is calculated on the basis of difference of labor costs and targeted costs
▸ Payments are usually made every four weeks to motivate employees throughout the year

Performance Appraisal

▸ Employee is informed about how well he/she has performed

  ▸ This is done by following procedures of performance appraisal

  ▸ This assessment is used as a basis for promotion, salary increases, counseling

▸ A key factor in a successful performance appraisal is employee involvement

  ▸ An employee should always be given the opportunity to comment on the evaluation, which may include protesting

▸ Performance must be based on mutually agreed standards

  ▸ Standards normally contain an ideal level and an acceptable level

  ▸ Standards should be revised if equipment or production techniques change

Performance Appraisal - 2

‣ Every effort should be made to avoid errors in performance evaluations
  ‣ The focus should be on how employee has performed based on established mutually agreed standards
  ‣ Other considerations like culture, ethics, education level, and any other bias should not be allowed
‣ Performance appraisal has been criticized by such quality experts like Deming and Scholtes
  ‣ Long-term performance gains are sacrificed for short-term
  ‣ Individual appraisal destroy teamwork
  ‣ Individual is assumed to be responsible for all results
  ‣ Subjective judgment is used while appraising performance

References

- Besterfield, Dale H. and others. 2019. *Total Quality Management,* 5th edition. Pearson India