IE407 Total Quality Management Lecture 08

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 2: Leadership

Core Values, Concepts, and Framework

Framework of concepts and Core Values

▸ The objective is to make right decisions for the good of all

▸ This objective becomes easier to achieve if a framework of concepts and core values is in place to guide the making and implementation of decisions

▸ Core values and concepts provide unity of purpose for the entire organization (they are common for everyone)

  ▸ They define the culture and foster TQM behavior

▸ Each organization will need to develop its own values

▸ A useful starting point is the core values, concepts and framework for the Malcolm Baldrige National Quality Award

▸

Baldrige –
Foundations for a Successful Business

▸ This publication is available at the following URL

  ▸ https://www.nist.gov/system/files/documents/2023/06/05/foundations-for-a-successful-business.pdf

▸ It is also available on LMS
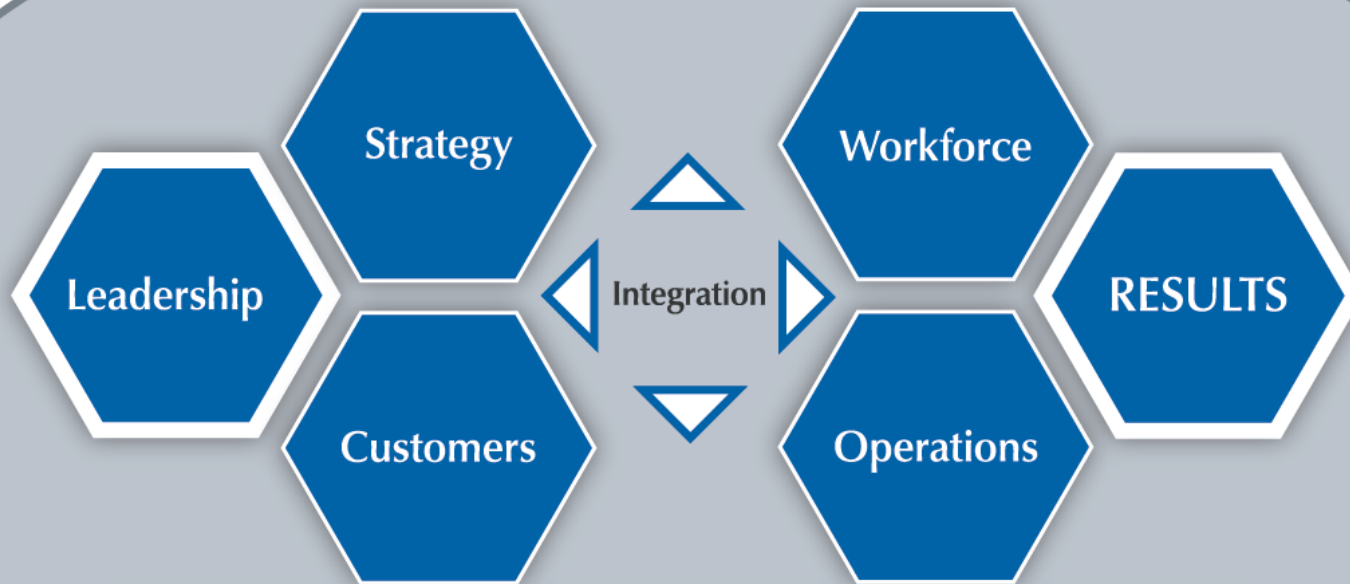
Baldrige –
Foundations for a Successful Business - 2

‣ Interactive modules

  ‣ https://www.nist.gov/baldrige/self-assessing/improvement-tools/foundations-successful-business/foundations-successful

  ‣ https://www.baldrigeresources.nist.gov/FSB/FSB_IntroductionOP/story.html

  ‣ https://www.baldrigeresources.nist.gov/FSB/FSB1_Leadership/story.html

  ‣ https://www.baldrigeresources.nist.gov/FSB/FSB2_Strategy/story.html

  ‣ https://www.baldrigeresources.nist.gov/FSB/FSB3_Customers/story.html

  ‣ https://www.baldrigeresources.nist.gov/FSB/FSB4_KnowledgeManagement/story.html

  ‣ https://www.baldrigeresources.nist.gov/FSB/FSB5_Workforce/story.html

  ‣ https://www.baldrigeresources.nist.gov/FSB/FSB6_Operations/story.html

  ‣ https://www.baldrigeresources.nist.gov/FSB/FSB7_Results/story.html

  ‣ https://www.baldrigeresources.nist.gov/FSB/FSB8_LearnImprove/story.html

From Baldrige Performance Excellence Program. 2023. *2023–2024 Baldrige Excellence Framework®: Proven Leadership and Management Practices for High Performance*. Gaithersburg, MD: U.S. Department of Commerce, National Institute of Standards and Technology. https://www.nist.gov/baldrige.
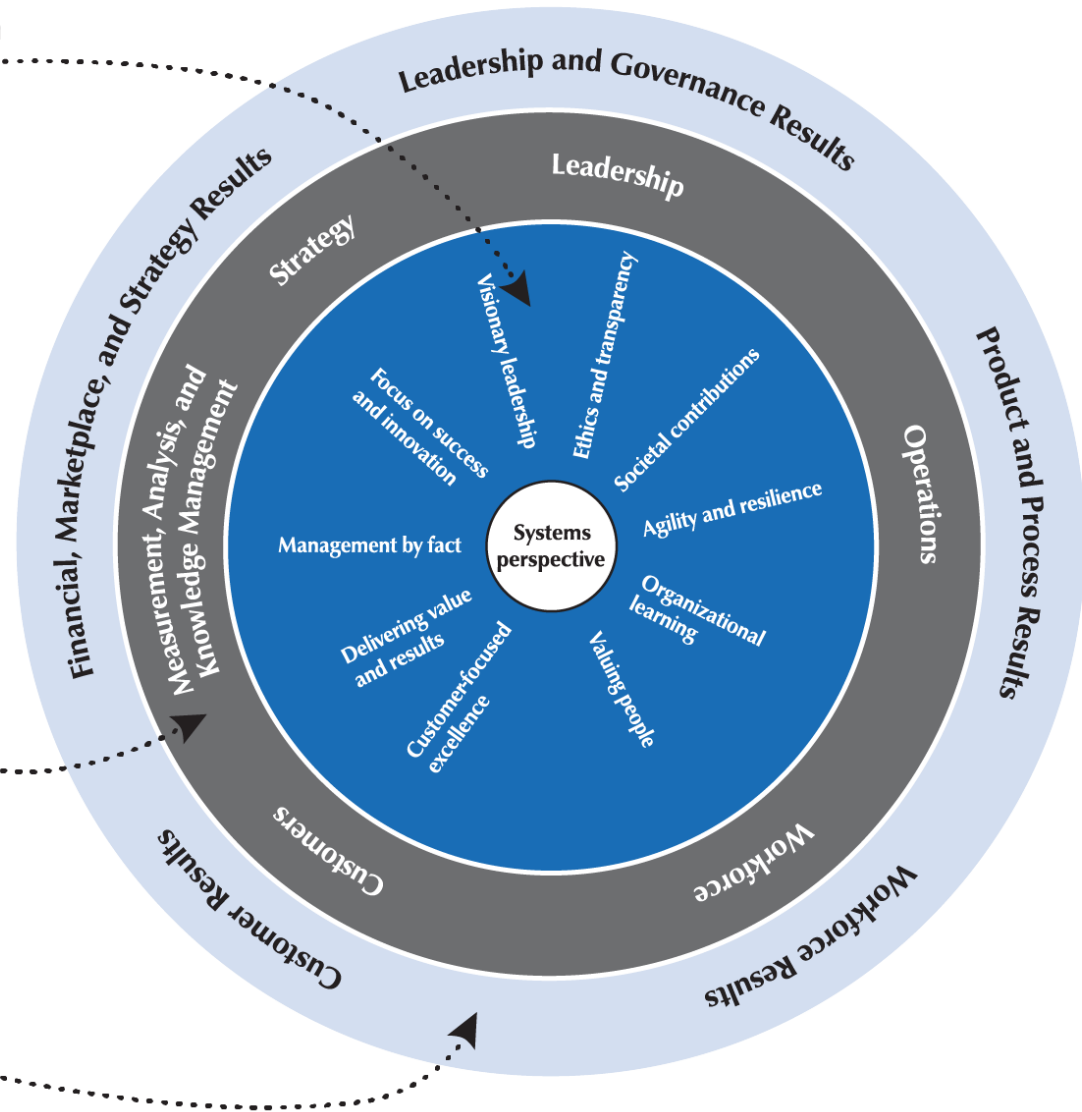
The Role of Core Values and Concepts

The Baldrige Criteria build on **core values and concepts...**

which are embedded in **systematic processes...** (Criteria categories 1–6)

yielding **performance results**. (Criteria category 7)

Leadership and Governance Results

Financial, Marketplace, and Strategy Results

Product and Process Results

Customer Results

Workforce Results

Leadership

Strategy

Measurement, Analysis, and Knowledge Management

Operations

Customers

Workforce

Visionary leadership

Ethics and transparency

Societal contributions

Agility and resilience

Organizational learning

Valuing people

Customer-focused excellence

Delivering value and results

Management by fact

Focus on success and innovation

Systems perspective

Baldrige Core Values and Concepts

- Systems perspective
- Visionary leadership
- Customer-focused excellence
- Valuing people
- Agility and resilience
- Organizational learning
- Focus on success and innovation
- Management by fact
- Societal contributions
- Ethics and transparency
- Delivering value and results

From Fighting Fires to Innovation: An Analogy for Learning

Learning is an essential attribute of high-performing organizations. Effective, well-deployed organizational learning can help an organization improve from the early stages of reacting to problems to the highest levels of organization-wide improvement, refinement, and innovation.

1

Reacting to the problem (0–5%)
Run with the hose and put out the fire.

2

General improvement orientation (10–25%)
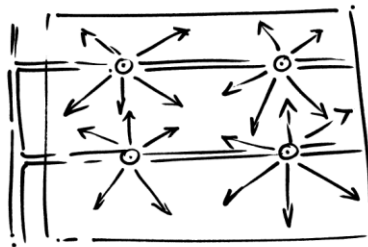Install more fire hoses to get to the fires quickly and reduce their impact.

3

Systematic evaluation and improvement (30–45%)
Evaluate which locations are most susceptible to fire. Install heat sensors and sprinklers in those locations.

4

Learning and strategic improvement (50–65%)
Install systemwide heat sensors and a sprinkler system that is activated by the heat preceding fires.

5

Organizational analysis and innovation (70–100%)
Use fireproof and fire-retardant materials. Replace combustible liquids with water-based liquids. Prevention is the primary approach for protection, with sensors and sprinklers as the secondary line of protection. This approach has been shared with all facilities and is practiced in all locations.
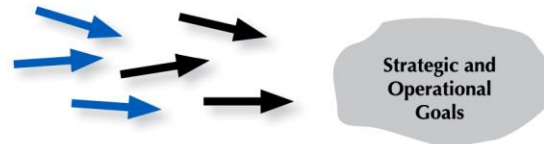
Steps toward Mature Processes
An Aid for Assessing and Scoring Process Items

Reacting to Problems (0–25%)
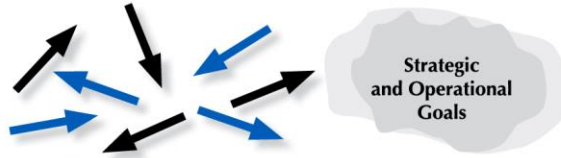
Operations are characterized by activities rather than by processes, and they are largely responsive to immediate needs or problems. Goals are poorly defined.

Early Systematic Approaches (30–45%)

The organization is beginning to carry out operations with repeatable processes, evaluation, and improvement, and there is some early coordination among organizational units. Strategy and quantitative goals are being defined.

Aligned Approaches (50–65%)
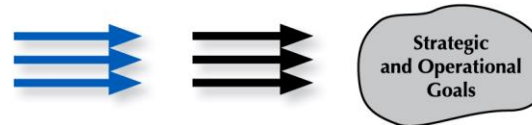
Operations are characterized by repeatable processes that are regularly evaluated for improvement. Learnings are shared, and there is coordination among organizational units. Processes address key strategies and goals.

Integrated Approaches (70–100%)

Operations are characterized by repeatable processes that are regularly evaluated for change and improvement in collaboration with other affected units. The organization seeks and achieves efficiencies across units through analysis, innovation, and the sharing of information and knowledge. Processes and measures track progress on key strategic and operational goals.

Quality Statements

Vision Statement

Mission Statement

Quality Policy Statement

Quality Statements

- They are part of strategic planning process
- They give the reasons for the organization's existence
- Once developed, they are only occasionally reviewed and updated
- There may be considerable overlap among the statements
- Utilization of these statements vary considerably from one organization to another
- MBNQA winners all have a vision of what quality is and how to attain it

Vision Statement

▶ A short declaration of what an organization aspires to be tomorrow

▶ It is the ideal state that might never be reached but which you continually strive to achieve

▶ Successful visions are timeless, inspirational, and become deeply shared within the organization

- ▶ IBM: Service
- ▶ Apple: Computing for the masses
- ▶ Disney theme park: The happiest place on earth
- ▶ Polaroid: Instant photography

Vision Statement - 2

- Successful visions serve as a succinct guideline for decision-making
- Read a number of examples in Besterfield on page 39

Mission Statement

▸ Mission statement provides a clear statement of purpose for employees, customers and suppliers
▸ Mission statement answers the following questions:
  ▸ Who we are?
  ▸ Who are the customers?
  ▸ What we do?
  ▸ How we do it?
▸ Characteristics
  ▸ One paragraph or less
  ▸ Easy to understand
  ▸ Describes the function of the organization
  ▸ Read Examples on Besterfield page 40

▸

Mission Statements on the Web

‣ Vision/Mission statements of Malcolm Baldridge National Quality Award winners

  ‣ https://www.nist.gov/baldrige/award-recipients

‣ Mission Statements of Fortune 500 companies:

  ‣ https://www.missionstatements.com/company_mission_statements/fortune_500_mission_statements

‣ Know more about Fortune magazine:

  ‣ https://fortune.com/tag/fortune-magazine/

Quality Policy Statement

- The quality policy is a guide for everyone in the organization as to how they should provide products and services to the customers

- It should be written by the CEO with feedback from the workforce and be approved by the quality council

- A quality policy is a requirement of ISO/QS 9000 standard

- Quality policy statement examples
  - Nestle: https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/quality_policy_nestle.pdf
  - Colgate: https://colgate.com.pk/wp-content/uploads/2020/02/Quality-Policy-150409.pdf

Quality Policy Statement - 2

- Common characteristics
  - Quality is first among equals
  - Meet the needs of the internal and external customers
  - Equal or exceed the competition
  - Continually improve the quality
  - Include business and production practices
  - Utilize the entire workforce
- Read examples on page 40-41
- Read condensed statement that combines vision, mission, quality policy and core values in one statement for simplicity and publication (page 41)

References

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