PLANNING FOR ORGANIZATIONAL TRANSFORMATION: A METHOD FOR NEW AND EXISTING TOTAL QUALITY MANAGEMENT EFFORTS

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ABSTRACT/INTRODUCTION

When most organizations embark on a total quality effort they tend to "leap before they look." Sometimes a brief assessment of the organization and selection of a quality philosophy occurs prior to management training. Often when a management team does receive training it usually is in the form of a "canned" overview presentation. Management then rushes to start several problem solving teams to quickly reap the "benefits" of its initial investment in total quality management. Not surprisingly, 12 to 18 months later the organization's total quality initiative stalls with no one really understanding what has caused this outcome. Once again, insufficient planning has led to failure.

Spending time planning for organizational transformation is critical to integrating quality into an organization's daily work, and short and long term strategies. In addition, knowing what specifically needs to be planned is as important as scheduling time for planning. Whether you are part of an organization whose efforts have stalled or are just embarking on a total quality management journey, the steps and the content of planning for organizational transformation are similar.

This paper outlines the need to plan for organizational transformation. It explains how to set the stage for planning and conduct the planning sessions that are necessary to fundamentally change your organization to one that uses total quality management as the backdrop for all policies, procedures, systems, and strategies. Finally, this paper will outline what is necessary to sustain the ongoing management of this plan for organizational transformation.

WHY PLAN FOR ORGANIZATIONAL TRANSFORMATION?

For many if not all enterprises, moving to a total quality management approach requires a fundamental change in how the organization is managed. This is akin to what has been labeled as a paradigm shift. A paradigm is a set of rules and regulations (written or unwritten) that does two

things:

1. it establishes or defines boundaries; and
2. it tells you how to behave inside the boundaries in order to be successful (1).

What this means is that a paradigm shift is a shift to a new game, a new playing field. The concepts, tools, and methods of total quality management are a new set of running rules for an organization which must cause it to re-think all of its policies, practices, procedures, and strategies.

Fundamental to many quality approaches are these basic concepts:

- viewing work activities as a series of work processes rather than discrete, unrelated tasks;
- designing work processes and products/services to meet customer requirements (i.e., expectations, and known and unknown needs);
- using data analytically rather than enumeratively to predict and make decisions;
- using quality improvement tools (i.e., flowcharts, control charts, Pareto charts, etc.) and methods (i.e., standardization, continual improvement, problem solving, and innovation) as mechanisms for understanding and improving work processes, products, and services;
- viewing continual improvement of work processes, products, and services as a never ending cycle of learning;
- using a team approach in order to optimize the performance of work processes and overall systems; and
- believing that people are naturally "good" and want to do a good job.

Moving from the "world of today" to the "world of tomorrow" which is built upon these concepts is no easy task. It requires evolutionary change that is thoughtfully planned, implemented, studied, and improved upon over a long period of time.

When top management initiates a total quality effort it needs to be concerned about modeling behaviors that it will want employees to exemplify in the future. Early on how-ever, management often contradicts those basic concepts of quality that it wants to deploy throughout the organization. Examples of inappropriate management actions include:

1. Jumping into the "do" phase of the Plan-Do-Check-Act Cycle without the requisite time spent working on the why's, what's, and how's of the transformation. The result is that management plans and implements changes based on its "current" paradigm rather than using total quality management concepts, tools, and methods;
2. Delegating the tasks of planning and implementing a total quality effort to those other than senior management because senior management is too busy managing the organization to spend time on total quality;
3. Not soliciting employees' input and feedback early on in the transformation effort

which may cause them to perceive changes as secretive and being done "to them" rather than "with them;"

4. Neglecting to define the term "quality" from an organizational perspective thus allowing inconsistent behaviors toward customers and different messages regarding the concept of improvement to exist;

5. Standardizing and improving work processes based solely on an internal view of quality rather than on external customer requirements; and

6. Imploring employees to "just do quality" rather than taking the time to discuss the rationale for engaging in a total quality effort or delineating "by what method" the organization will "do quality."

Planning for organizational transformation requires management to take actions consistent with the approach to total quality it is trying to permeate throughout the organization. It is the organization's first attempt to modify those behaviors and practices that may be preventing it from becoming more competitive, increasing its profitability, and increasing internal and external customer satisfaction.

SETTING THE STAGE FOR PLANNING

Transforming an organization to one that manages through total quality management is defined as a large-scale organizational change. Large-scale organizational change is a lasting change in the character of the organization that significantly alters its performance (2). Those who have researched the elements of successful large-scale change efforts have concluded that the personal, active involvement and commitment of senior management are key. This includes an examination of their own behaviors relative to the proposed transformation. In addition, leadership must have a clear vision of the desired end state, provide the strategic direction for the change, empower those who are stakeholders in the change, develop a plan which integrates needed changes with other aspects of organizational functioning, and value both learning (i.e., planning) and doing at the same time (2, 3). Any change requires a systems thinking perspective. The organization will need to pay attention to the totality of the environment within which it operates and the influence of the parts of the organization in relationship to the whole. Also important here are issues of leverage and the ability of the organization to successfully resolve conflict at all levels (3, 4).

Whether an organization just embarking on a total quality journey or is re-thinking its quality effort, it needs to conduct an assessment of itself and provide training and education on total quality management to senior management and others who will participate in the planning sessions. Areas of assessment may include current quality capabilities (knowledge and skills), readiness for large-scale change, and opportunities and challenges as they relate to the seven categories of the Malcolm Baldrige National Quality Award. An organization that has been

struggling for several years with total quality may also want to conduct an assessment to ascertain what has been preventing it from successfully moving toward its vision of the future.

Before senior management can knowledgeably participate in planning for total quality, it needs to be educated in and have begun to practice the concepts, tools, and methods it wants to deploy throughout the organization. Activities may include participation in formal training, studying a variety of books/articles, and visits to organizations which have won the Malcolm Baldrige National Quality Award.

CONDUCTING THE PLANNING SESSIONS

There are several logistical issues surrounding the planning sessions. These issues include who needs to attend, who will lead the effort, who will facilitate the effort, and where these sessions will occur. Ideally the entire senior management team participates in planning sessions. If the team is large in number (i.e., greater than 12 members) the team will want to form a subgroup to attend to the planning effort. In any case, the most senior person is responsible for leading this activity and as such, communicating the purpose and the agenda for the planning sessions in advance. If the organization has a director/coordinator for its quality effort, this individual will also need to be involved in these planning sessions. However, the sessions will need to be facilitated by someone who has knowledge and experience in total quality management, large-scale organizational change, and small group facilitation. For most organizations this will require an outside expert. The planning sessions must be held on-site to model for the workforce that quality is not "add-on" or "special" work and that even for senior executives it is an integral part of how they spend their time.

In general, here are the topics that are addressed during planning:
- the organization's rationale for embarking on a quality effort;
- what quality philosophy and practices the organization has chosen to follow;
- the organization's definition of "quality;"
- the organization's values/key quality concepts;
- the organization's framework for management of the transformation;
- the infrastructure which will be used to support the integration of quality into all policies, procedures, systems, and strategies; and
- a detailed 12 to 24 month roadmap that integrates actions that need to be taken to transform the organization with current short and long term strategic planning efforts.

Why does each of these topic areas need to be discussed and documented by senior management? One factor has to do with the limiting nature of our language. The terms that will be used to describe the "world of tomorrow" will probably be the same terms that were used to describe the "world of today" prior to TQM. To insure that everyone holds the same meaning

for these terms, they need to be delineated, defined, and documented. This will aid in future training of all employees. Second, just because people exhibit similar behaviors does not mean they are engaging in those behaviors for the same reasons. In a total quality environment it becomes even more important that people's behaviors are generated from the same set of beliefs and values in order to provide similar treatment to all customers and consistency in the approach to decision making. Finally, a total quality initiative is best suited to an organization when it is "customized" to fit the needs of that enterprise. It is important that the organization translate theory into terminology and behaviors that are easily understood and familiar to all.

The first four topics that are listed above - rationale, quality philosophy and practices, definition of quality, and values/key quality concepts - are inputs to the organization's framework for management of the transformation. As such, they need to be discussed up front.

The organization's rationale for embarking on its quality effort will outline those few, key strategic issues that "pushed" the organization toward total quality management as a response to its environment. This "push" may be internal and/or external in nature. Although some enterprises have chosen to select concepts, tools, and methods from a variety of quality approaches, not all of these approaches are based on similar philosophies or research results. Thus, in the long run, employees may start to see conflicting decisions or behaviors as these concepts, tools, and methods are integrated into daily work. It is in the best interest of the organization to select one quality philosophy as the core approach for its effort. Then any other concepts, tools, and methods can be interpreted within the scope of this core approach. This will minimize contradictions in behaviors and values as well as provide a clear direction and foundation for decision making. The organization's definition of quality needs to be couched in its core quality approach in order to foster the integration of the approach with day-to-day work. Finally, the organization's stated values, if they exist, will need to be re-examined based on its core quality approach to assess whether or not they support the organization's future direction. These values should be few in number in order to facilitate their retention and use in decision making.

The framework for the management of the transformation combines the elements of these first four topics with other key aspects of the organization's approach to quality. First it will be drawn as a visual picture; then the elements of the picture that have not yet been defined in the group's earlier work will be translated into words. This picture will serve as the long term vision for where the organization wants to move its quality effort over the next five to ten years. As such, it becomes a critical part of the organization's long term planning efforts and the hiring and orientation of new employees.

Only after the framework has been created can the enterprise define the infrastructure that will support the movement toward this vision. This is based on a "form follows function" view

of organizational structure. Early on, team and organizational level (i.e., senior management, mid-management, first-line management and employee) roles, responsibilities, and relationships will need to be re-defined. "Failure to attend to 'form follows function' management can result in mismatches, misalignments of effort, and inordinate attention being paid to relationships instead of to work" (2). As much as possible the current organizational structure should be used to as the basis for role, responsibility, and relationship re-definition rather than the creation of a parallel organizational structure. Keep in mind that ongoing change needs to be tightly intertwined with the very essence of the organization and not positioned as "add-on" work. Over time as the organization continues to grow and learn the work itself will begin to voice data regarding optimal structuring and individual roles, responsibilities, and relationships.

Many organizations have some sort of short and long term strategic planning effort, albeit formal or informal. Given this statement, specific actions that need to be taken by the organization in accordance with its framework and infrastructure changes need, by definition, to be integrated with these other planning efforts. To start, senior management brainstorms all actions/activities related to policies, procedures, systems, and strategies that either need to be re-examined or created over the next several years. These items are then organized through the use of systematic diagrams (i.e., tree diagrams) into topics consistent with the major parts of the framework. Throughout the development of the tree diagrams, additional items may be added to them. Once the tree diagrams are completed, this information needs to be organized into an integrated flowchart. The flow-chart will help to sequence activities as well as outline overall individual/group responsi-bilities for their accomplishment. Finally this information may be transferred to a Gantt chart to specifically delineate the responsible party and the timeline for each activity. The Gantt chart should also reflect other organizational initiatives based on long and short term strategic plans already in place that will have an impact on the organization's ability to accomplish what is on the tree diagrams and integrated flowchart. Together the tree diagrams, integrated flowchart, and Gantt chart form a detailed roadmap for implemen-tation of total quality throughout the organization.

Normally, it takes several day-long meetings to go through all of these topics. One reason for this is that it is in the best interest of those who are doing the planning to obtain input and feedback from others at all levels who will be impacted by this information. Second, the group may need to take time outside the formal meeting structure to reflect and refine what it has done. Third, even though the planning sessions are conducted as "working sessions," the group may need to track down information that is not available to it during its meetings.

ONGOING MANAGEMENT OF THE PLAN

Senior management is ultimately responsible and accountable for the implementation of the output of the planning sessions. This output is often in the form of a short document (less than 25 pages) that outlines the results of each of the planning topics based on the consensus of the senior management team using employee input and feedback. First and foremost, every person needs to be briefed on the contents of the document and provided with a copy for their personal reference. During these orientation sessions, it needs to be communicated that the document may change over time based on the Plan-Do-Check-Act Cycle and where employees are to provide ongoing feedback and input to this process. Once a month senior management will want to review the tree diagram(s), integrated flowchart(s), and Gantt chart(s) to note progress, concerns, issues, and changes to the implementation steps based on data and new knowledge. In order to demonstrate commitment to involvement, those who are intimately involved with the implementation of these plans need to be actively involved in this review process. Senior management also has to insure that progress and changes to implementation steps are communicated in a timely fashion to all employees. Over time this review, as mentioned before, will need to be integrated with the ongoing review of the organization's long and short term strategic planning efforts.

SUMMARY

Planning for organizational transformation is critical to integrating quality into daily work, and an organization's short and long term strategies. It forces senior management to step back and assess where the organization is today and where it needs to be in the future relative to the use of quality concepts, tools, and methods. It insures commonality in thinking and approach by providing a framework which outlines the boundaries of acceptable behaviors and practices. And over time it causes the organization to re-examine all of its policies, procedures, systems, and strategies in light of its approach to total quality management thus reinforcing time and time again what is important to the organization's future success.

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