Quality Management for Organizational Excellence:Introduction to Total Quality
David L. Goetsch Stanley Davis
Seventh Edition

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Excellence:Introduction to Total Quality
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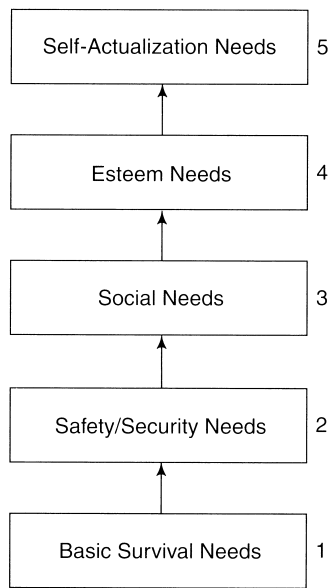Seventh Edition

FIGURE 2 Maslow's Hierarchy of Needs

human needs on five successive levels. The lowest level in the hierarchy encompasses basic survival needs. All people need air to breathe, food to eat, water to drink, clothing to wear, and shelter in which to live. The second level encompasses safety/security needs. All people need to feel safe from harm and secure in their world. To this end, people enact laws, pay taxes to employ police and military personnel, buy insurance, try to save and invest money, and install security systems in their homes.

The third level encompasses social needs. People are social animals by nature. This fact manifests itself through families, friendships, social organizations, civic groups, special clubs, and even employment-based groups such as company softball and basketball teams. The fourth level of the hierarchy encompasses esteem needs. Self-esteem is a key ingredient in the personal happiness of individuals. All people need to feel self-worth, dignity, and respect. People need to feel that they matter. This fact manifests itself in a variety of ways. It can be seen in the clothes people wear, the cars people drive, and the behavior people exhibit in public.

The highest level of Maslow's hierarchy encompasses self-actualization needs. Complete self-fulfillment is a need that is rarely satisfied in people. The need for self-actualization manifests itself in a variety of ways. Some people seek to achieve it through their work; others through hobbies, human associations, or leisure activities.

Leaders need to understand how to apply Maslow's model if they hope to use it to motivate and inspire workers. Principles required for applying this model are as follows:

1. Needs must be satisfied in order from the bottom up.
2. People focus most intently on their lowest unmet need. For example, employees who have not met their basic security needs will not be motivated by factors relating to their social needs.

3. After a need has been satisfied, it no longer works as a motivating factor. For example, people who have satisfied their need for financial security will not be motivated by a pay raise.

Understanding Individual Beliefs

Each person has a basic set of beliefs that, together, form that individual's value system. If leaders know their fellow employees well-enough to understand those basic beliefs, they can use this knowledge to inspire them on the job. Developing this level of understanding of employees comes from observing, listening, asking, and taking the time to establish trust.

Leaders who develop this level of understanding of workers can use it to inspire employees to higher levels of performance. This is done by showing employees how the organization's goals relate to their beliefs. For example, if pride of workmanship is part of an employee's value system, a leader can inspire the person to help achieve the organization's quality goals by appealing to that value.

Inspiration, as a level of leadership, is on a higher plane than motivation. Managers who become good enough leaders to inspire their workers will achieve the best results.

LEADERSHIP STYLES

Leadership styles have to do with how people interact with those they seek to lead. Leadership styles go by many different names. However, most styles fall into the categories shown in Figure 3.

Autocratic Leadership

Autocratic leadership is also called *directive* or *dictatorial leadership*. People who take this approach make decisions without
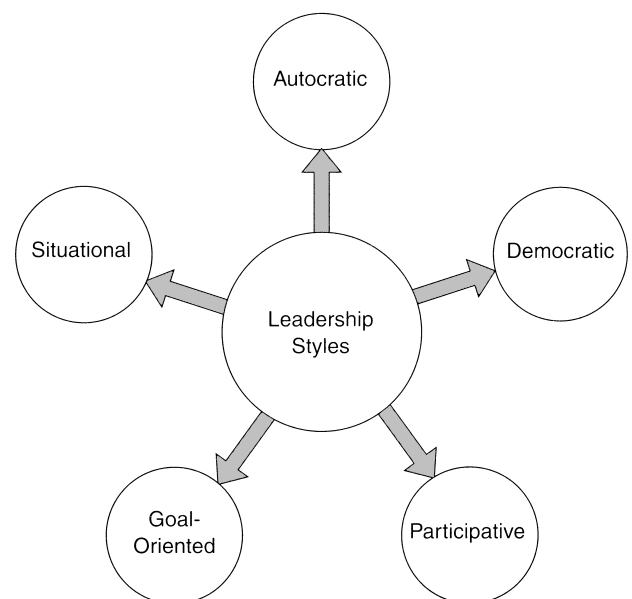

FIGURE 3 Leadership Styles

consulting the employees who will have to implement them or who will be affected by them. They tell others what to do and expect them to comply obediently. Critics of this approach say that although it can work in the short run or in isolated instances, in the long run it is not effective. Autocratic leadership is not appropriate in a total quality setting.

Democratic Leadership

Democratic leadership is also called *consultive* or *consensus leadership*. People who take this approach involve the employees who will have to implement decisions in making them. The leader actually makes the final decision but only after receiving the input and recommendations of team members. Critics of this approach say that the most popular decision is not always the best decision and that democratic leadership, by its nature, can result in the making of popular decisions, as opposed to right decisions. This style can also lead to compromises that ultimately fail to produce the desired result.

Participative Leadership

Participative leadership is also known as *open*, *free-rein*, or *nondirective leadership*. People who take this approach exert little control over the decision-making process. Rather, they provide information about the problem and allow team members to develop strategies and solutions. The leader's job is to move the team toward consensus. The underlying assumption of this style is that workers will more readily accept responsibility for solutions, goals, and strategies that they are empowered to help develop. Critics of this approach say consensus building is time consuming and works only if all people involved are committed to the best interests of the organization.

Goal-Oriented Leadership

Goal-oriented leadership is also called *results-based* or *objective-based leadership*. People who take this approach ask team members to focus solely on the goals at hand. Only strategies that make a definite and measurable contribution to accomplishing organizational goals are discussed. The influence of personalities and other factors unrelated to the specific goals of the organization is minimized. Critics of this approach say it can break down when team members focus so intently on specific goals that they overlook opportunities or potential problems that fall outside of their narrow focus. Advocates of total quality say that results-oriented leadership is too narrowly focused and often centered on the wrong concerns.

Situational Leadership

Situational leadership is also called *fluid* or *contingency leadership*. People who take this approach select the style that seems to be appropriate based on the circumstances that exist at a given time. In identifying these circumstances, leaders consider the following factors:

- Relationship of the manager and team members
- How precisely actions taken must comply with specific guidelines
- Amount of authority the leader actually has with team members

Depending on what is learned when these factors are considered, the manager decides whether to take the autocratic, democratic, participative, or goal-oriented approach. Under different circumstances, the same manager would apply a different leadership style. Advocates of total quality reject situational leadership as an attempt to apply an approach based on short-term concerns instead of focusing on the solution of long-term problems.

LEADERSHIP STYLE IN A TOTAL QUALITY SETTING

The appropriate leadership style in a total quality setting might be called participative leadership taken to a higher level. Whereas participative leadership in the traditional sense involves soliciting employee input, in a total quality setting it involves soliciting input from empowered employees, listening to that input, and acting on it. The key difference between traditional participative leadership and participative leadership from a total quality perspective is that, with the latter, employees providing input are empowered.

Collecting employee input is not new. However, collecting input, logging it, tracking it, acting on it in an appropriate manner, working with employees to improve weak suggestions rather than simply rejecting them, and rewarding employees for improvements that result from their input—all of which are normal in a total quality setting—extend beyond the traditional approach to participative leadership.

Discussion Assignment 2 illustrates the concept of participative leadership as applied in a total quality setting at a U.S.-based electronics company. This assignment illustrates how important freedom and respect for the individual are in today's intensely competitive world of business and industry.

BUILDING AND MAINTAINING A FOLLOWING

Managers can be good leaders only if the people they hope to lead will follow them willingly and steadfastly. Followership must be built and, having been built, maintained. This section is devoted to a discussion of how managers can build and maintain followership among the people they hope to lead.

Popularity and the Leader

Leadership and popularity are not the same thing. However, many managers confuse popularity with leadership and, in turn, followership. An important point to understand in leading people is the difference between popularity and

respect. Long-term followership grows out of respect, not popularity. Good leaders *may* be popular, but they *must* be respected. Not all good leaders are popular, but they are all respected.

Managers occasionally have to make unpopular decisions. This is a fact of life for leaders, and it is why leadership positions are sometimes described as lonely ones. Making an unpopular decision does not necessarily cause a leader to lose followership, provided the leader is seen as having solicited a broad base of input and given serious, objective, and impartial consideration to that input. Correspondingly, leaders who make inappropriate decisions that are popular in the short run may actually lose followership in the long run. If the long-term consequences of a decision turn out to be detrimental to the team, team members will hold the leader responsible, particularly if the decision was made without first collecting and considering employee input.

Leadership Characteristics That Build and Maintain Followership

Leaders build and maintain followership by earning the respect of those they lead. Here are some characteristics of leaders that build respect, as shown in Figure 4:

- **Sense of purpose.** Successful leaders have a strong sense of purpose. They know who they are, where they fit in the overall organization, and the contributions their areas of responsibility make to the organization's success.

- **Self-discipline.** Successful leaders develop discipline and use it to set an example. Through self-discipline, leaders avoid negative self-indulgence, inappropriate displays of emotion such as anger, and counterproductive responses to the everyday pressures of the job. Through self-discipline, leaders set an example of handling problems and pressures with equilibrium and a positive attitude.

- **Honesty.** Successful leaders are trusted by their followers. This is because they are open, honest, and forthright with other members of the organization and with themselves. They can be depended on to make difficult decisions in unpleasant situations with steadfastness and consistency.

- **Credibility.** Successful leaders have credibility. Credibility is established by being knowledgeable, consistent, fair, and impartial in all human interaction; by setting a positive example; and by adhering to the same standards of performance and behavior expected of others.
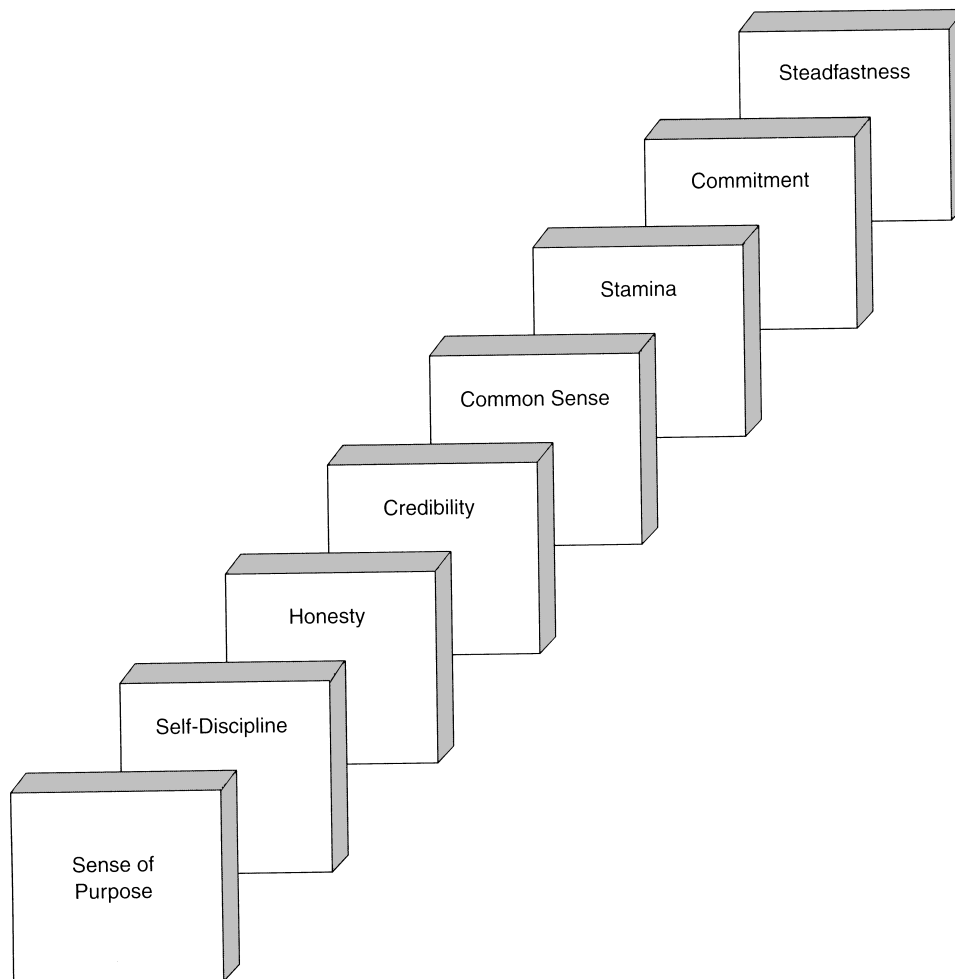

FIGURE 4 Characteristics That Build and Maintain Followership

- **Common sense.** Successful leaders have common sense. They know what is important in a given situation and what is not. They know that applying tact is important when dealing with people. They know when to be flexible and when to be firm.

- **Stamina.** Successful leaders must have stamina. Frequently, they need to be the first to arrive and the last to leave. Their hours are likely to be longer and the pressures they face more intense than those of others. Energy, endurance, and good health are important to those who lead.

- **Commitment.** Successful leaders are committed to the goals of the organization, the people they work with, and their own ongoing personal and professional development. They are willing to do everything within the limits of the law, professional ethics, and company policy to help their team succeed.

- **Steadfastness.** Successful leaders are steadfast and resolute. People do not follow a person they perceive to be wishy-washy and noncommittal. Nor do they follow a person whose resolve they question. Successful leaders must have the steadfastness to stay the course even when it becomes difficult.

Pitfalls That Can Undermine Followership

The previous section explained several positive characteristics that will help managers build and maintain the respect and, in turn, the followership of those they hope to lead. Managers should also be aware of several common pitfalls that can undermine that followership and the respect they must work so hard to earn. The pitfalls are listed as follows:

- **Trying to be a buddy.** Positive relations and good rapport are important, but leaders are not the buddies of those they lead. The nature of the relationship does not allow it.

- **Having an intimate relationship with an employee.** This practice is both unwise and unethical. A positive manager–employee relationship cannot exist under such circumstances. Few people can succeed at being the lover and the boss, and few things can damage the morale of a team so quickly and completely.

- **Trying to keep things the same when supervising former peers.** The supervisor–employee relationship, no matter how positive, is different from the peer–peer relationship. This can be a difficult fact to accept and a difficult adjustment to make. But it is an adjustment that must be made if the peer-turned-supervisor is going to succeed as a leader.

Paradigms of Human Interaction

The paradigms of human interaction include the following:[7]

- *Win/win* is an approach to human interaction that seeks mutual benefit. Rather than pursuing a your-way or

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QUALITY CASE ▼

Total Quality at Honeywell Federal Manufacturing & Technologies

Honeywell Federal Manufacturing & Technologies is a management and operations contractor for the National Nuclear Security Administration. The Honeywell Federal contract employs 2,704 personnel at four locations: Kansas City, Kirtland Air Force Base, Los Alamos National Laboratory, and Fort Chafee. The company specializes in diverse low-volume, high-reliability manufacturing. Honeywell Federal received the Malcolm Baldrige National Quality Award for applying the principles of total quality in its manufacturing operations.

The following factors were cited as being pivotal in Honeywell Federal's selection as a recipient of the Baldrige Award:

- Achievement of a 95% or better customer-satisfaction rate for four years in a row.

- Identifying, measuring, implementing, and sustaining the factors that are critical to quality.

- Maintaining a 99.9% product reliability rating for traditional customers and 98.4% for nontraditional customers.

- Maintaining an open-door policy that encourages effective communication between management personnel and employees. All personnel have direct access to the company's senior executives.

- Effective application of the Six Sigma Plus Continuous Improvement Model. Use of this model resulted in more than $25 million in cost savings from increased productivity and deployed innovations over a three-year period.

- Good corporate citizenship demonstrated through a variety of employee-giving programs.

Honeywell Federal applies the principles of total quality in such a way as to achieve peak performance from its people and processes, high-reliability from its products, and superior value for its customers. By doing so, the company has achieved organizational excellence.

Source: www.nist.gov.

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my-way solution, win/win proponents seek best-way solutions.

- *Win/lose* is an approach to human interaction that says, "Go ahead and have things your way. I never get what I want anyway." This approach results in a definite winner and a definite loser.

- *Lose/lose* is an approach to human interaction in which both parties are so stubborn, ego driven, and vindictive that, ultimately, they both lose regardless of what decision is made.

- *Win* is an approach to human interaction that says, "I don't necessarily want you to lose, but I definitely want to win." It is the result of a "You take care of yourself and I'll take care of myself" attitude.

Of the four paradigms just presented, the win/win approach is the one that will most help leaders build and maintain a following. Unlike the other paradigms, win/win places value on the opinions of both parties and requires them to work together to find solutions.

LEADERSHIP VERSUS MANAGEMENT

Although both leadership and management are needed in the modern workplace, they are not the same thing. To be a good leader and a good manager, one must know the difference between the two concepts. According to John P. Kotter, leadership and management "are two distinctive and complementary systems of action."[8] Kotter lists several differences between management and leadership which are as follows:[9]

- Management is about coping with complexity; leadership is about coping with change.

- Management is about planning and budgeting for complexity; leadership is about setting the direction for change through the creation of a vision.

- Management develops the capacity to carry out plans through organizing and staffing; leadership aligns people to work toward the vision.

- Management ensures the accomplishment of plans through controlling and problem solving; leadership motivates and inspires people to want to accomplish the plan.

Trust Building and Leadership

Trust is a necessary ingredient for success in the intensely competitive modern workplace. Building trust requires leadership on the part of managers. Trust-building strategies include the following:

- **Taking the blame but sharing the credit.** Managers who point the finger of blame at their employees, even when the employees are at fault, do not build trust. Leaders must be willing to accept responsibility for the performance of people they hope to lead. Correspondingly, when credit is due, leaders must be prepared to spread it around appropriately. Such unselfishness on the part of managers builds trust among employees.

- **Pitching in and helping.** Managers can show leadership and build trust by rolling up their sleeves and helping when a deadline is approaching. A willingness to "get their hands dirty" when circumstances warrant it helps managers build trust among employees.

- **Being consistent.** People trust consistency. It lets them know what to expect. Even when employees disagree with managers, they appreciate consistent behavior.

- **Being equitable.** Managers cannot play favorites and hope to build trust. Employees want to know that they

> **QUALITY TIP ▼**
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> **Organizational Change Should Be Inclusive**
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> It is often said that people in organizations do not like change. While it is true that people tend to become comfortable with the status quo, what they fear is not so much change but the unknown. People cling to the familiar because they fear the uncertainty of change. This is why the three most important rules of change leadership are *communicate, communicate,* and *communicate.*

are treated not just well but also as well as all other employees. Fair and equitable treatment of all employees will help build trust.

LEADERSHIP AND ETHICS

It is when making decisions that have high ethical content that the true character of a leader shows through—good or bad. Leaders have no more important responsibility than to set a positive example of maintaining high ethical standards. On issues large and small, leaders must be seen by those they hope to lead as not just living up to the ethical standards expected by the organization and society in general but also exceeding them and doing so consistently. There are two reasons for this: (1) people will not follow willingly and fully those they do not trust and (2) leaders set the tone when in comes to ethical behavior in organizations, and people are more likely to follow a leader's example than his or her words.

Ethical leaders have to take the long view. There will be times when unethical decisions or behavior might appear to serve the organization's short-term interests or even the self-interest of the leader. However, the truth has a way of outing itself in the long run, and expedients that once looked so attractive in the short term can come back to haunt a leader over time. An unethical leader is no leader. He or she is a misleader.

EMPLOYEES AND MANAGERS ON CHANGE

One of the difficulties organizations face when attempting to facilitate change is the differing perceptions of employees and managers concerning change. Employees often view change as something done to them. Managers often regard it as something done in spite of employees who just won't cooperate.

Managers who listen to employees can learn a valuable lesson. It's not that they dislike change so much. Rather, it's that they don't like how it's done. The key to winning the support of employees for change is *involvement*. Make them part of the process from the beginning. Give them a voice in how change is implemented. Make sure that change is something done *with* employees rather than *to* them.

From the perspective of employees, managers are often viewed as the "bad guys" when changes are made. This

viewpoint is just as unfair and counterproductive as the one that sees employees as inhibitors of change.

To respond effectively to change, organizations must continually apply at least the following strategies:

- Promote a "we are in this together" attitude toward change.
- Make sure all employees understand that change is driven by market forces, not management.
- Involve everyone who will be affected by change in planning and implementing the response to it.

RESTRUCTURING AND CHANGE

Few words can strike as much fear into the hearts of employees at all levels as *restructuring*. The term at one time was synonymous with *reorganization*. However, as a result of the way so many organizations have used the word, it has become a euphemism for layoffs, terminations, plant closings, and workforce cuts.

Because of the ever-changing conditions of the global marketplace, few organizations will escape the necessity for restructuring, and few people will complete a career without experiencing one or more restructurings. Acquisitions, mergers, buyouts, and downsizing—common occurrences in today's marketplace—all typically involve corporate restructuring. This fact is market driven and can be controlled by neither individuals nor organizations. However, organizations and individuals can control how they respond to the changes brought by restructuring, and it is this response that will determine the effectiveness of the restructuring effort. The remainder of this section is devoted to explaining strategies for effectively handling the changes inherent in restructuring.

Understand the Employees' Point of View

Restructuring can be traumatic for employees. Managers should remember this point when planning and implementing the changes that go with restructuring. The following strategies can help maintain employee loyalty and calm employee fears during restructuring:

- Take time to show employees that management cares and is concerned about them on a personal level.
- Communicate with employees about why the changes are necessary. Focus on market factors. Use a variety of tools to ensure effective communication (e.g., face-to-face meetings, newsletters, videotaped messages, and posted notices).
- Provide formal outplacement assistance to all employees who will lose their jobs.
- Be fair, equitable, and honest with employees. Select employees to be laid off according to a definite set of criteria rather than as the result of a witch hunt.
- Remember to provide support to those individuals who will be the primary change agents.

Develop a Change Picture

One of the best ways to minimize the disruptive nature of change is to develop a clear picture of what the organization is going to look like after the change. A good question to ask is "What are we trying to become?" Managers should develop a change picture and be able to articulate it. This will give the organization a beacon in the distance to guide it through the emotional fog that can accompany change.

Use Incentives to Promote the Change

People respond to incentives, especially when those incentives are important to them on a personal level. Managers can promote the change that accompanies restructuring by establishing incentives for contributors to that change. Incentives can be monetary or nonmonetary, but they should motivate employees on a personal level.

An effective way to identify incentives that will work is to form an ad hoc task force of employees and discuss the issue of incentives. List as many monetary and nonmonetary incentives as the group can identify. Then give the members a week to discuss the list with their fellow employees. Once a broad base of employee input has been collected, the task force meets again and ranks the incentives in order of preference. The team then establishes a menu of incentives management can use to promote change. The menu concept allows employees to select incentives from among a list of options. This increases the likelihood that the incentives will motivate on a personal level.

Train, Train, Train

During times of intense change, the tendency of organizations is to put training on hold. The idea is "we'll get back to training again when things settle down." In reality, putting off training during restructuring is the last thing an organization should do.

One of the primary reasons employees oppose change is that it will require skills they don't have. Training should actually be increased during times of intense change to make sure that employees have the skills required during and after the transition period.

HOW TO LEAD CHANGE

Leading people in organizations through change initiatives require a concerted and systematic effort. The following change-implementation model is designed to help leaders systematically overcome the various factors that inhibit organizational change (Figure 5):

- Develop a compelling *change picture*
- Communicate the change picture to all stakeholders
- Conduct a comprehensive *roadblock analysis*
- Remove or mitigate all roadblocks identified
- Implement the change
- Monitor and adjust