Quality Management System vs. Quality Improvement

What should we tell the CEO?

by Dale K. Gordon

As a reader of quality related books and periodicals, I have been noting the delicate dance between two different factions.

On one side of the floor are those whose passions are for a strong and all encompassing quality management system (QMS), such as ISO 9000:2000 or a derivative. On the other side of the same floor are those who advocate dedication to a total process improvement or quality improvement (QI) approach, such as Six Sigma, total quality management (TQM) or lean manufacturing.

All of this is in the name of capturing the hearts and minds of the organization from the top executives on down to the individual process operators, so the quality function can do what it was hired to do—lead the transformation of the enterprise.

It struck a chord when I was reading a column by James Harrington, a former company COO. He began, "All quality programs, whether TQM, Six Sigma or ISO 9000, require an organization to shift away from the status quo."1

The article was about resistance to change, but the choice of words of a former COO and quality professional struck me as very typical of the view of many at the top. His view seemed to be there were no differences between implementing a QMS or developing and implementing the use of a QI program. In his words, they are just quality "programs." The rest of the article was a good analysis of dealing with organizational change.

It may seem the view from many executive suites is not much different from Harrington's. What is the view of the organization's leadership relative to what they are reading and hearing in the business periodicals and from their staffs?

Strategic decision making

An organization in the Midwest recently blanketed the radio airwaves about its being the only ISO 9001 certified dental health insurance provider. The implication was it should be the first choice because its competitors were not ISO 9001 certified.

All organizations, regardless of products or services, make strategic decisions relative to how they operate and plan to use their resources. These decisions typically involve how to better meet customers' needs, create improvement and run more cost effective and efficient processes.

At some point, it is a matter of resource allocation. How does management employ its precious time, energy and money? Is ISO 9000 a marketing tool to be administered by the quality function to show customers the company has a functioning QMS, as opposed to competitors that do not? Is Six Sigma a program an organization must implement to convince customers and the financial markets it's fiscally prudent?

Anttila's viewpoint

I had the good fortune many months ago to be on the same program at a conference with Juhani Anttila, vice president of quality integration for Sonera Solutions Ltd., Helsinki, Finland.

Anttila has been well-known in the ISO 9000 world since its inception. He was billed as a speaker on the implications of using ISO 9000 and the changes in the new standard. I got the impression most of the conference audience of U.S. government and industry quality professionals were expecting a dissertation on the specific changes ISO 9000:2000 would bring compared with the 1994 version and how they would have to change their quality system documentation to meet the new requirements.

It was interesting to watch as Anttila said anyone can read the standard and what's really important is how the standard is used. His presentation covered the
use of ISO 9001:2000 as a management tool for running an enterprise.

Anttila's perspective, best stated in his book *ISO 9000 for the Creative Leader*, is refreshing:

The aim of ISO 9000 standards is not to force uniformity on the QM approaches of different organizations, but rather to provide innovatively applicable guidelines for the continual improvement of business performance.\(^2\)

Anttila puts the standard into the framework of TQM, in that TQM is a holistic approach to looking at the customer's needs balanced against the business needs to be profitable and provide for stakeholders. The concepts in both ISO 9001 and ISO 9004 cover the entire leadership of the company and assurance to customers their needs are addressed.

If taken as the authors of the standard intended, the model of the standard is a simplified business one with a process focus embedded within the management system itself (see Figure 1). Anttila continues:

The objectives of ISO 9000 standards are business benefits. Thus the ISO 9000 standards aim at profitable increase of turnover and market share at decreasing costs. Moreover, the intention is to increase customer retention, responding to market opportunities, process alignment, competitive edges, people's goal-awareness and stakeholder confidence as well as to create value to the unit and its stakeholders.\(^3\)

**Why use other programs?**

So why do we users and practitioners of the standards feel the need to employ other quality programs?

Devotees of Six Sigma and lean have emphasized the need to make their prescriptions for business management and improvement at an enterprise level all the way to the executive suite.

While there is certainly no denying the successes of companies such as Motorola, General Electric (GE) and Honeywell in using Six Sigma as a corporate philosophy, the question is, how does it complement or interact with the QMS?

Jack Welch, former GE CEO, says Six Sigma is a highly disciplined process that helps employees focus on developing and delivering near perfect products and services.\(^4\) Others have defined it as a management philosophy.

Six Sigma is a customer based approach with a focus on defects. Fewer defects mean lower costs and improved customer loyalty. The lowest cost, high value producer is the most competitive provider of goods and services. Six Sigma has been defined as a way to achieve strategic business results.

**Is there a right way?**

Is it possible for there to be more than one strategic quality imperative to achieve customer satisfaction? Does the definition of a quality organization depend on QMS certification or use of Six Sigma to show management is committed to its customers?

In the August issue of *Quality Progress* several articles were devoted to quality and top management. The comments I found insightful were Joseph M. Juran's: "We are at an impasse. We know quality leadership is attainable. We know which success factors and managerial processes have led to quality leadership. We have indications of the order of magnitude of the potential gains. Despite the array of knowledge, the bulk of our companies are not rushing to make use of it."\(^5\)

This brings us back to Anttila's comments about the ISO 9000 standards as a model for quality leadership.

Also, in the August *QP*, my fellow "Standards Outlook" columnist Dan Reid stated:

ISO 9001:2000 places accountability for the management of quality with top management. In clause 5.2, it requires top management to ensure customer needs are determined and met. Clause 5.4.2 requires it (management) to plan the quality management system to ensure requirements and quality objectives are met. Management is responsible for the systems employees use, so it must understand the processes and what is necessary to improve them.\(^6\)

So, in fact, the system must be designed so any improvements make the organization successful and meet customers' needs.

It should be clear by now that we may not be using the ISO 9000:2000 standard exactly as intended. A possible indicator is the fact that we are out looking for other ways to motivate and encourage the organization to improve via other programs to convince the organization's leaders how to use its resources.

The time proven quality tools are essential in the improvement of the processes of an organization. Every day we are discovering ways to apply these tools and...
determines quality. It management, therefore, uses quality assurance and control of processes as well as products to achieve more consistent quality. What a customer wants and is willing to pay for it

quality assurance, quality control and quality improvement. Quality management is focused not only on product and service quality, but also on the means to achieve it. Quality management isn't an ongoing expense, but a valuable asset that delivers real results. For more check out Total Quality Management. Filed Under: Quality Management System.

Recent advantages like continual improvement can also be attributed to a QMS. Business and organizational leaders have realized that total quality management team. 3. Quality Management Systems Improve Compliance. Many organizations report that compliance to standards and regulations is one of their biggest challenges. Dialogue needed

So where does that leave us? Maybe we need to have some open and honest dialogue at senior leadership levels about just how well organizations are using the ISO 9000 model. This requires more than mere reporting on internal audits at management reviews. It goes into an understanding of how the systems and subsystems of an organization are performing and whether they are helping achieve the organization's objectives. It also requires the systemic use of quality tools at all levels to improve individual processes and identify systems that are not meeting internal and external customer expectations.

There is a place for the complete wisdom that has been written on both the QMS standards and QI tools. The need now is to get them to dance together and utilize the creativity that can come from the synergies of that pooling of resources. It's all there in print; doing it is what is hard.

REFERENCES

3. Ibid.
7. Anttila, ISO 9000 for the Creative Leader, see reference 2.

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In conclusion, quality management typically produces as its deliverables a comprehensive quality management plan that includes the quality control aspect of it. Quality control in this case is handled by a different set of people who do the tracking and measuring of metrics in a dedicated manner. Typically, the process of quality management includes the representatives from the quality department and the quality control processes are the reverse with the quality department handling the tracking of metrics and reporting to the project management team. 3. Quality Management Systems Improve Compliance. Many organizations report that compliance to standards and regulations is one of their biggest challenges. They are constantly caught off-guard by auditors or they simply have difficulty conforming to the requirements. This is just a short list of the benefits realized through implementing a Quality Management System; additional advantages like continual improvement can also be attributed to a QMS. Business and organizational leaders have realized that total quality management isn't an ongoing expense, but a valuable asset that delivers real results. For more check out Total Quality Management. Filed Under: Quality Management System.