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HOW TO CREATE A CULTURE OF QUALITY

Creating a “culture of quality” within your company is one of the vital keys to quality assurance. | **Martin Benom**



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Whether anyone realizes it or not doesn't change the fact that a culture exists within every company. If your company culture is one of *quality*, you are well positioned to anticipate current and future success in

your efforts. If not, the information in this article might assist you in improving the operations and the success of your enterprise!

So what exactly is “culture,” and further, what is a “culture of quality?” “Culture,” according to John A. Woods, “is the shared beliefs, values, attitudes, institutions and behavior patterns that characterize the members of a community or organization” (Woods 1996). A culture of quality in a company would then be those same shared beliefs, values, attitudes, etc., which point every process within the company to predictable and repeatable delivery of the highest quality products and services, including cus-

tomers and employee experiences — at the lowest and most competitive cost to the company and to the customer.

In 1987, Congress established the Malcolm Baldrige National Quality Award, which is given annually by the President of the United States to only a handful of organizations demonstrating quality and performance excellence. Recipients of the award are selected based upon their achievement and improvement in 7 areas:

1. *Leadership*: by upper management in the company and by the company in the community.
2. *Strategic Planning*: how strategic directions and plans are established and implemented.
3. *Customer and Market Focus*: how the company builds and maintains strong customer relationships.
4. *Measurement, Analysis and Knowledge Management*: how the company uses data and technology in support of key processes.
5. *Human Resources*: how well the company empowers and involves its people.

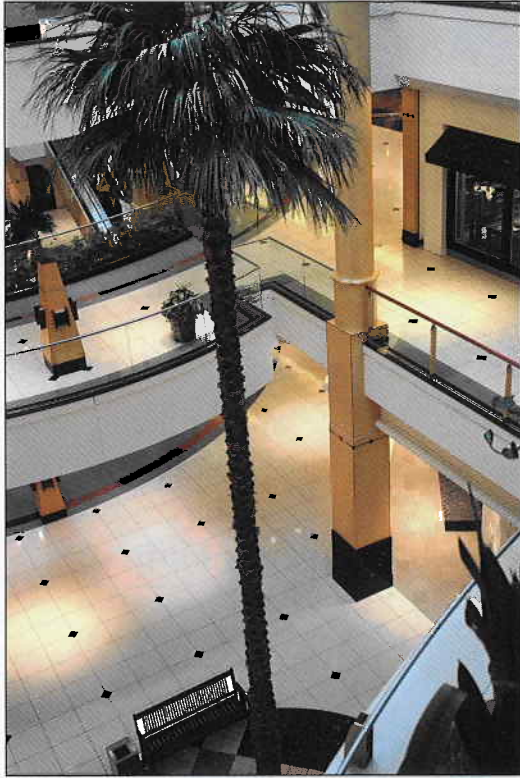
6. *Process Management*: how the company designs, manages and improves key business processes.

7. *Business Performance Results*: customer satisfaction, finances, human resources, supplier/partner performance, operations, social responsibility and how the company performs compared to competitors.

While you may not be planning to pursue the Malcolm Baldrige award, its comprehensive evaluation criteria provide an excellent template for discussing the culture of quality in today's organizations. As this discussion progresses, I will address each criterion and reframe it into a value which operates in the successful company. Values are what constitute the core mental filter through which people see life — informing them how to relate to circumstances and guiding them in determining subsequent steps or decisions.

LEADERSHIP

Leadership is listed first because it plays such a crucial role in establishing and promoting quality as the keystone value for all operations. The leader of an organization generally has the great-



"Culture of quality" never allows an organization to become complacent, to think they've arrived. Successes, like failures, are nothing more than different benchmarks, establishing new standards against which future operations or processes will be measured.

est influence on the development of culture within the organization. Where a person has been the leader for any company (or division or department) for more than a short time, it is likely that the existing culture reflects that person's values — whether good or bad! It is critical for leaders in the company to step back and examine how his or her values/attitudes have been adopted by those under their supervision.

What has often been called "transformational leadership" becomes incredibly important at this juncture. It is possible that dramatic gestures from the leader(s) may be required to initiate cultural change. It might be as simple as eliminating assigned parking places, or creating an "employee of the month recognition" parking stall, or making sure all people at every level of the organization eat together in a company cafeteria rather than having a separate executive

dining room. Another momentous statement would be to eliminate or significantly reduce rules concerning time clocks. When people begin to recognize that others depend on them and trust them to be on the job, they will be on time! When asked to describe any legends about the company where a current or previous leader demonstrated his commitment to quality, Steven Jacobson of The Resource Collection reported that "one of our executives created what we now call 'the broom award;' a staff person caught a manager sweeping a dirty floor — something clearly outside the manager's normal scope of responsibility and something we'd never seen a manager do. Management recognized and celebrated this clear commitment to the company! Now, it's not unusual to find daily examples of 'broom award' activity throughout the company."

STRATEGIC PLANNING

While the values and modeling of leadership shape and influence the way company employees act, strategic planning sets the course for where they go. Ongoing strategic planning that evolves within a culture of quality constantly gets reshaped to point the company toward goals and objectives consistent with the values leadership is modeling. An example of value-driven strategic planning would be a company migrating operations from one market segment to another because the new segment was less destructive to the environment or less hazardous to the health concerns of their employees. The core business of the company may not be different but concerns of equity, fairness and values become more important than "winning at any cost," or "only the bottom line matters."

CUSTOMER & MARKET FOCUS

When it comes to customer and market focus, including process management, the values-driven company operating within a culture of quality looks

for win-win scenarios where business is rewarding for the company as well as for the employee and for the customer. Neither side in any transaction is "taken advantage of." Products developed and processes implemented are viewed from both perspectives, and examined and adjusted to ensure equity and value. "The power of association was never more evident than during our early stages with cultural change," says Steve McClean, director of maintenance for Liz Claiborne, Inc. "Our partnering with a national facility services firm that had already successfully made the cultural shift to quality really energized our own initiative." In a culture of quality, all personnel work together as a team with the client knowing that the company's success is directly linked to its customers' welfare making it easier to treat customers as team members.

Bank of America was struggling with inefficient, error-prone processes that cost the company money and customers. It saw that most of its improvement efforts were scattered and lacked key executive support. Millions of customers rated Bank of America poorly and account growth was stagnant. In 2001, it hired its first quality and productivity executive. CEO Ken Lewis required every executive to enroll in quality training programs and implemented a host of processes aimed at improvement strategies. The customers responded! A focus on quality and customers, driven by appropriate values, accounted for an increase of 2.5 million customers voicing their satisfaction. Overall in 2003, Bank of America realized nearly \$2 billion in both top- and bottom-line impact.

Another aspect of this value, often overlooked, is to maintain a highly defined focus on the market in which the company operates. A culture of quality requires constant vigilance and input. This is part of a company's external scanning activities, making the company attentive to client shifts in design or demand, allowing for instant adjustment in processes, products, pricing and service offerings. This is especially important for those companies who are already highly successful in their markets. The culture of quality never allows



Becoming a company focused on living out a culture of quality will improve your people, your products, your reputation and certainly your bottom line.

an organization to become complacent, to think they've arrived. *Successes, just like failures, are nothing more than different benchmarks, establishing new standards against which future operations or processes will be measured.* Companies with cultures of quality never sit back, relax and think they have "arrived." Instead, they will always be seeking to surpass what yesterday called success.

Bechtel Corporation has constantly been a leader in its market — yet it has never stopped striving for quality improvement. In November 2000, it implemented quality initiatives, which focused on becoming more efficient while saving customers, partners and itself time and money through specific cost and waste reduction efforts. As a result, in 2001 Bechtel saved \$185 million and in 2002, the company saved a whopping \$200 million! Not bad for a company already at the top of its game!

MEASUREMENT, ANALYSIS & KNOWLEDGE MANAGEMENT

The contribution that metrics (mea-

surement, analysis and knowledge management) make to quality cannot be overstated. Companies who value quality will be ever vigilant for ways to quantify whether they are achieving goals — and, if achieving them, at what level of success. As technology improves, more and more data is measurable — and thus available for evaluation. Cultures of quality seek ways to integrate information and utilize it to support key processes and manage performance.

HUMAN RESOURCES

Where would a company be without its people? When Human Resources become a key value, every individual in the employ of the company is seen as a person — beyond "human capital." Quality companies seek opportunities to celebrate exceptional performance, from people in every division and department. It is in this arena where leaders can most effectively influence culture and create legends. They begin to communicate that each person in the company is not just another employee, but indeed a customer to someone else within the company.

PROCESS MANAGEMENT

As employees feel valued by supervisors, they tend to trust them more, fostering a greater freedom to express themselves. They begin to understand that personal success depends on company success. It is at this point they realize that they are participating in something greater than just themselves. Loyalty begets loyalty — as companies are loyal to their people, employees feel empowered and develop an incredible loyalty to the company. Now they see that by working hard for the company, they are actually looking out for themselves! A well known senior vice president of sales for a large national facility service company has begun personally visiting customer sites during early morning shifts. Recently one of the front-line supervisors said he was amazed! "The senior V.P. showed up at the beginning of the shift and remained the entire shift — not to schmooze the customers, but to visit with us and ensure our work was perfect! As you can imagine, our clean-

ing team was surprised. The team felt very proud when they were told they were doing a great job," he says.

BUSINESS PERFORMANCE RESULTS

Finally, a company must regularly assess how its organization performs when it comes to customer satisfaction, finances, human resources, supplier/partner performance, operations, social responsibility and how it stacks up against competitors in each of these areas. Those companies who value and pursue a culture of quality will be as concerned about suppliers' needs and achievements as those of their own company, realizing that key suppliers are integral components in their success.

Achieving a culture of quality is not a simple proposition. There are many components, each with multiple facets — and all with a fair degree of difficulty. To achieve a culture of quality requires a constant reaffirmation and effort. However, the benefits clearly outweigh the risks and the cost. Becoming a company focused on living out a culture of quality will improve your people, your products, your reputation and certainly your bottom line. Besides, your competitors are constantly looking for every opportunity to beat you — and to bring about a culture of quality in their own organization might be their first step. Don't get left behind! **PRSM**

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