EM9344: The Globe and Mail, October 26, 1993, page B25

THE LONG VIEW / *Many firms embarking on TQM programs are doing so for the second time. But now they are more realistic.*

Breaking the information barrier

BY CAREY FRENCH
Special to The Globe and Mail

DAVID Beatty likes to say that "at 30,000 feet" he has a pretty good take on business at ground level.

That's not so much a reference to job-related travel as to the altitude at which he operates. It's a long look down from his job as president of Toronto-based **Weston Foods Co. Ltd**., with its 42 plants and annual sales of $1.8-billion.

Five years ago that view was too often clouded, but a commitment to breaking the information barrier between management and the shop floor has largely cleared the skies and yielded what Mr. Beatty describes as "significant" improvements in five of Weston's seven operating companies.

Outside observers say that's the kind of success that can be claimed by only 20 per cent of Canadian companies that have embraced the total quality management philosophy since the early 1980s.

The failure rate caused many chief executive officers to charge that they had been subjected to the corporate version of yogic flying: many platitudes, occasional flapping about, but little to show for the trip. TQM defenders responded by likening critics to fitness dilettantes who, while feeling good about the purchase of home rowing machines, expected to lose weight without breaking a sweat.

At Weston, where the bad odour sometimes associated with TQM is diffused by calling it something else (continuous improvement), the distance travelled and the perspiration appear tangible.

Absenteeism at cookie manufacturing plants in the United States has been halved, while time lost to accidents per 200,000 hours at the same operations has dropped to zero, said Mr. Beatty. Landfill and "down-the-drain" waste has been cut by up to 30 per cent a year and two plants – ncluding the Canadian Readybake frozen dough operation – have received external recognition for progress.

Total quality management first appeared in the East, the brainchild of U.S. statistician Dr. W. Edwards Deming, who is credited with showing the Japanese how to transform a reputation for shoddy goods into one of cast-iron quality.

Japan is still the world leader, says international consultant and author William Conway, chairman and CEO of Conway Quality Inc. of Nashua, N.H.

He places the United States up to 10 years behind, with Canada slightly trailing its southern cousin. Northern management appears slightly "more resistant to change," he said. "But that's an opinion I can't prove."

Still further behind are the Europeans, led by the British, said Mr. Conway, who was interviewed at his Nashua home hours after returning from a TQM conference in Britain.

In France and Germany, resistance has been heavy. This is particularly true of auto makers such as Daimler-Benz AG and Bayerische Motoren Werke AG (BMW). "They thought they had the best quality in the world. But what they didn't want to face up to – until two or three years ago – was that they had four or five people for every one that Toyota had."

Both Germans and the Japanese car makers produced quality products but, until recently, only the latter had control over the quality of all aspects of the business.

Sectorally, the leaders in the TQM race in Canada are the automotive, photocopying and computer industries, said John Long, senior principal of management consultants Ernst and Young.

Many of the companies now embarking on such programs are doing so for the second or third time around, he said in an interview in Toronto. But this time the approach is more realistic.

North Americans made the mistake a decade ago of assuming that they could copy Japanese TQM culture – three decades in the making – and leapfrog ahead within two years, Mr. Long said. Now it is generally accepted that the route to TQM Nirvana has to be developed internally, eventually taking on a life of its own.

Weston Foods' Mr. Beatty says that at the core of his organization's success are 30 home-grown and highly detailed case studies – including a work-order system that requires management response to shop-generated quality improvement suggestons within 24 hours.

Management by fiat is out. Listening, acting and measuring is in.

And of the two-out-of-five companies reporting to him that have yet to buy the TQM philosophy?

Mr. Beatty won't identify them, but he says the problem is "the message couldn't get through. ..... There are too many layers between top and bottom."

Supervisors, who cut their teeth on "leave your brains at home and do what I say" management. have a tough time "empowering" underlings, he explained. And in the layers between senior executive managers and supervisors, people are fearful of being labelled as mere reprocessors of information coming from below.

ARE YOU A LEADER?

Successful exponents of the inclusive style known as total quality management are sometimes "naturals," but the best practitioners have often had to struggle to abandon more comfortable "theirs is not to reason why" habits.

If you can answer the following 10 questions in the affirmative – or can learn to do so – you may fit the profile of a TQM leader. Are you:

1. Capable of making people want to do something you think is important, rather than being a mere dispenser of orders?
2. Are you able to view employees as "customers" and not serfs?
3. Can you give credit to your people when they succeed and take a "bullet" for them when they stumble?
4. Can you see what's "right" about fragile new ideas? (It doesn't take a genius to point out what's wrong.)
5. Can you make decisions based on facts and data rather than ego, opinion, authority or eloquence?
6. Are you a listener rather than a talker?
7. Are you able to find the "lessons" in mistakes, rather than dispensing retribution? Instead of asking "who screwed up," can you ask "what process went wrong?"
8. Are you able to be personally involved in TQM as a leader, instead of delegating?
9. Do you view education as a lifelong process?
10. Are you able to offer rewards to the team rather than the individual?

Source: Conway Quality Inc.

(*continued overleaf*)

That may have a dark message for some middle managers at Weston, but the reason for the appallingly high failure rate of such programs is often to be found higher up, according to most TQM devotees.

"Fundamentally shifting the stucture of an organization is certainly not going to occur so long as top management believes it can delegate quality to lower-level managers," says Ken Merbler, president of Proudfoot Canada, part of the London-based management consultancy, Proudfoot PLC. "You can't delegate quality or create an isolated department to look after quality."

Other culprits include too much focus on the process of education, too little on implementation and an inability to hold TQM programs to account.

"One of the key ingredients is solid measurement," he said. "And it shouldn't take two years – you're looking for results within two months."

The article EM9344 reprinted overleaf and above is used in Figure 11.16 of the STAT 221 Course Materials.

1995-04-20