

## ***A NEW REALITY: THE Q HAS LOST ITS TAIL***

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Many people believe the quality movement is dead. They claim it did not produce bottom-line results. But, is it really dead? Or, has it gone through a profound metamorphosis which is only now becoming apparent?

### ***LOOKING FORWARD***

The roots of the Knowledge Economy's successor were planted over 50 years ago—and, it is not, to the chagrin of some major corporations, the Digital Economy. Futurists refer to it as the Dream Society or the Existential Era. Examples include career development professionals, those involved in the human potential movement, executive coaches, and advocates for the environment and its sustainability. In his book, *The New Management: Democracy and Enterprises are Transforming Organizations*, William Halal, a professor of management at George Washington University estimates that about 50 percent of jobs in the U.S.A. will be centered in this new arena by 2150.

The signals of this emerging economy include:

- the realization that organizations and their consumers and suppliers must function as a seamless, integrated system in order for business growth to occur,
- the need for employees to adopt a free agent mindset,
- attending to social responsibility and accountability as a competitive advantage,
- the move to create a sense of community in the workplace, and
- a recognition that spirituality can positively impact organizational performance.

Power and influence in the marketplace is slowly migrating from knowledge workers who provide intellectual capital to storytellers who inspire us to conceive and actualize our personal dreams.

Consider for a moment the impact leaders could have internally and externally if they were able to share compelling stories about their organizations.

Organizations are realizing that having effective and efficient processes and providing high quality products and services, while necessary, are not sufficient to survive long term. They are also realizing that customer focus is not enough—they must continually provide offerings that meet the latent (hidden) wants and needs of *unknown* future consumers. To achieve this level of agility,

innovation by all employees and implementation of thoughtful strategic growth initiatives need to become commonplace activities.

Together, these factors have unsuspectingly caused the "Q" to lose its tail. Total Quality Management (TQM) is giving way to Total Organizational Management (TOM). Continually attending to the totality of the organization and its surrounding environment is paramount. Only then can the organization gain the capacity to *simultaneously create ever-increasing value for consumers, employees, shareholders (i.e., all stakeholders), and society at large*. This is TOM's overriding aim. Here, value is much more than an economic calculation. It is the perception that the resources one receives in an marketplace exchange are greater than those that are given up when compared to an alternate choice. These resources may be easily measurable and come in the form of money, information, or time; they can also encompass intangibles such as love, status, and sensory gratification.

### ***THE IMPLICATIONS***

Does the shift from TQM to Total Organizational Management mean that quality is no longer an important contributor to organizational performance? Not at all. The concept of quality is timeless. However, value cannot begin to be realized if quality practices are implemented in a piecemeal fashion or are misaligned with the organization's core values and guiding principles. Additionally, the tools and methods commonly associated with TQM are better able to realize their full potential when they are intertwined with strategy formulation, leadership development, training, change management, project management, and the like.

To secure and grow the foundation for value creation, organizations need to employ a variety of practices dedicated to improving all types of performance. In the research Annabeth Propst and I conducted with dozens of business leaders and performance experts, we uncovered five fields of performance practice. Historically, they appeared in the following order: Quality Assurance, Problem Resolution, Alignment and Integration, Consumer Obsession, and Spiritual Awakening. Table 1 identifies the purpose, desired outcome(s), underlying concepts, and commonly used tools and methods for each field.

Field of Practice	Purpose	Desired Outcome	Underlying Concepts	Commonly Used Tools and Methods
Quality Assurance	<ul style="list-style-type: none"> <li>■ To ensure customers receive what they contract to receive</li> </ul>	<ul style="list-style-type: none"> <li>■ Product and service conformance to customer requirements</li> </ul>	<ul style="list-style-type: none"> <li>■ Quality assurance</li> <li>■ Customer responsiveness</li> <li>■ Process-oriented thinking</li> <li>■ SDCA Cycle</li> <li>■ Discipline</li> </ul>	<ul style="list-style-type: none"> <li>■ Quality system</li> <li>■ Standardization</li> <li>■ Basic tools of quality</li> <li>■ The 5S's</li> </ul>
Problem Resolution	<ul style="list-style-type: none"> <li>■ To improve bottom-line performance and customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>■ Reduced costs</li> <li>■ Improvements in performance</li> <li>■ Improvements in customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>■ PDCA Cycle</li> <li>■ Customer focus</li> <li>■ Variation</li> <li>■ Teamwork</li> </ul>	<ul style="list-style-type: none"> <li>■ Process management</li> <li>■ Constraint management tools</li> <li>■ Advanced tools</li> <li>■ Creativity tools</li> </ul>
Alignment and Integration	<ul style="list-style-type: none"> <li>■ To ensure all organizational work contributes to achieving the organization's mission, vision, and plans</li> </ul>	<ul style="list-style-type: none"> <li>■ Improved organizational effectiveness</li> <li>■ Elimination of barriers and unnecessary work</li> <li>■ Improved overall customer and employee satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>■ Alignment</li> <li>■ Integration</li> <li>■ Organization as system</li> <li>■ Transformation</li> <li>■ Large-scale organizational change</li> <li>■ Self-management</li> </ul>	<ul style="list-style-type: none"> <li>■ Organizational architecture</li> <li>■ Organizational partnerships</li> <li>■ Managing the organization as a system</li> <li>■ Large group interventions</li> <li>■ Strategic planning</li> <li>■ 7 Management and Planning Tools</li> <li>■ Project management</li> </ul>
Consumer Obsession	<ul style="list-style-type: none"> <li>■ To promote long-term survival of the organization</li> </ul>	<ul style="list-style-type: none"> <li>■ Create value for consumers</li> <li>■ Create value for employees</li> <li>■ Create value for shareholders</li> </ul>	<ul style="list-style-type: none"> <li>■ Value creation</li> <li>■ Organizational renewal</li> <li>■ Mass customization</li> <li>■ Lifetime relationships with consumers</li> </ul>	<ul style="list-style-type: none"> <li>■ Innovation</li> <li>■ Competitive intelligence</li> <li>■ Relationship marketing</li> <li>■ Brand management</li> <li>■ Non-traditional market research techniques</li> </ul>
Spiritual Awakening	<ul style="list-style-type: none"> <li>■ To serve society</li> </ul>	<ul style="list-style-type: none"> <li>■ The planet managed as a system</li> <li>■ Improved life for everyone on the planet</li> </ul>	<ul style="list-style-type: none"> <li>■ Spirituality</li> <li>■ Organization as community</li> <li>■ Social responsibility and accountability</li> </ul>	<ul style="list-style-type: none"> <li>■ New social contract for employment</li> <li>■ Community building</li> <li>■ Social responsibility audits</li> <li>■ Zero-emissions systems</li> </ul>

Table 1: Five Fields of Performance Practice

Collectively, these five fields of performance practice provide a framework for creating value at a strategic level for consumers, employees, shareholders, and society at large. No one field is sufficient in and of itself; all are necessary. In fact, working on one field at a time can cause an organization to go out of business because it will not be able to keep up with external changes. Each organization has its own unique developmental needs. Thus, it must determine those concepts, tools, and methods that will help it to systemically improve overall performance. If they

are not already in place, the required concepts, tools, and methods need to be implemented so that they build upon one another and are not viewed as separate programs or efforts. To achieve synergies, these efforts must be aligned and integrated with one another. Not doing so can result in conflicting initiatives which do not individually or collectively meet their projected goals resulting in mixed messages to employees, consumers, and the general public.

### ***YOUR CHALLENGE***

We cannot ignore that the quality movement has gone through a profound metamorphosis—the Q has lost its tail. Creating value is *not* the same as improving quality. We first need to shift and expand our thinking and our perspective from total quality management to total organizational management. Using the five fields of performance practice is one way of getting started on this important work in anticipation of the future.

Tell me what you think about this expansion of our work and our practice. Share your thoughts on what the future holds for the quality community. I will present your views and examples in upcoming columns of this newsletter. Write to me at [pfprogress@aol.com](mailto:pfprogress@aol.com).

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Table 1 adapted from *Critical SHIFT: The Future of Quality in Organizational Performance*, by Lori L. Silverman with Annabeth L. Propst, Milwaukee, WI: ASQ Quality Press, 1999.

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