



## *Inside Total Quality Management*

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### **W. Edwards Deming's movement has swept the country and Hampton Roads**

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**BY LON WAGNER, The Virginian-Pilot**

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Corporate America ignored W. Edwards Deming for most of his 93 years. He still wasn't a household name when he died two years ago, but business executives had awoken to his teachings.

If you haven't heard of Deming, it's probably because he was a behind-the-scenes management guru who did his most effective teaching in Japan.

Disciples of Deming's corporate religion have fanned across the globe. In Hampton Roads, they're serving you fast food, delivering your babies and hauling coal to fuel power plants. They're putting out your newspaper and even defending the nation. Some of Deming's wisdom has entered the classroom and church.

Were Deming still alive, he probably would be pleased to see that corporate and military leaders -- and therefore their subordinates -- adhere to the principles of his theory: Total Quality Management.

Deming's 14 bedrock points may seem to casual observers like nothing more than a listing of the characteristics of common sense. One of the points, for example, urges businesses to listen to criticisms from their customers. Americans who grew up hearing "The customer is king" or "The customer is always right" may wonder what is so revolutionary about that. Few would argue that quality is a bad idea.

Nonetheless, Deming must be smiling.

By most accounts, American companies have had to change the way they do business. The country is in the midst of a transition from an industrial economy to a service -- or "knowledge" -- economy. Historically, this shift is similar in scope to the transition from a farming society to an industrial base in the 1800s.

Three of every four jobs are now in the service sector. Yet, many businesses base their operations on an

industrial model. Deming understood this. He engineered statistical models and theories about group collaboration to provide a roadmap to incrementally improve and streamline companies for this new economy.

No longer is it enough for employees just to show up at work. Under one of Deming's most basic tenets, workers must think and behave like entrepreneurs. They must work as teams to conquer corporate problems and initiate solutions. No one is exempt. Executives, middle managers and the rank-and-file all must comply, at least in theory, if Deming's principles are to succeed.

For nonmanagers, that means gaining power or becoming "empowered." For that to happen, managers and executives must relinquish some decision-making and other tasks. This shift in responsibility isn't always easy to achieve or welcomed.

TQM has been heralded for revitalizing some businesses, and pilloried for pushing others toward employee mutiny, if not organizational destruction. Some say TQM is behind one of the biggest criticisms leveled at American business these days: Teamwork espoused by Deming is just a cover for companies asking fewer workers to do more jobs while the business reaps record profits. Still, many shareholders applaud TQM's results on the balance sheet.

But Wall Street's ardor for Deming's teachings seems almost a novelty compared to the decades of practice that some businesses have invested in Total Quality Management. For Deming played a critical role in the 30-year evolution of what Harvard Business School professors came to call "Japan Inc."

Deming's quality management theory often has been credited as the main force behind the revival of Japanese industry after World War II. His advice was simple: stop annual rankings and evaluations of workers, salespersons and corporate divisions. That causes internal competition and destroys the larger system.

Don't give merit raises, because they force workers to kiss up to bosses -- and that ruins morale. Eliminate numerical goals for workers and divisions, because it leads people to fudge their calculations. Tear down walls between departments and let ideas flow.

Deming said to eliminate defects at the beginning of a system by understanding statistical variation. It's too late to inspect for problems after the product is already made.

In other words, don't manage the people in the system -- manage the system.

**When TQM began sinking** its roots in the United States sometime in the late '80s, its influence was confined to corporate corridors. These days it's everywhere.

TQM, as theories tend to do, masquerades under many different names. But most of these theories grew out of Deming's 14 points, so their differences are minimal.

There's Continuous Improvement or CI, the TQM program that's changed the way Landmark Communications, The Virginian-Pilot's parent company, does business. And Continuous Quality Improvement, the new operating system for the 10,000-plus employees of Norfolk's Sentara Health System.

The U.S. Navy runs Total Quality Leadership and is building an aircraft carrier, the John C. Stennis, on its ground rules. Norfolk Southern Corp., Hampton Roads' only Fortune 500 company, calls its quality methods the "Thoroughbred" program, named after its trademark stallion.

Smaller companies, too, have followed suit. Men's clothier Beecroft & Bull uses Deming's principles to hone its customer service, perhaps the bedrock of Deming's half-century-old theory. Even Taco Bell runs a quality program.

Those not receiving this corporate dogma at work may get converted in church. Committee members of the 2,333-member Virginia Beach United Methodist Church this summer sat through a three-part series on leadership, conducted by a Virginia Beach city employee.

Yes, local municipal governments are doing it too.

If Hampton Roads companies, the military and even local governments are practicing quality leadership, why not a church?

Want to avoid it? Don't buy tacos. Don't read the paper. Don't use electricity.

TQM transcended the workplace as corporate converts brought Deming home with them. Many used TQM techniques to solve family problems. More than 130 school systems in the country now teach team training and consensus building, both pillars of the philosophy.

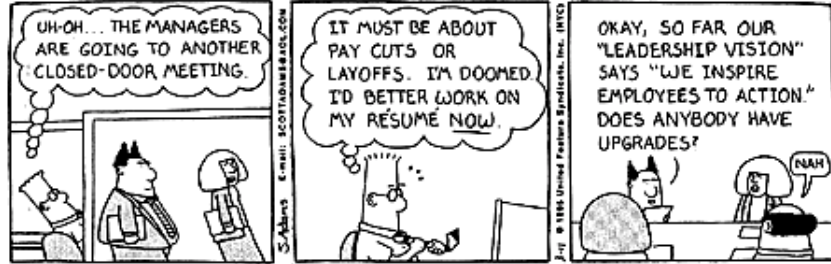
In recent years, there has been corporate peer pressure to adopt Deming's ways. If your company wants to do business with Ford Motor Co., the first major U.S. company to bring in Deming, it's a good idea to have a quality program in place. Companies into TQM like to spend their money at other companies that are into quality.

Charles F. Payne III, manager of SCS Engineers' office in Virginia Beach, says the environmental engineering firm has been asked during contract interviews if they run a quality program. SCS doesn't have a formal program, but applies its principles.

Selling common sense in this country has often been a profitable business. That explains the legions of management consultants peddling the TQM gospel, or at least their version of it.

The Association of Management Consulting Firms recently surveyed consulting firms throughout the world. More than six out of 10 American firms expected their business to increase by more than 10 percent this year.

**TQM has its skeptics**, partly because it rippled through American business the same time as a long recession in the early 1990s.



Cartoonist Scott Adams' "Dilbert" strip lampoons management and the seemingly meaningless buzzwords wafting through the workplace. It's now seen by 35 million readers in 435 newspapers around the world.

Some of the Dilbertesque skepticism stems from the consultants who sell the theory and then ditch it when a newer, more popular brand of Demingism becomes chic.

What employee wouldn't start to become skeptical when a consultant pitching partnering or outsourcing in 1992 came back the next year peddling teamwork, empowerment or "intrapreneuring."

When Bill Athayde, vice president of Industrial Marine Service in Norfolk, sought for management help last year he found the Wal-Mart effect had hit the management consulting business. He said that many companies had a "canned package" they were trying to peddle.

Industrial Marine Service went with Virginia Beach consultants Stilwell & Associates, founded by two ex-Navy guys, who told Athayde his company wasn't suited for "all the touchy feely stuff."

Glen St. Pierre, an independent consultant in Williamsburg, thinks the term TQM is on its way out, because managers ruined its reputation with botched efforts to implement it. That explains the many incarnations of Deming's principles. Even if the TQM name fades, Deming's concepts probably will endure.

Ira Smolowitz, dean of the Bureau of Business Research at American International College in Massachusetts, surveyed 85 large U.S. companies last year on which management techniques will be around in the next century.

The two likely survivors? Quality control and employee empowerment, both Deming tenets.

To W. Edwards Deming, recognition takes many forms. Even tacos.

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