Many organizations and companies claim to “have TQM”. In 1990 the Scottish Development Agency, now reconstituted as Scottish Enterprise, conducted a survey of organizations based in Scotland. The results showed that quality management was widespread but its application was still not total or true TQM. TQM still had a long way to go in most organizations[1].

In 1992 the Durham University Business School’s Centre for Quality and Organization Change conducted a similar survey of large companies based in northern England. This found that TQM in the north was more advanced[2]. It was thought likely that, in Scotland too, TQM had probably progressed substantially over the previous two years since the original survey had been done.

Thus, in 1993, in collaboration with Scottish Enterprise and the Scottish Quality Network, the Centre followed up the earlier survey. The aim was to discover how things had changed during the intervening period[3]. The results have some implications for practice.

The Key Findings

The new study’s results suggest a TQM approach is now the rule rather than the exception for most organizations. The idea of quality as a functional responsibility has broadened out to incorporate the whole organization. In terms of whether it has been delivering its expected benefits TQM was found to be about half-way there for the majority of organizations. There is obviously still some way to go before TQM develops its full potential. Also, the findings revealed some things which give doubts about TQM’s external focus.

Companies and organizations should organize TQM round the needs of external customers.

The Scope of the Survey

The survey was carried out during April and May 1993. It covered 1,500 organizations and produced 650 usable responses. This constituted a response rate of 43 per cent and makes the survey one of the largest of its kind. A substantial slice of Scotland’s commercial life was covered.

A third of the responding organizations was in manufacturing, another third in services, and 18 per cent in the public sector. The number was about equally split between large organizations (employing over 300 people on-site), and small and medium-sized organizations (with less than 300).

The Importance of Certified Standards

The acquisition of certified standards was proved to be high. As many as 43 per cent of organizations had achieved a standard, mostly BS 5750/ISO 9000, or were otherwise in the process of trying to obtain one (39 per cent). Thus more than 80 per cent of organizations were involved with TQM. Compared with the original Scottish survey this means that involvement has doubled. The breakdown by sector, size and stage of TQM is shown in Table I.

Acquisition rates varied for sector, size and stage of TQM. Organizations in manufacturing, large organizations and those with TQM in place were more likely to have certified standards. The main reasons for wanting certified standards are summarized in Table II.

Of almost equal importance were customer demand and a need to improve performance. These things were reckoned as important for all sectors and size of organization. The role of standards as a benchmark for good industry
practice was also important. However, for organizations with TQM in place, the main reason for wanting certified standards had been TQM itself.

Most Organizations Now Are Involved with TQM

More than two-thirds of respondents claimed to “have TQM”. This is a very high rate of adoption and makes TQM, at least in Scotland, one of the most widely adopted management innovations of recent times. The adoption rate obtained in 1992 for large companies in northern England was only slightly less (60 per cent).

However, a majority of initiatives (more than 60 per cent of all TQM) had started only recently. TQM is obviously still very much in its infancy. The proportions of responding organizations at different stages of TQM are summarized in Table III.

TQM is most established in manufacturing and large organizations. It is least established in the public sector, services and the smaller organizations, although the starting TQM figures suggest that non-manufacturing and small organizations are now adopting TQM in larger numbers. The breakdown for sector and size is summarized in Table IV.

A Wide Use of Customer Surveys

Most of the organizations with TQM in place had surveyed their external customers (73 per cent). A majority of these had surveyed customers more than once during the year. These findings indicate that Scottish organizations are more customer active than they were three years before. Only 45 per cent had surveyed their customers then.

Customer surveys were less likely for organizations starting TQM. Only about half had conducted a survey. It seems TQM does not always start with an organization’s external customers. Quite often an organization will want to learn about TQM internally before trying out new processes on customers. Also marketing did not feature very strongly as the main means to survey external customers: quality or consultancy groups were just as important.

More organizations had surveyed employees (as high as 80 per cent of those with TQM in place) but the tendency was to do this less frequently.
An Increased Use of Statements
A large number of organizations were found to have corporate vision statements (63 per cent) and quality mission statements (72 per cent). This represented an increase over the earlier Scottish survey (58 per cent).

Their use by organizations with TQM in place was very high. As many as 84 per cent had vision statements and 90 per cent had mission statements; whereas only about half of non-TQM organizations had them. The use of statements is still very new, only 4 per cent of organizations claimed to have had them for longer than five years.

Senior Managers and Co-ordinators
The survey found that the vast majority of TQM was characterized by the involvement of senior managers (88 per cent) and the use of co-ordinators (83 per cent). This represents a significant increase compared with three years previously in Scotland (62 and 47 per cent).

The importance of senior management commitment is a factor much stressed by the quality gurus. However, the form this takes is probably more important than the fact of involvement itself. The survey found that a lack of leadership commitment was a problem noted by a quarter of organizations with TQM in place (see Table VII).

TQM is Not Market-driven
The findings indicated that the demand for TQM from customers was generally on the low side. For example, three-quarters of organizations with TQM in place stated that less than 5 per cent of their customers had demanded TQM. In fact demand was slightly less than it had been three years ago in Scotland. Also, many customers had continued to buy on lowest bid: there was no discernible change in this.

Some studies have claimed that TQM is customer-driven. There is no direct evidence of this, in the sense that TQM is being pulled into existence by the demand of customers. Of course this is not to say that the benefits of TQM do not lead to customer benefits. They do. However, the effect is not direct.

Progressive Organizational Characteristics
TQM’s importance as a progressive business philosophy, and its impact in creating a participative organizational culture has been well illustrated in case studies. In the Scottish survey

<table>
<thead>
<tr>
<th>Mean scores for:</th>
<th>Without TQM</th>
<th>TQM in place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning:</td>
<td>5.4</td>
<td>6.2</td>
</tr>
<tr>
<td>short-term (1) to long-term (10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude of workforce:</td>
<td>6.4</td>
<td>6.5</td>
</tr>
<tr>
<td>competitive (1) to co-operative (10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Problem solving:</td>
<td>5.4</td>
<td>6.0</td>
</tr>
<tr>
<td>assigning blame (1) to joint problem (10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management style:</td>
<td>5.7</td>
<td>6.4</td>
</tr>
<tr>
<td>controlling (1) to encouraging (10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude to change:</td>
<td>6.3</td>
<td>6.9</td>
</tr>
<tr>
<td>static (1) to dynamic (10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company focus:</td>
<td>6.5</td>
<td>6.9</td>
</tr>
<tr>
<td>inward-looking (1) to outward (10)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table V. Organizational Profiles

organizations were asked to characterize themselves in relation to six factors and to give their organization’s scores for each. The factors are listed and the results summarized in Table V. Organizations with TQM in place exhibited higher scores for progressive characteristics than non-TQM organizations. This was particularly so for joint problem solving, an encouraging management style, and a dynamic attitude to change. There is a strong statistical link between high rankings for these characteristics and high rankings given for the delivery of expected TQM benefit. This finding was also true for the earlier survey of TQM in northern England.

Interestingly, in general all organizations, TQM and non-TQM, tended to rate themselves more progressively than they had done three years previously in Scotland. There seems to have been an increase in progressive management behaviour across the board in the commercial life of Scotland of which TQM has only been a part.

The Importance of Customer Satisfaction
The survey found that the main benefits from TQM had been improved customer satisfaction, teamwork, communication and efficiency. This is similar to last time but customer satisfaction is now much more important. If it were added to market focus, then market-based factors seem
even more important. The importance of human resource factors, however, remains manifest and easily takes second place before efficiency/productivity benefits. The main benefit categories are summarized in Table VI.

**Table VI.**
**Main Benefits of TQM**

<table>
<thead>
<tr>
<th>Respondents (%)</th>
<th>TQM in place (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction</td>
<td>50</td>
</tr>
<tr>
<td>Teamwork</td>
<td>48</td>
</tr>
<tr>
<td>Communication</td>
<td>34</td>
</tr>
<tr>
<td>Efficiency</td>
<td>34</td>
</tr>
<tr>
<td>Profitability</td>
<td>20</td>
</tr>
<tr>
<td>Market focus</td>
<td>15</td>
</tr>
<tr>
<td>Productivity</td>
<td>14</td>
</tr>
<tr>
<td>Less scrap</td>
<td>7</td>
</tr>
<tr>
<td>Safety</td>
<td>3</td>
</tr>
<tr>
<td>Labour turnover</td>
<td>1</td>
</tr>
<tr>
<td>Absenteeism</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
</tr>
</tbody>
</table>

Keeping TQM Going

The main difficulties were found to be entrenched attitudes, keeping TQM going, a lack of understanding, poor resources and leadership commitment. Factors which are essentially psychologically-based, dominate (see Table VII).

Keeping TQM going is a new difficulty which was not rated as important in the earlier Scottish survey. This is not surprising since TQM was in place for a relatively small number of organizations. Keeping up the momentum is likely to become much more important as TQM matures and takes on different forms according to context. Companies with long established TQM often stress that it can take years to develop and that some failure is an inevitable part of learning. However, the quality literature, while rich in prescriptions for implementation, seems to offer little advice about the problems of keeping TQM going. Perhaps this is because its issues seem too specific to particular organizations.

**More than Half the Expected Benefits**

In order to gauge the extent to which TQM has been succeeding, the survey asked organizations to rank, on a scale of one to ten, how their TQM had been delivering its expected benefits. The results are summarized in Table VIII: this shows the proportion of organizations answering for each possible rating.

A majority of organizations with TQM in place (63 per cent) felt that TQM had been delivering at least more than half of its expected benefits. If a ranking of three or less is taken as a guide to a poor performance, then 8 per cent of organizations seem to have experienced serious trouble. At the other end of the scale, if eight or more is taken as a guide to good performance, then 15 per cent of organizations have been succeeding.

**A Low Participation for the Marketing Department**

The findings from the northern England survey indicated a low involvement for marketing in the internal planning of TQM. TQM is supposed to be external, as well as internal, customer-focused. Thus the Scottish survey asked some additional questions specifically about the role of the marketing department.

It was found that a large number of TQM organizations in Scotland had marketing departments (69 per cent) but that less than a third...
of these had used the department, to develop, implement or research TQM’s benefits. Where marketing had been involved it was often minimal, such as, for example, the use of its expertise to design a survey questionnaire.

Is TQM Working?
The findings of the Scottish survey are not, on the whole, pessimistic. The rankings for the delivery of expected benefits tend on the positive side. This sits hard with the bad press TQM seems to get in some of the critical literature. An example comes from *The TQM Magazine* itself; reporting the results of a survey of its readers, it claims a high level of lack of success but then it also seems to expect too much:

Approximately 80% of total quality programmes are not yet successful. If we examine these programmes, then the characteristic most likely to be missing is the emphasis on tangible results ... (companies) should be aiming to achieve substantial tangible results within six months.[4]

Six months! This insistence on quick results is questionable for the introduction of what is, after all, a new way of managing the whole organization. It is common to see TQM written about as a cure-all for organizational ills and a programme to manage change.

However, TQM is a deep-reaching and all-encompassing organizational philosophy. If this is right, then it is more likely that organizations must first change to accommodate TQM! Not the other way about. The vogue for business process re-engineering is all about this.

Changing to accommodate TQM is unlikely to be easy. The costs seem likely to be high and could involve an organization with an uncomfortable and uncertain learning curve. The general problems and structural issues for UK industry associated with the adoption, or partial adoption, of TQM have been summarized elsewhere[5].

Two recent reports have been published on findings from surveys conducted during 1992. These are cautiously encouraging. One states that 66 per cent of its respondents had rated their quality programme as “reasonably successful in achieving its objectives. Only 5 per cent thought the programme had been unsuccessful”[6]. The other report observed that 8 per cent of managers see “their organization’s drive to quality as very successful”, though the majority had claimed “a moderate degree of success or were neutral”[7].

The wide adoption of certified standards and TQM in some ways speaks for itself. The high involvement of organizations with standards means that their attainment is probably now a minimum requirement for recognition as a quality organization. Similarly for TQM, the costs of TQM to an organization thinking of adopting it have now shifted from being ones to do with adopting TQM to ones about not being a TQM organization. What does it say about an organization that does not have TQM in the present trading and competitive climate? It must, at the very least, be very conservative.

The Importance of External Focus
Much of recent debate in the USA about TQM’s effectiveness has been about its focus. The allegation is that quality management is too focused on internal processes rather than results and products. There is no guarantee that a company obsessed with processes, and even product quality, will be marketing-oriented. Companies must look far ahead beyond current customer satisfaction if long-term market success is to be assured[8].

The low use of marketing departments to further TQM, even the moderate use of a marketing group to survey external customers, is surprising, given the increased prominence of customer satisfaction as the main benefit from TQM. Customer satisfaction could be just lip-service. One of the things one soon discovers in business research is that nearly all companies claim to be market-oriented but that in the eyes of their customers they very often are not.

A closer look at what constituted customer satisfaction in the survey’s findings produced the following list: better customer relations, fewer complaints, stability of trade, better service, better awareness and understanding by employees of customers’ needs, improved product and service reliability and delivery – these are the main ingredients. These things are impressive.

The improved use of marketing information does not seem to be important but this may be inferred from these other things. Of course, the lack of systems to convey information on market performance in ways which help internal
processes perform jobs better has been noted elsewhere[9].

On the results of this survey and from other areas of the Centre’s work, improvement in customer satisfaction seems to be at a general rather than a specific level. For example, understanding the internal customer concept makes employees more responsive to external customer requests; it does not necessarily make the employee listen to a customer in a way which leads to specific changes in internal processes.

The Scottish survey findings, and to a lesser extent those of the survey of TQM in northern England, reinforce this concern. The low use of marketing stands out. One encouraging finding from Scotland was that, where marketing departments were used, then these organizations were likely to rank the performance of their TQM highly for the delivery of expected benefits. However, these organizations were in a minority.

Much needs to be found out about external customer focus in TQM. The Centre at Durham is now following up the Scottish survey in a series of case studies about the use of marketing in quality. This second stage study will report its findings soon.

References


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