"Organizational approach to Total Quality Management in Nigeria"

By

Joseph Osa Nosakhare

Being a dissertation submitted for the award of Doctor of Philosophy from St Clements University

March 2000

DEDICATION

For my wife and angel, Helen; the boys, Uyi, Osahon, Nosa

and

my princess, Ese.

ACKNOWLEDGEMENT

On the whole, God has made the success of this work possible.

I must express my sincere appreciation to those who have contributed in one way or the other to the full realisation of the study. My gratitude goes first to my Academic Adviser, Prof. David Iornem, of the Institute of Management Consultants, Kaduna, Nigeria, whose direction and efforts aided the outcome of this study. His invaluable contributions, encouragement and assistance throughout this study will always be remembered. The immense contribution and direction of Prof. David Le Cornu, Administrator, St Clements University, cannot be overemphasised, my appreciation goes to him.

My sincere and special thanks to Mr. Chinedu Vitalis Duru, whose useful contributions and assistance made for improvements in the presentation of this work. My appreciation goes to S.N. Nandi of the National Productivity Council, India; LIM Tsen Yong of Singapore Productivity and Standards Board; and Kuo-Tung Gordon Chang of China Productivity Centre, Taiwan, for information provided.

To my colleague, Chief George Egabor, JP, whose drive at his age was a constant source of challenge to me. I also thank my staff, Mr. Bidemi Tijani, who was on the streets for several weeks to ensure that the questionnaires were completed and returned. I am also indebted to the staff of IMC, Kaduna for the despatch with which they treated all my matters. My appreciation too goes to my wife, Helen and

my children, Uyi, Osahon, Nosa and Ese for knowing when to keep off Daddy's study.

Finally, none of those who helped me in this work should be held responsible for the form or any errors but me.

ABSTRACT

This study is an attempt to examine the concept of Total Quality Management visà-vis the level of awareness and implementation in Nigeria. The research further focuses on the approach adopted by organisations that has implemented the concept and the rate of success achieved. The issue of quality certification, in terms of the ISO 9000 and 14000 series, are also examined.

The study led to a number of conclusions: While many top executives of organisations in Nigeria are aware of TQM, the level of actual implementation is very low. Most organisations that have implemented TQM engaged the services of external consultants and the success rate have been high. The efforts to get Quality standards certification in terms of ISO 9000 and 14000 series is almost non-existent.

TABLE OF CONTENTS

			<u>PAGE</u>
	TITLE PAGE		i
	DECLARATION		ii
	DEDICATION		iv
	ACKNOWLEDGEMENT		
	ABSTRACT		
	TABLE OF CONT	TENTS	viii
<u>CHA</u>	APTER ONE:	INTRODUCTION	
1.1	Preamble		1
1.2	Statement of Probl	em	2
1.3	Objectives of the Study		5
1.4	Background to the Study		6
1.5	Statement of Hypotheses		7
1.6	Limitations of the Study		
CHAPTER TWO:		REVIEW OF RELATED LITERATURE	9
<u>CHA</u>	PTER THREE:	HISTORY OF "QUALITY" IN NIGERIA	50
<u>CHA</u>	APTER FOUR:	RESEARCH METHODOLOGY	
3.1	Method of Data Co	ollection	67
3.2	Sample for Investigation		68
3.3	Method of Data A	nalysis	69
CHAPTER FIVE:		DATA PRESENTATION AND ANALYSIS	70
CHAPTER SIX:		INTERPRETATION OF RESULTS	77

CHAPTER SEVEN:	SUMMARY, RECOMMENDATIONS AND	DATIONS AND	
	CONCLUSION	82	
BIBLIOGRAPHY		93	
Appendix I : TQM Succ	cess Stories in Nigeria	96	
Appendix II : Organisations on which questionnaires were administered			
(indicating	those that responded)	99	
Appendix III: Sample of	Questionnaire	106	

CHAPTER ONE

INTRODUCTION

1.1 Preamble

The information super highway has turned the world into a global village. Organisations are facing the kind of competition that was not envisaged a few years ago. They have to compete with goods and services from all over the world and satisfy a more educated and sophisticated customer. What is satisfactory to the customers today may not be regarded as such tomorrow as their expectations are continuously changing. In addition, there has been consistent breakthrough in science and technology over the last couple of decades. This has also affected information dissemination and management, as things earlier thought impossible now look ordinary.

Moreover, the fall-outs of a deregulated global competition have offered customers choices among various alternatives. Today, customers demand high quality and low price. Since no one organisation can boast of holding franchise to the development and delivery of quality products/services, many organisations have embraced the Total Quality Management concept as a way of survival.

One tenet of this management philosophy, which many organisations have adopted as a fundamental business strategy, is the concept of continuous improvement. No organisation can afford to be competitive if it does not continuously improve on its products/services, processes and people.

There is therefore, an urgent need for an organisation-wide approach and commitment to quality improvement. In addition, there is the need for quality improvement to be a continuous exercise or phenomenon. Over the years, this realisation has led to the development of the "Total Quality Management Concept".

The questions bothering a great number of Nigerian Management Scholars and Practitioners are:

- 1. If TQM is all about continuously improving value to customers, why has Nigerian organisations shown lukewarm attitude to this management philosophy?
- 2. Where it has been implemented, why have so many organisations refused to set aglow the initial zeal of commitment to continuous quality improvement beyond the prime years of its implementation?
- 3. Why have so little impact been felt from TQM on the success of Nigerian businesses relative to those of foreign counterparts?
- 4. Are companies in Nigeria aware of the difficulties that lie ahead if they do not meet international quality standards? If they do, are they doing anything about it?

It is these questions and many more that this study will seek to address.

1.2 Statement of the Problem

New competitive strategies have ruptured established management doctrines and rendered conventional methods of products/services development and delivery obsolete. Competition has become so high in all fronts that the time is now when organisations will only survive by making a difference. This is the reason John Young, President of Hewlett-Packard once said: "In order to compete in a global economy, our products, systems and services must be of a higher quality than our competition. Increasing Total Quality is our number one priority here at Hewlett-Packard". To customers by creating unimagined but specially tailored products and services, to employees by opening every avenue for personal aspiration and contribution, and to managers by creating a new competitive space to build not merely a career but a legacy.

Increased expectation and demands on the part of customers in every area of organisational life have taken the centre stage. The days are gone when organisations could rest on their laurels and claim to hold franchise to best quality products and services. The continual wave of technological and environmental change have turned several organisations into bystanders on the road to the future, and have made their structures, processes and skills become progressively less

attuned to the ever-changing realities of the demands and expectations of present day customers.

While the rule of the game today in all industry segments is continuous improvement of processes, systems and skills, many organisations do not possess a keen sense of urgency required to reinvent the needs of the current business model. Quality improvement and service delivery is still seen by many organisations today, not as a way of survival but as optional extras. Even on occasions where a good number of organisations attempt improvement efforts, they merely focus on catching up to competitors instead of focussing on those activities that will create new advantages to their goal. They make quality improvement efforts only as a benchmark to bridge the competitive edge enjoyed by others.

The above mentioned trends are very common with Nigerian organisations. With the current set-up of democratic cultures and ideals, our economy will definitely open up to international investment. Already, Nigeria is a signatory to the Trade Agreement under the World Trade Organisation. This agreement has some clauses touching on quality. For instance, organisations without ISO 9000 series certification will very soon not be able to export their products to some countries, especially to Europe and Asia.

There is going to be increased foreign participation in the economy. For instance, some fully foreign-owned banks have just been licensed by the Central Bank of Nigeria. With this trend, participants in the economy should be prepared to produce goods and services that will compete at the international stage. The economy is in depression, the average purchasing power is declining, the cost of doing business is still rising, and as expected companies are declaring very poor results. While warehouses are filled up with unsold inventory, there is growing incidence of dumping of cheaper products especially from the Asian countries. The successful implementation of Total Quality Management (TQM) will assist organisations to position themselves for the challenges ahead.

The problem however, is that most organisations in Nigeria today seem to be paying only lip service to TQM implementation. To what extent are executives in Nigerian companies aware of the impending pressures on them to conform to quality standards? Even those who may be aware, what practical steps are they taking to ensure conformity? The research project shall be designed to provide insight into these and other related problems.

Nigeria is currently facing a myriad of environmental problems. We have the oil spillage and environmental degradation especially in the oil producing Niger Delta area. The cry over the fumes being "pumped" out of various factories across the land is unending. Many organisations dump their refuse and other waste products

indiscriminately without care for the environment. There is health hazard and other ecological problems and we begin to wonder, haven't organisations in Nigeria, especially the manufacturing and oil producing companies, heard about the ISO 14000 series?

1.3 Objectives and Rationale of the Study

An organisation that adopts a total quality management approach will not only survive but also increase its market share while the one that does not, will hardly survive. There is still the mentality of "if it is produced in Nigeria, the quality is inferior". There is a continuous increase in the level of importation of goods and services into the country because of this belief that they are of higher quality. As we face the new millennium with its challenges, this study will help to determine the level of TQM adoption in Nigeria and what most organisations may need to do in order to be ready. The study will indicate if there are things that are being done wrongly and how to take the corrective steps. The study will among other things achieve the following objectives:

- 1. Establish the level of awareness and appreciation of TQM in Nigeria.
- 2. Establish how well the concept is understood by those who have attempted to implement it.
- 3. Identify the various approaches that were adopted by organisations that have implemented TQM.
- 4. Determine the level of success recorded in the implementation of TQM.

- 5. Identify the reasons for the success or failure of some organisations in the implementation of TQM.
- 6. Establish the level of awareness of the ISO 9000 and ISO 14000 requirements.

1.4 Background to the Study

Recent studies on the subject of Total Quality Management and some other contributions on related subjects have indicated that there exist considerable potential benefits in implementing TQM. It seems however that the awareness of the concept and its principles is still very low and therefore not much has been done to actualise the benefits. For organisations that have attempted to implement TQM, the results do not seem to support the effort. We have witnessed in Nigeria for instance banks that publicly professed TQM and today have gone under. This situation seems to suggest that success is dependent to a great deal on approach to implementation.

There are many persons and organisations that are not well informed and may have the view that TQM focus only on meeting and exceeding customer needs. It is worthy of note, however, that there is a growing body of evidence that TQM is the way in a globally competitive market place to produce superior long term financial value for the stakeholders. Again organisations that adopted quality management practices have in nearly all cases, achieved better employee relations,

higher productivity, greater customer satisfaction, increased market share, and improved profitability. Also, quality organisations that have implemented Total Quality Management practices have on focussing on competition improved processes and systems through competitive benchmarking.

Apart from the above-enumerated benefits, the study will in its course reveal other potential benefits attributable to the successful implementation of TQM practices.

1.5 Statement of Hypotheses

To achieve the objectives of the study, the following hypotheses have been formulated:

- Many organisations in Nigeria are not aware of the Total Quality
 Management concept.
- 2. Many organisations have implemented Total Quality Management successfully.
- In Nigeria, there is no deep knowledge of the principles of Total Quality
 Management.
- 4. Most organisations in Nigeria do not have ISO 9000 series and ISO 14000 certification, as they have not taken practical steps to conform to these Quality Systems.

1.6 Limitations of the Study

The difficulties of obtaining information in Nigeria, was the major limitation of the study. The questionnaire was administered on a hundred and two (102) organisations and only fifty-six (56) responded, representing fifty-five percent. Out of the five questionnaires per organisation, some of those that responded actually returned two, three or four.

There was also a limitation in terms of library facilities as it is only the British Council and ILO libraries in Lagos that stock materials related to the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Global economic competition has increased in the past few decades. According to Ho (1999, p. 69), "At the close of the century, the creation of the global market, the international orientation of management which sweeps national boundaries, the introduction of new technologies, and shifts toward customer focused strategies, make the competition stronger than ever". There has been greater trade cooperation amongst nations, which led to a decline in international trade barriers. This has afforded customers all over the world, wider alternatives among several offers and organisations for every business decision made.

The increasing demand and sophistication of customers have virtually re-written the rules of competition and forced organisations to focus on quality. Today, what underlies competitive advantage is the ability to provide products and services that meet or exceed the needs of customers. This implies that to survive, organisations must device new management systems based on the tenets of Total Quality, and by offering quality products and services. This will not only lower costs but also outperform the products and services of competitors spread across the world. This is the driving force behind Total Quality Management.

In studying organisational approach to Total Quality Management in Nigeria, several important principles of this management philosophy that influence its successful implementation are brought to the fore. These include management commitment, customer focus and satisfaction, employee empowerment, continuous improvement, and organisational culture and attitudes. Others are education, teamwork, communication, measurement, and process chain. It is these tenets of TQM that will constitute major areas of review of scholarly literature. But first, what is TQM?

2.1 What is Total Quality Management?

To have an understanding of the concept, we need to define the component words. The word 'total' according to Macdonald (1993, p. 6) and Kermally (1996, p. 41), means that everyone in the organisation: all process, systems, levels of management and employees must be involved in satisfying the customer.

The word 'quality', on the other hand, means so many things to so many people. In the words of Garvin (1988, p. xi), "Quality is an unusually slippery concept, easy to visualise and yet exasperatedly difficult to define". Its diverse conception has brought to the fore several and sometimes incompatible definitions. Such definitions according to Wilkinson et al (1998, p. 8), include:

'Conformance to standards, specifications or requirements'

'Fitness for use'

'Excellence'

'Meeting or exceeding customer expectations'

Other definitions include:

'Right first time'

'Zero-defects'

'Customer satisfaction'

The International Standards Organisation, ISO 8402 Glossary of Terms defines quality as "the totality of features and characteristics of a product or service that bears on its ability to meet a stated or implied need". It recognises that customers' needs can be defined in terms of safety; usability; availability; versatility; compatibility with other products; reliability; maintainability; overall cost (including purchase price, maintenance costs, and product life); environmental impact; or other desired characteristics.

Similarly, the word 'management', according to Macdonald (1993, p. 6), recognises that TQM is not an accidental phenomenon of any organisation's activities. It "is a managed process which involves people, systems, and supporting tools and techniques". It also implies that continuous quality improvement must be planned, measured and controlled.

Total Quality Management (TQM) can be seen as a change in management style that aims to continuously increase value to customers by designing and

continuously improving organisational processes and systems. For Dahlgaard et al. (1998, p. 19), TQM is "a corporate culture characterised by increased customer satisfaction through continuous improvements, in which all employees in the firm actively participate".

Iornem (1998, p.127) defines TQM as "the continuous improvement of individuals, groups, departments and of organisational processes focused on meeting customer requirements first time and always". Ciampa (1992, p. 41) sees it as "the state of an organisation in which all the activities of all functions are designed and carried out in such a way that all external customer requirements are met while reducing internal time and cost, and enhancing the workplace climate". Gilbert (1992, p. 9) gives a quantitative definition of TQM as "a process designed to focus on customer expectations, preventing problems, building commitment to quality in the workforce and promoting open decision making".

Weihrich and Koontz (1994, p. 650), see TQM as an "organisation's long-term commitment to the continuous improvement of quality – throughout the organisation, and with the active participation of all members at all levels – to meet and exceed customers' expectations".

According to Oakland (1995, p. 18), "The methods and techniques used in TQM can be applied throughout any organisation. They are equally useful in the

manufacturing, public service, health care, education and hospitality industries".

There are some basic principles underlying TQM, which we now turn to.

2.2 Management Commitment

Total quality is a management-led process. As a result, success in its implementation depends on the demonstration of the top management's commitment in any organisation. According to Ross (1995), the commitment and involvement of management need to be demonstrated and visible. Munro-Faure et al. (1995, p. 44) believe that:

the commitment required from management to a Quality Management

System is absolute if it is to succeed. If management commitment is not

absolute then the system will fail. Management must demonstrate

their commitment in actions and words. Employees will soon see through

new 'fads' that do not have real management support.

According to Wilkinson et al. (1998, pp. 80), lack of commitment from any particular group within the organisation can be a serious barrier in the management of quality. This is even more so for top management as TQM must be from top to down and not the other way. Segun Agbetuyi, CEO of Owena Bank Plc, at a lecture delivered at the maiden edition of the Top Executive Compulsory Professional Development programme of CIBN at Ibadan on May 19, 1999 stated:

The commitment of Top Management is an essential requirement without

which TQM implementation cannot succeed. This has to be demonstrated through active support of the programme by acting as role models and demonstrate personal integrity in promoting acceptable excellence standards.

Dahlgaard et al. (1998, p. 21) believe that "a vital task for any management is to outline quality goals, quality policies and quality plans". According to them, the active formulation of quality plans will necessitate a clear indication of what is going to be achieved concerning quality. The quality policies, as they observe will outline detailed guidelines of how employees are to achieve the organisation's goals. While the meaningful action plans, either short-term or long-term, will provide a level ground for establishing organisational goals. Since the nature and direction of global competition is sometimes difficult to determine, the idea of leaving what could be termed a major organisational competitive strategy in the hands of a central department could be assumed to be consistent with scepticism on the part of management.

As Asher (1996, p. 20) observes, there is need for management to lead the total quality process to encourage others in the organisation to follow and to prove to them that management means what they say about quality. This implies that top management must be convinced of the need for quality and must clearly communicate it to the entire organisation by written policy. This policy statement, according to Ross (1995, pp. 6-7) would state what each person is expected to

perform according to the requirements or how best the employees could cause the requirements to be officially changed to what the organisation and the customer really need. To Unruh (1996, P. 37), top management commitment means:

- establishing, preferably with the involvement of all employees, the organisation's vision to serve its customers.
- communicating the vision constantly to all employees and customers.
- leading the organisation by enabling all employees to adopt the organisation's vision in their day-to-day activities.

Unruh (1996, p.3) further notes that:

It is top management that enables an organisation to focus on its customers. It leads the development of a statement of purpose centered on customers, communicates the vision constantly, and makes sure that the organisation's practices stay aligned with the vision. Most importantly, top management is a role model for the rest of the company in its commitment to serving customers.

In organisations that have successfully implemented Total quality, the leadership climate according to Ross (1995, p. 211) has been proactive rather than reactive. Senior executives are personally and visibly involved in quality. This involvement according to Asher (1996, p. 20) may be in many ways—"leading an improvement project, taking on ownership of a business process, acting on a particular internal

customer interface, and many others". Management commitment is an essential ingredient of a successful Total Quality implementation since it is about priority setting. By planning and monitoring quality improvements at the most senior level, a strong message is being sent down the hierarchies that it is part of the organisational goals that management has concern for.

Choppin (1991, p. 346) has no different view of management commitment to Total Quality. According to him, "commitment to Total Quality involves living Total Quality through a total belief in the world that Total Quality will create". Organisations that successfully implemented TQM demonstrated a strong belief in Total Quality as a way of life. It is not just because it makes sense and is morally right, but because it is seen as the only way to succeed in business – larger profit margins, more dedicated and happier employees and greater competitive advantage.

Dahlgaard et al. (1998, p. 25) presents seven points, based on Deming's renowned 14 points, that management is often required to oversee. They are:

- 1. Management must agree about goals, conditions and obstacles to the introduction of TQM.
- 2. Management must have the courage to break with tradition.

- In building up a new 'quality organisation', management must appoint a manager for quality improvements who has direct access to top management.
- 4. Management must, as quickly as possible, build up an organisation to advise on the carrying out of continuous improvements throughout the firm.
- 5. Management must explain to employees why changes are necessary and that they will involve everybody in the company.
- 6. Management must explain that every activity and every job has its own customers and suppliers.
- 7. Management must ensure that every employee in the company participates actively in a team (work team, quality circle).

In many organisations where management commitment to quality management implementation has been actively demonstrated, there has been remarked evidence of management's desire to seek knowledge of quality problems and defects. This has sometimes resulted to annual quality reviews and audits. Dahlgaard et al (1998, p. 22) notes that management have among other things sought to know through these reviews and audits:

- How customers have been identified (both internal and external customers).
- How customer requirements and expectations have been identified.
- How managers and employees have tried to satisfy customers.

- What customers think of our products and services and how the feedback was collected.

In their book, *A Passion for Excellence*, Tom Peters and Nancy Austin (Choppin 1991, p. 345) opined that "the heart of Quality is not technique. It is a commitment by management to people and product – stretching over a period of decades and lived with persistence and passion – that is unknown in most organisations today". They observe that commitment means total believe, with a total understanding and vision that propels an organisation to succeed. Unfortunately, what obtains in organisations where TQM was implemented with little or no success was that top management in these organisations sent mixed signals. They endorsed quality but rewarded bottom-line or production. Some insisted on cost reduction even if it meant cancelling quality-training programmes for employees. And sometimes, employees are not reminded that the focus is on customers, not the product.

This is not the spirit behind Total Quality. Quality perception views the totality of the business rather than just one aspect of it. To achieve successful implementation, there must be commitment from the top. Management commitment may be expressed in caring passionately for the people they work with, for the products and services, and for the customers. Choppin (1991, p. 373) summarised his thesis when he notes that "trust, honesty and a high level of integrity should be assumed to be common throughout all levels of the

organisations". This is not, however, the case with many organisations where the implementation of quality management is normally fraught with difficulties. A typical scenario in most organisations as Wilkinson et al. (1998, p. 81) observes is that senior management of such organisations treat quality management implementation with scepticism, lack of enthusiasm, marked unwillingness to commit resources, and a short-term perception.

In their IM Study, Wilkinson et al. (1998, p. 81) outlined respondents observation on top management commitment as major difficulties faced in their organisations quality management implementation. As some respondents noted:

I used to be Chief Quality Engineer here, I gave it up because of lack of commitment by top management. Curiously the MD is not sufficiently enthusiastic. the philosophy of TQM is just being introduced. Unfortunately, it is being treated with scepticism and derision by senior managers immediately below the Board level. Until the culture is changed, it is unlikely to become an effective tool.

Apart from management commitment, the success of any total quality management implementation depends on the effective participation and commitment of all employees. Gilbert (1992, pp. 41 – 42) views management commitment to TQM implementation as being beyond delegation and hierarchy. It

is about dismantling barriers between departments and listening to suggestions for improvement from anyone who cares to make them.

While Oakland (1995, p. 20) agrees that the most senior management must all demonstrate that they are serious about quality, he believes the middle management have a particularly important role to play. They "must not only grasp the principles of TQM, they must go on to explain these principles to the people for whom they are responsible, and ensure that their own commitment is communicated. Only then will TQM spread effectively throughout the organisation".

2.3 Customer Focus and Satisfaction

Customer satisfaction is the driving force that propels organisation existence. In considering the extent of customer satisfaction in Total Quality practice, the US Department of Commerce in a 1993 quality award criteria examined organisations relationships with customers, and knowledge of customer requirements and of the key quality factors that drive marketplace competition. They inferred that an understanding of customer requirements derives from thoroughness and objectivity of the organisation, customer types and product/service features.

Other key excellence indicators for customer satisfaction, according to Ross (1995, p. 211) are a resolution by management to empower frontline staff,

strategic infrastructure support for frontline employees and attention to hiring, training, attitude, and morale for frontline employees. Ross is of the view that these activities will help employees relate to customers in highly professional manners and also provide services/products that will satisfy their requirements. While the researcher agrees to some extent with the propositions of Ross, frontline empowerment and other issues raised are not in themselves sufficient conditions to providing focus and satisfaction to the customer. Proactive customer service systems, proactive management of relationships with customers, and the use of all listening posts — surveys, product/service follow-ups complaints, turnover of customers and employees, should also be adopted as key excellence indicators for customer satisfaction.

Since the quality of a product is not in itself but in what the customer says it is, customer focus and orientation according to Wilkinson et al. (1998, p. 12), provides a common goal for all organisational activities and members. It incorporates the quality of design and conformance to quality specification. According to Unruh (1996, p. 23), "even if an organisation isn't focused on its customers, its competitors are. And the customers know where to find those competitors". He also believes that "customer focus is not a one-time-only program. It requires a permanent ongoing commitment of *all* organisational resources".

For an organisation to achieve success in any customer focus initiative, it is crucial that it has an understanding of customers. According to Unruh (1996, p. 39):

Customer needs and values should influence every aspect of the organisation: strategy, employee staffing and performance, product and service development, sales and marketing programs, operational procedures, and information and measurement systems.

Customer focus and satisfaction not only enable organisations to know what customers think about them, their products, and their competitors, but also to know about the personal lives of their customers.

The focus on customer satisfaction applies to internal customers as much as it applies to external customers. Ross (1995, p. 208) define Internal Customers as "the people, the activities, and the functions within the company that are the customers of other people, activities, or functions". According to Dahlgaard et al. (1998, p. 26), "before you can satisfy external customers, however, you must first eliminate some of the obstacles to the internal customers (i.e. the employees) and create the conditions necessary for them to produce and deliver quality". What they are saying is that it will be difficult if not impossible to meet and exceed the expectations of the external customers if quality is not delivered to internal customers.

Customer focus and satisfaction is related to management commitment. According to Unruh (1996, p. 37), "Don't start a customer focus initiative without top management commitment. Employees and customers won't take the effort seriously. It will end before it's had a chance to begin".

2.4 Employee Empowerment

Organisations have grown both in size and in the needs which they are expected to satisfy. As a result, delayering of traditional hierarchies have taken the centre stage. The only way to effectively manage and quickly respond to customer needs, however, is to empower frontline employees. In a Total Quality organisation, empowerment is seen as the key to efficiency and flexibility.

Management scholars have advanced several important definitions to explain this very important concept. To Sibson (1994) it means "granting latitude of action for how the work is done".

Clutterbuck et al. (1993, p.12) sees empowerment as "creating the circumstances where people can use their faculties and abilities at the maximum level in pursuit of common goals, both human and profit-oriented".

Whatever definition is ascribed to empowerment, the concept underlying its meaning is giving power and authority to employees to enable them take real time

decisions on matters related to their jobs and how they are done. Empowerment is more especially necessary to organisations adopting it when workers have knowledge that is critical to effective work and that knowledge is not possessed by management.

According to Kermally (1996, p. 222), empowerment is "allowing employees freedom to make decisions relating to their own work, and allowing decisions to be made as close to the point of delivery as possible". Gilbert (1992, p. 53) believes that people empowerment as "a cornerstone of TQM is the promotion of open-decision making. You empower the people to decide for themselves how to do things since they are the best qualified people to make decisions on their own behalf". This freedom to make decisions relating to their own work enables employees to respond quickly to customers' needs. The sense of ownership and a feeling of fulfilment in achieving a shared corporate goal are an essential feature of a Total Quality organisation.

John Akers of IBM (Gilbert 1992, p. 54) once said that:

Empowering our employees and inculcating a sense that everyone owns his or her piece of the business not only unleashes the talent and energy of our people, but flattens the organisation and reduces stifling bureaucracy".

Total Quality organisations achieve success by working with people, not by replacing them or limiting the scope of their activities, but by seeing the workforce as a source of competitive advantage. This is more so in service industries where, according to Ross (1995, p. 121), "most frequently the customer's perception of quality stands or falls based on the action of the employee in a one-on-one relationship with the customer".

Unfortunately, employees in most organisations have little or no authority to make decisions about how work closest to them are performed. This also takes place even where such employees are the customer-contact persons (or image-makers) of the organisations.

Most quality-conscious organisations are quick to point out that the best way to achieve organisation success is by involving and empowering employees at all levels. Their managers are however, only quick to delegate responsibility but are notoriously slow to confer authority and rewards that create a consistent, controllable environment for employees. As Wilkins (1994, p. 306) notes "unempowered employees do not accept responsibility for the result of their jobs. They accept accountability only through the exercise of their own control and authority".

What Wilkins is saying here as it's readily prevalent in Nigerian organisations is that employees could be careless in performing their jobs since they do not own responsibility nor are accountable for the results of such jobs. Sometimes, as it has always been with employees who are not empowered, one may hear such statements as:

"I'll do it, but I won't be responsible for the outcome".

"Well, lets do it the way he says. After all, we are not the ones to explain the result".

Some managers today avoid empowerment not because they are not aware of the benefits to their organisations, but for fear of losing operational control. After all, why should a manager think that the actions and decisions of his subordinates would be used to judge him?

Another factor that tends to hinder empowerment is confidence and trust in employees. Many managers do not have trust and confidence in their subordinates to make the tough calls. "A typical scenario in many organisations today", according to Wilkins (1994, p. 306), "is the delegation of responsibility and some authority, with the proviso, "I'll make the final decision". This is characteristic of lack of trust and confidence in the capability of employees. What is ironical about this issue of employees ability to make real time decisions is that we tend to easily

forget that in periods of vacation, occupational mobility or permanent displacement, the organisation still thrive without the manager's services.

While it is pertinent to note that the fears, which militate against employee empowerment in organisations, are personal to managers who are against sharing power and authority to make and implement decisions with non-managerial employees. These fears are not organisation-driven.

Total Quality organisations see empowerment as a means to harness the intelligence, experience and skills of all employees towards meeting organisation objectives. Employees from different backgrounds are encouraged to contribute their ideas, perspectives and experiences toward a common goal – the best results for the customer.

2.5 Continuous Improvement

Global competition for increasingly demanding customers has necessitated changing acceptable standards. What appears to be best products/services today may be disregarded tomorrow. The drive towards total excellence has made a very clear direction, though no definite destination for organisations to attain and sustain business excellence through continuous improvement of products/services.

Customer expectations are increasing and changing with the dynamics of global environmental changes. Organisations are benchmarking one another so as to unravel the secrets behind their successes. According to Quirke (1995, p. 134), the major challenge to organisations is how to acquire customers, retain them, build relationships with them and identify ways of being more valuable to them – before the competition does. No organisation can achieve this without continuously improving not only its products/services but also processes and people.

Continuous improvement, according to Stahl (1995, p. 261), refers to "the constant refinement and improvement of products, services and organisational systems to yield improved value to customers". One unique attribute of continuous improvement which has paid-off for organisations that have focused on it, according to Stahl, is that "Looking for ways to continuously improve the quality of products/services in the absence of customer complaints and problems may preclude a future problem". In the words of Ho (1999, p. 30), "TQM is a necessity. It is a journey. It will never end".

Wilkinson et al. (1998, p. 13) are of the view that continuous improvement involves both innovation and maintenance, and improvement through small steps, however often leading to radical breakthrough.

In the past, organisations maintained the traditional notion of "If it isn't broken, don't fix-it". But in today's changing business environment where competition have increased the awareness and demands of customers, continuous improvement requires something more than the traditional method of solving problems when they arose. Today, "the spirit of continuous improvement" in Total Quality organisations, according to Stahl (1995, p. 47), is "If it isn't perfect, make it better, and it strives for a continuous stream of base hits, rather than waiting for the home run".

This improvement theme requires several tools and different ideas, including understanding the kinds of variation in a process. It requires a proactive rather than a reactive mindset. The spirit of continuous improvement requires men and women who have the "can-do" attitude and desire for excellence. They must be committed to continually "improving a thousand things by one percent rather than one thing by a thousand percent". The most effective means of doing this is to use the people who do the job to identify and implement appropriate changes. This can only be achieved if employees are given adequate training and development.

Though continuous improvement ought to be a management designed system, it is the business of everybody in the organisation. The role of the workforce according to Lillrank and Kano (Wilkinson et al. 1998, p. 13), is to assist in "... weeding out the bugs from a product and process whilst giving workers an uplifting

opportunity to use their brains and make a contribution to the improvement of their company".

In commenting on the effectiveness of continuous improvement in achieving organisational quality objectives, Stahl (1995, p. 261) posits that training and development should not be seen as a one-time event but a lifelong process. Many organisations recognise today that due to the massive changes taking place in the business world, booster shots of training and development are needed throughout employee careers. This will help them to acquire the necessary skills to initiate improvement strategies that would add value to customers.

While the views of the aforementioned management scholars are in line with what any aspiring quality organisations are expected to implement, we are of the view that as a requirement, Total Quality organisations should embark on benchmarking and self-assessment to drive continuous improvement. This will help to achieve the goal of continuous quality improvement in products/services and delivery processes. It will also avoid the common trap of allowing conformance to become a goal in itself.

2.6 Organisational Culture and Attitudes

The themes of customer focus, horizontal process management, and continuous improvement have become central to the values and culture of many Total Quality

organisations. According to Ross (1995, p. 40) "Culture is the pattern of shared beliefs and values that provides the members of an organisation rules of behaviour or accepted norms for conducting operations". What Ross is saying here is that organisational culture describes the basic qualities and values that characterise the ideal behaviour of a Total Quality organisation including the interaction of employees with one another and with customers. In the words of Kilman et al. (1986, p. 89), culture is "the philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes, and norms that knit an organisation together and are shared by employees".

Organisational culture, according to Clutherbuck et al. (1993, p. 180), includes the beliefs and attitudes of people about the way things are get done, how work should be organised, assessed and rewarded, and the way people think and feel about the organisations they work for. Oakland (1995, p. 22) states that the culture within an organisation is formed by a number of components:

- 1. Behaviours based on people interactions.
- 2. Norms resulting from working groups.
- 3. Dominant values adopted by the organisation.
- 4. Rules of the game for getting on.
- 5. The climate.

He then defines culture "as the beliefs that pervade the organisation about how business should be conducted, and how employees should behave and should be treated".

The fundamental issue which these various views of organisational culture underlie is the principles and rules which holds an organisation together as a corporate entity and upon which its operational strategies are based, for the benefits of its stakeholders. Certainly, every organisation desires a culture that supports its goals and objectives. An organisation's culture is defined by the way it is structured and managed. Concepts like authority, bureaucracy, creativity, good fellowship and accountability are experienced by organisations in different ways.

However, a Total Quality culture, which is our focus, has distinct organisational values and beliefs. Total Quality organisations have at the moment taken into consideration the key levers and mechanisms of customer value, continuous improvement, and cross-functional processes, as the focus of their culture, belief and attitudes. This according to Stahl (1995, p. 261) is why continuous improvement needs to be part of the culture of Total Quality organisations. A quality culture according to Wilkins (1994, p. 60), is the final expression of an organisation goals, objectives, requirements, and values; it is an embodiment of what an organisation is. Wilkins maintains that "a culture cannot be forced into

existence by policy, but it can be effectively steered and evolved through the resolute application of appropriate employee education and training".

The culture and beliefs of traditional organisations may, however, be different. Some traditional organisations were established based on culture and belief systems that supports bureaucracy and firm control. In this class of organisations, there is inward focus on internal processes rather than on customers while the process culture is usually characterised by slow feedback and low-risk decisions. As Lou Gerstner remarked shortly after taking over as CEO at IBM in 1983:

I have never seen a company that is so introspective, caught up in its own underwear, so preoccupied with internal processes.

Some dealings required 18 signatures. It was a bureaucracy run amok (Stahl 1995, p. 297).

Gerstner's observation of IBM is that of an organisation with very high bureaucratic undertones and in which the idea of Total Quality values and beliefs is alien to the idea of "why change when what we have been doing over the years have earned us business success?"

According to Clutherbuck et al. (1993, p. 180) Organisational culture "because of its all-encompassing and frequently intangible nature, presents, for many companies, the largest and most intractable barrier to change". Since total quality

management is all about satisfying the customer, organisations should as a matter of fact audit those aspects of their culture and belief systems that tend to impede meeting and exceeding customer needs and expectations.

However, whether an organisation has distinct Total Quality values and beliefs or the traditional bureaucratic culture, it must provide basic qualities and value that characterise the interaction of employees with one another and with customers, and also serve as the cornerstone for operating business.

Above all, the organisational culture and attitudes must enable an ideal internationally competitive environment in which customers are offered satisfaction in terms of quality and other dimensions of value. It must also enable us ask some more questions of our organisation whether, according to Macdonald (1993, p. 53), our managers:

- Encourage open and frank discussion of business problems?
- Seek the opinion of those who are doing the job?
- Explain their decisions to those who have to carry them out?
- Recognise the contributions of all involved in the job?
- Set collaborative goals to encourage teamwork?
- Listen to, rather than talk at, their subordinates?

2.7 Teamwork

The changes in a number of market conditions have influenced organisational policies. Increased competition, for instance, either actual or anticipated, has clearly been important in driving organisations to seek ways that will improve productivity, quality and efficiency. Unlike in traditional organisations where employees and departments lacked awareness of what the internal customers needed, and sometimes worked in isolation without recourse to how quality and service delivery are affected. Total Quality organisations perform their jobs with the spirit of information exchange and co-operation. The use of employees working together as teams have been seen by many organisations moving towards Total Quality as a way of survival.

Although many management experts have offered several definitions to the word "Teams", what is important is the meaning and common understanding that any organisation can create behind the concept. Choppin (1991, p. 113) looks at the word "team" as "consisting of a small group of people, sharing a joint responsibility for their activity and contribution to the company". Larson and Lafasto (1989, p. 7) define a team as "a collection of two or more persons who interact regularly to accomplish common goals".

Whatever definitions may be advanced to express the term, what is central to the concept of the team is the idea of **sharing.** This sharing is the responsibility that

the team develops or is given as part of its duties. As Oakland (Choppin 1991, p. 131) observes, "the complexity of most of the processes which are operated in industry, commerce and the services places them beyond the control of any one individual"

Oakland's observation of these complexities, whatever they are - awareness, speed, innovation, flexibility, coordination - raise strategic issues for modern Total Quality organisations because they so profoundly affect survival and growth, especially when left in the hands of any individual. What needs to be done, however, is to use teams that are superbly placed to use their collective skills to improve quality and productivity. Teams help to build trust, confidence and responsibility. A team as Choppin (1991, p.116) notes, "is an excellent natural formation, within which on-going improvements, via Quality improvement projects, problem-solving and process development, can occur".

According to Wakhlu (1994, p. 28), Total Quality organisations should, however, view their employees working together in teams "as potential source of "beneficial forces" that lead to Total Quality". Chaudhry-Lawton et al. (1992, p. 33) believes that "teamworking can foster innovation by providing an effective meeting-post for ideas and creative personalities ... and by managing the fear of risk through mutual support". Gilbert (1992, p. 89) posits that "teams do most things better than

individuals because the members stimulate each other; they possess a broader range of skills, and anyway, working in a team can be more *fun*".

Teamwork has been praised for the success of some Total Quality organisations and as Stahl (1995, p. 389) notes, "it would be difficult to imagine TQM as it is known today without cross-functional teams". According to Unruh (1996, p. 97):

If they were to do their customer focus initiative over again, some of our research participants said, they would spend less time on training employees and get them involved in teams much faster. Teams familiarize employees with what's important to customers, help bring the necessary resources to bear to serve customers efficiently, and foster cooperation.

Oakland (1995, p. 269) lists the advantages that the use of team approach to problem solving has over allowing individuals to work separately:

- A greater variety of complex problems may be tackled those beyond the capability of any one individual or even one department – by the pooling of expertise and resources.
- 2. Problems are exposed to a greater diversity of knowledge, skill, experience, and are solved more efficiently.
- 3. The approach is more satisfying to team members, and boosts morale and ownership through participation in problem solving and decision making.

- 4. Problems that cross departmental or functional boundaries can be dealt with more easily, and the potential/actual conflicts are more likely to be identified and solved.
- 5. The recommendations are more likely to be implemented than individual suggestions, as the quality of decision making in *good teams*, is high.

2.8 Total Quality Education

Total Quality education is an essential part of any Total Quality organization's policy. The increased understanding among Total Quality organisations of education and training as a way to ensure the consistent delivery of value to customers through highly capable employees, has informed the amount of time and money spent by organisations on quality education to increase their competitiveness. This understanding of the effectiveness of education and training programmes starts in many organisations with instructions in the basic skills of human interaction, goal setting, problem solving and teamwork, communication and empowerment.

Every employee in an organisation must be provided with the necessary education and training. According to Munro-Faure et al. (1995, p. 48), "To achieve the involvement of every employee requires their commitment. Commitment requires understanding. Understanding requires training. Training requires management commitment, planning and time". They believe that every employee needs to

understand the reasons for TQM, what it means to them and how they are equipped to contribute.

Although, many traditional organisations view employee training and development as unnecessary overhead and costly - it is the fulcrum in implementing the Total Quality Management process. Many Total Quality organisations view employee education and training to yield improvements in customers' value as the key to organisational success. According to Mondy and Premeaux (1995, p. 572), "a TQM culture encourages more employee participation in problem solving and decision making. TQM will not work unless all employees are trained to use the tools". Based on field research, Unruh (1996, p. 85) believes that "training is the number-one way that organisations focus their employees on serving customers". Oakland (1995, p. 309) agrees with him in terms of the importance of training as he believes "that training is the single most important factor in actually improving quality, once there has been commitment to do so".

Obviously, there is an out of pocket cost of training. Stahl (1995, p. 260) observes, however, that "today many see T&D (training and development) as a way to ensure the consistent delivery of value to customers through highly capable employees". Managers recognise training as a way to gain future customer satisfaction and reduce future costs by training employees "how to do it right the

first time". According to Wilkins (1994, p. 56), "basic total quality education for all employees, facilitated and administered by the company", is one of the specific actions an organisation must take in order to realise the defined quality culture.

Galvin (1991, p. 100) in commenting on the perception of training by traditional organisations, refers to the belief that "training is overhead and costly" as an old truth. According to him, that view has been replaced by a new truth: "Training does not cost".

In his book: *Out Of The Crisis*, Deming (1996, p. 24) recognised the importance of training in his 14 points of Management. One of those points is "institute a vigorous programme of education and self-improvement". According to Stahl (1995, p. 250), "it is noteworthy that many Total Quality organisations have taken Deming's point to heart, as many are spending 5 percent to 7 percent of payroll on training today".

According to Ross (1995, p. 122), "Training usually falls into one of three categories: (1) reinforcement of the quality message and basic skill remediation, (2) job skill requirements, and (3) knowledge about principles of TQM". He notes that a typical quality training curricula will include amongst others such topics as:

1. Quality awareness

- Quality measurement (performance measures/quality cost benchmarking, data analysis)
- 3. Process management and defect prevention
- 4. Team building and quality circle training
- 5. Focus on customers and markets
- 6. Statistics and statistical methods

Without first training employees to give them the necessary skills they need to perform their jobs, the goal of meeting and exceeding customer expectations will remain a dream. According to Munro-Faure et al. (1995, p. 136 - 137), an important element in any quality management system is the analysis and fulfilment of training needs. ISO 9000 series requires that a system be put in place to regularly monitor the skills required in an organisation and that these skills exist within the workforce. Munro-Faure et al. states that the system must therefore include:

- i. a means of assessing the skills required by the business. This is often achieved by using job specifications to define the skills required for a particular job;
- ii. a means of assessing the skills base of the workforce. This is often achievedby using an appraisal system to identify training needs; and
- iii. a means of demonstrating that training needs have been met. This is often achieved by training records.

Many traditional organisations according to Stahl (1995, p. 260) have in the past stressed functional, technical and specific job related skills. Today, things have changed. The kind of skills required by empowered employees to enable them take real time decisions and impact quality service/product delivery, have made Total Quality organisations to stress a broad range of teaming skills, cross functional issues, quality issues, and diagnostic and problem solving skills. Total Quality organisations have come to realise multiple skill training as an efficient way to use human resources, and to be at the cutting edge of competitiveness.

There are various approaches to employee education and training such as:

- external courses
- internal courses
- correspondence courses
- on the job training.

The form is not important what is uppermost according to Munro-Faure et al. (1995, p. 48) is that it "must be relevant, interesting and enable people to understand and participate". The training should adequately fulfil an identified need and a record should be kept of it.

2.9 Communication

This is an essential part of any Total Quality initiative. Many organisations have laudable objectives and initiatives to implementing Total Quality Management.

But this is sometimes scuttled by barriers and gaps between the intention of Executives and wholehearted commitment of Managers and Employees.

TQM, according to Macdonald (1993, p. 13) is about changing the traditional communication culture by changing the behaviour of Management. Focusing on the customer requires new ways of operating and behaving. It requires equipping all employees with the necessary information to make real time decisions. A Total Quality organisation has vision and mission statements, which have to be communicated down the line for employees to actually know what they are doing. What should be communicated to everyone in the organisation, according to Oakland (1995, p. 308), include:

- 1. Need for improvement.
- 2. Concept for total quality.
- 3. Importance of understanding business processes.
- 4. Approach that will be taken.
- 5. Individual and process group responsibilities.
- 6. Principles of process measurement.

Stahl (1995, p. 376) notes that "managers, employees and suppliers must understand the importance of Total Quality to the organisation before they can commit themselves to such a vision". Since according to Stahl (1995, p. 378) communication is the process by which information is shared and understood by

two or more persons – the idea of directing communication down-ward alone is not ideal. Although, this has the laudable objective of keeping workers informed, there are few opportunities, according to Macdonald (1993) for employees who are charged with implementation to adequately inform top executives about the feedback.

Total Quality managers use effective communication to enlist the support of other employees towards achieving corporate objectives. When an organisation's vision is communicated to its entire employees, the whole picture, the path, the future and everything about the ultimate goal is made known, the organisation moves systematically towards total customer satisfaction, rapid rates of improvement and world-class levels of performance. Kanji and Asher (1993) are most forthright about the need for effective communication for the development of awareness of, and commitment to, quality in an organisation's environment. "Communication is part of the cement that holds together the bricks of the total quality process supporting the principle of people-based management". Best organisations also recognise that communication could make the difference between success and failure. They see effective communication as a means of maintaining enthusiasm for quality initiatives within the organisation.

According to Wakhlu (1994, p. 87) Total Quality organisations use communication to bring their employees together and their efforts to be

completely aligned towards the intended direction. An informed employee is a happy employee. Keeping employees abreast of developments on a regular and timely basis enhances both their productivity and quality of service delivery.

To Total Quality organisations, communication is so important to the extent that quality objectives, accordingly to Stahl (1995, p. 378) are stated in the business plan in the same way that costs and schedules are included. Communication is an essential prerequisite for employee empowerment, as information is required to make meaningful and correct decisions.

Communication with the customer is also an essential part of TQM as the feedback is required to know what exactly the customer expects as well as to measure customer satisfaction. According to Quirke (1995, p. 167), "providing a quality service or product to the customer, and good communication, are inextricably linked. Listening to your customer, whether internal or external, is a founding principle of quality..."

Thiagarajan and Zairi (1997, pp. 345-346) also highlights the fact that clear and effective communication is also vital to support other TQM tenets such as performance-based reward mechanisms, training and empowerment. In the first case, for example, the appraiser needs to communicate to the employee what is expected of him or her, and why it is important. In terms of training, having in

place a feedback mechanism from training course attendees is useful to monitor and improve the quality of subsequent events. In relation to empowerment, if employees are to share in decision making in the company, they must know and understand company objectives and values, and have access to the information relevant to their area of responsibility.

2.10 Measurement

This is another key principle of Total Quality Management and requires collection of data to know where you are, identify needs of customers, monitor performance, etc. Things to be measured include customer satisfaction, employee satisfaction, expectations, costs of quality, and so on. According to Oakland (1995, p. 173), "In the cycle of never ending improvement, measurement plays an important role in:

- Identifying opportunities for improvement (quality costing).
- Comparing performance against internal standards (process control and improvement).
- Comparing performance against external standards (benchmarking)".

Oakland listed the following as the main reasons why measurement is needed and why it plays a key role in quality improvement:

- 1. To ensure customer requirements *have* been met.
- 2. To be able to set sensible *objectives* and comply with them.
- 3. To provide *standards* for establishing comparisons.

- 4. To provide *visibility* and provide a 'score-board' for people to *monitor* their own performance levels.
- 5. To highlight *quality problems* and determine which areas require *priority* attention.
- 6. To give an indication of the costs of poor quality.
- 7. To justify the use of resources.
- 8. To provide *feedback* for driving the improvement effort.

Unruh (1996, p. 184) believes that organisations use measurement systems to understand whether customer values are being met and hence whether market share is increasing or not. He states that "measurement systems are created to guide employees' behavior so that they can understand and satisfy what customers reveal are their ultimate values". According to Dahlgaard et al. (1998, p. 30):

knowledge of customers' experiences of products and services is essential before the processes necessary for creating customer satisfaction can be improved. More and more firms are therefore coming to the conclusion that, to realize the TQM vision, they must first set up a system for the continuous measurement, collection and reporting of quality facts.

The quality process must start with measurement so that future operations will be based on facts and not beliefs or opinions. This is why Asher (1996, p. 47) notes that "without some form of measure it is impossible to gain any objective

assessment of performance". It is only by measuring that you can determine the processes that require improvement. According to Wilkins (1994, p. 133), "you can't manage what you don't measure" To sustain top management commitment, there must be a feedback system through measurement. There should be a continuous measurement of the costs of quality. The measurement of quality is one of Philip Crosby's principles. According to the TQM guru, "measuring quality ... produces a monetary figure that can be used to direct efforts to improve and measure the improvement (Ross 1995, p. 334). As Asher (1996, p. 47) observes, "measurement is the only way to plot progress on a path of improvement from the existing to the desired state of affairs".

"Measurement systems", according to Unruh (1996, p. 177), "include those that address profitability, customer satisfaction, customer retention, and employee satisfaction and retention". While customer satisfaction surveys potentially offer the most efficient and objective means of assessing satisfaction, Deming (1986) calls for frequent direct interface with customers to determine the level of satisfaction on a continual basis (Thiagarajan and Zaira, 1997, p. 353). To Gilbert (1992, p. 153) the following criteria could be used as a measure of customer satisfaction:

- 1. Delivery accuracy
- 2. Invoice errors
- 3. Right first time

- 4. Lead times
- 5. Telephone responses
- 6. Suppliers deliveries
- 7. Customer complaints/queries
- 8. Bills of material accuracy
- 9. Inventory record accuracy
- 10. Forecasting accuracy
- 11. Adjustments per batch

It is equally important that an organisation measures the satisfaction of its employees. According to Unruh (1996, p. 106), "an organisation should make sure its employees are satisfied with their jobs - satisfied employees create satisfied customers. The factors that create employee satisfaction, like customer satisfaction, change constantly". This requires that employee satisfaction is constantly measured and updated to determine what is important to the employees.

2.11 Process Chain

The activities that take place in an organisation can be broken down to basic tasks or processes that are linked. A business process can be defined as any set of activities that produces output, from a combination of inputs, that meets the needs of customers. According to Wilkinson et al. (1998, p. 13), "organisations may be conceptualised as quality chains that cut across conventional internal boundaries". The processes are linked from the supplier to the consumer.

In a Total Quality organisation, each process has a customer and the only distinction is that the consumer is an external customer. A process in the chain uses as its input the output from another process or task. The department or process supplying is not in anyway different from the organisation's external suppliers and has to recognise the receiving process as its customer. The process chain can therefore be broken at any point by one person, task or piece of equipment not meeting the requirements on the way to the interface with external customers.

This problem can only be addressed by focusing equally on internal customers' satisfaction and external customers. "In this way", according to Wilkinson et al., "TQM attempts to emphasise that all employees are ultimately involved in serving the final customer, so that quality matters at all stages". Any weak link or break at any point in the internal customer-supplier chain may find its way to the interface between the organisation and the external customer (Thiagarajan and Zairi, 1997, p. 349). Best organisations ensure that everyone within the organisation understands that they are dependent on one another, know where their work goes, and continuously ensures that the necessary quality at each interface meets overall customer expectations (Bendell et al., 1993).

In the next chapter, we will take a look at the history of "Quality" and standards in Nigeria and try to see how this compares with a couple of other countries outside

the United States, Europe and Japan. These are the traditionally known first beneficiaries of the concept of TQM.

REFERENCES

- 1. Asher, Mike (1996), *Managing Quality in the Service Sector*, London: Kogan Page Ltd.
- 2. Bendell, T., Boulter, L. and Kelly, J. (1993), *Benchmarking for Competitive Advantage*, London: Pitman Publishing.
- 3. Chaudhry–Lawton, Rani et al (1992), *Quality Change through Teamwork*, London: Century Business.
- 4. Choppin, Jon (1991), Quality Through People: A Blueprint for Proactive Quality Management, Bedford: IFS Ltd.
- 5. Ciampa, Dan (1992), *Total Quality: A User's Guide for Implementation*, New Jersey: Addison-Wesley Publishing Co.
- 6. Clutterbuck, David et al. (1993), *Inspired Customer Service: Strategies for Service Quality*, London: Kogan Page Ltd.
- 7. Dahlguard, J. Jens et al (1998), Fundamentals of Total Quality Management, London: Chapman & Hall.
- 8. Deming, W.E (1986), *Out of the Crisis*, Cambridge: MIT Centre for Advanced Engineering Study.
- 9. Garvin, A. David (1988), Managing Quality, New York: Free Press.
- 10. Galvin, Robert (1991), *The Idea of Ideas*, Illinois: Motorola University Press.
- 11. Gilbert, John (1992), How to Eat an Elephant: A Slice by Slice Guide to Total Quality Management, Merseyside: Tudor Business Publishing.
- 12. Ho, K. M. Samuel (1999), *Operations and Quality Management*, London: International Thomson Business Press.
- 13. Iornem, David (1998), How to be a Good Manager in 10 Minutes and Other Essays, Kaduna: JVC Press.

- 14. Kanji, G.K. and Asher, M. (1993), "Total Quality Management Process a Systematic Approach", *Advances in Total Quality Management Series*, Abingdon: Carfax Publishing co.
- 15. Kermally, Sultan (1996), *Total Management Thinking: Ideas that are Transforming Management*, Oxford: Butterworth Heinemann.
- 16. Kilman, H. Ralph et al, "Issues in Understanding and Changing Culture", California Management Review, Winter 1986.
- 17. Larson, C. and Lafasto, M. (1989), *Teamwork*, Newbury Park, CA: Sage.
- 18. Macdonald, John (1993), *Understanding Total Quality Management in a Week*, Corby: Institute of Management Foundation.
- 19. Mondy, R. Wayne and Premeaux, R. Shane (1995), *Management:*Concepts, Practices and Skills, New Jersey: Prentice Hall, Inc.
- 20. Munro-Faure, Lesley et al (1995), Achieving the New International Quality Standards: A Step-by-step Guide to BS EN ISO 9000, London: Pitman Publishing.
- 21. Oakland, John (1995), *Total Quality Management: Text with Cases*, Oxford: Butterworth Heinemann.
- 22. Owen, Hilarie (1996), *Creating Top Flight Teams*, London: Kogan Page Ltd.
- 23. Quirke, Bill (1995), Communicating change, London: McGraw-Hill.
- 24. Ross, E. Joel (1995), *Total Quality Management: Text Cases and Readings*, Florida: St. Lucie Press.
- 25. Sibson, E. Robert (1994), Maximizing Employee Productivity: A Manager's Guide, New York: Amacom.
- 26. Stahl, J. Michael (1995), Management: Total Quality in a Global Environment, Oxford: Blackwell Publishes Ltd.
- 27. Thiagarajan, T. and Zairi, M. (1997), "A review of total quality management in practice: understanding the fundamentals through examples of best practice applications part II", *The TQM Magazine*, MCB University Press, Vol. 9, No. 5.

- 28. Unruh, A. James, (1996), Customers Mean Business: Six Steps to Building Relationships That Last, Reading: Addison-Wesley Publishing Co.
- 29. Wakhlu, Bharat (1994), *Total Quality Excellence Through Organization Wide Transformation*, New Delhi: A.H. Wheeler & Co Ltd.
- 30. Weihrich, Heinz and Koontz, Harold (1994), *Management: A Global Perspective* (10th ed.), New York: McGraw-Hill.
- 31. Wilkins, H. Robert (1994), *The Quality Emplowered Business*, New Jersey: Prentice Hall.
- 32. Wilkinson, Adrain et al (1998), *Managing with Total Quality Management: Theory and Practice*, London: Macmillan Business.

CHAPTER THREE

THE HISTORY OF "QUALITY" IN NIGERIA

3.1 Introduction

It is difficult to state with precision when concern for quality and standards came into existence in Nigeria. While there were already about a dozen national standards institutions by the end of the first two decades of the last century, it did not catch on in the developing countries until the early 1970s. The early recognition in developed countries was due, principally, to the problems they faced in the areas of harmonising military hardware and promoting the ability to inter-change parts.

Two major factors helped to create the awareness in Nigeria and promoted the idea of establishing a Nigerian standards body. First was the importance of standards and standardisation at both national and international levels when trying to build up home industry that is both viable and competitive. Standardisation will allow them to buy and sell at the best possible price and standards will maximise productivity and promote economy of scale.

The second factor was the phenomenon of the consumer. The consumer was then represented nationally and to an increasing extent, internationally by consumer organisations which demand the best possible value for money.

Although, different individuals shared the desire for a national standardisation system for Nigeria - available records indicate that initiative in this regard came from a top administrator in the then Ministry of Commerce and Industries. This concept gathered momentum and acceptance slowly but surely, sometimes expressing itself in delegations sent to international meetings on standardisation. In 1970, an Assistant Director who later became Director was appointed to set up the machinery for the establishment and operation of the Nigerian Standards Organisation.

3.2 Establishment of the Nigerian Standards Organisation

The Standards Organisation of Nigeria (SON) was established by Decree No. 56 of 1971. It was vested with the sole responsibility for elaborating standards for products and processes, ensuring compliance with the Federal Government's policies on standardisation and quality assurance of locally manufactured goods, services, imported products, as well as metrology, throughout the country. The Decree has undergone three amendments since the promulgation. It was first amended in 1976, when the then Honourable Minister of Industry was conferred with the power to prescribe mandatory standards (Decree No 20 of 1976).

A second amendment was effected through Decree No 32 of 1984 which changed the name of the organisation from Nigerian Standards Organisation (NSO) to the Standards Organisation of Nigerian (SON). This was to avoid confusing the agency with the security agency of the Federal Government then popularly known as Nigerian Security Organisation with the acronym of NSO.

The third amendment, Decree No 18 of 1990 excised the organisation from being an integral part of the Federal Ministry of Industry, and granted the organisation the status of a body corporate with perpetual succession and common seal, which may sue and be sued in its corporate name.

3.2 The Functions of the Standards Organisation of Nigeria

The functions of the Standards Organisation of Nigeria as spelt out in its enabling Decree No 56 of 1971 and its subsequent amendments include:

- a. To organise and do everything necessary to ensure compliance with standards designated and approved by Council;
- b. To undertake investigations necessary into the quality of facilities, materials and products in Nigeria so as to establish a quality assurance system including certification of factories, products and laboratories;
- c. To ensure reference standards for calibration and verification of measures and instruments;
- d. To compile an inventory of products requiring standardisation;
- e. To compile Nigerian standards specifications;

- f. To foster interest in the recommendation and maintenance of acceptable standards by industry and general public;
- g. To develop methods for testing of materials, supplies and equipment including items purchased for use by departments of the Government of the Federation or a state and private establishment;
- h. To prescribe standards for mandatory status;
- i. To establish and maintain such number of laboratories for its functions under the law;
- j. To undertake preparation and distribution of standards samples;
- k. To compile and publish general scientific or other data, resulting from either the performance of its functions under the law or other sources when such data are of importance to scientific or manufacturing interest or to the general public and are not available elsewhere;
- 1. To advise any department of the Federal Government or a State Government, on specific problems relating to standards specifications;
- To sponsor such national and international conferences as it may consider appropriate;
- n. To co-ordinate all activities relating to its statutory functions throughout

 Nigeria and to co-operate with corresponding national or international

 organisations in such fields of activity as it considers necessary with a view
 to securing uniformity in standards specifications;

o. To undertake any other activity likely to assist in the performance of the functions prescribed for it under the Act setting up the organisation.

In Nigeria, the co-ordination of the National Standardisation work is the responsibility of the Standards Organisation of Nigeria (SON). The organisation is charged with the task of formulating, reviewing and adopting for suitable use, the Nigerian Industrial Standards (NIS) for products, processes and services and to ensure compliance with the various National Policies on Standardisation (Quality Assurance).

3.4 Development of Nigerian Industrial Standards (NIS)

A Nigerian Industrial Standard (NIS) is a precise and authoritative statement of the criteria/specifications necessary to ensure that material, product or procedure is fit for the purpose for which it is intended. Standards generally define acceptable quality assurance procedures for ensuring that products meet the specific performance requirements. The Nigerian Industrial Standard therefore, represents documented agreement on technical specifications including quality requirements between consumers and manufacturers of any given product.

The Nigerian Industrial Standards are of six broad categories, namely:

Performance Standards, Dimensional Standards, Code of Practice Standards,

Standard methods of Tests, Legal Metrology and Glossary of Definitions.

The development of Nigerian Industrial standards has been receiving considerable attention for some time now arising from increased quality consciousness/awareness and manufacturers commitment to meeting customers' expectations/requirements. Standards development involves a series of actions, which usually progress from initial drafting of standards to approval and later reviewing of outdated standards. Concerted efforts were made to develop and review standards, concerning a number of products and services in the last decade.

3.5 Adoption of International Standards on Quality System

Adoption of Standards is a widely acceptable practice among the national and international standards bodies. In view of the fact that no nation can develop standard(s) to cover all products being imported into her territory and those manufactured therein, the practice is that the country could adopt another country's standard(s) or international Standard(s) (such as the standards of: ISO, ARSO, EN or IEC). The practice of adopting standards has greatly aided national and international standardisation. The Standards Organisation of Nigeria had cause to adopt some international standards in the past. The ISO 9000 standards were adopted in 1994 as NIS ISO 9000 standards.

A Technical Committee was constituted and the standards were examined and consequently adopted. The need to adopt these ISO 9000 standards became

necessary in view of the increase in demand for unified guidelines for quality assurance and international standardised requirements for quality management system. Many countries have individually adopted the ISO 9000 standards in order to facilitate the effective performance of their economies at the national and international levels of trade and commerce. SON also adopted these standards for the same objective. The adopted ISO 9000 standards comprise the following:

- a. NIS ISO 9000: Quality Management and Quality Assurance
 Standards; Guidelines for selection and use.
- b. NIS ISO 9001 Quality System Model for Quality Assurance design,
 development, production, installation and servicing.
- c. NIS ISO 9002 Quality System Model for Quality Assurance in production and installation.
- d. NIS ISO 9003 Quality System Model for Quality Assurance in final inspection and test.
- e. NIS ISO 9004 Quality Management and Quality elements Guidelines.

The NIS ISO 9000 and NIS ISO 9004 are basically quality management guidelines

– standards for selection, use and interpretation of the other three mandatory
standards, which are NIS ISO 9001, 9002 and 9003.

3.6 Quality Assurance Activities

This is one of the core functions of the Standards Organisation of Nigeria. It carries out quality assurance activities on all kinds of products and/or services available in the country in order to provide confidence to the customers that a particular product (service) meets the minimum requirements of relevant Nigerian Industrial Standard (NIS). Quality Assurance activities of SON are those planned and systematic activities (such as factory inspection), which are used as tools to prove the supplier's competence and ability to provide adequate confidence to the consumer that the product or service from the supplier is fit for the intended use.

The confidence which is needed by both the customer and the supplier can be provided through the assessment of the quality assurance system and/or product quality certification as well as where applicable through the accreditation of specified test and methods. Therefore, the primary objective of SON in this direction is to ensure that the goods produced locally and those imported into Nigeria meet the quality performance requirements: It is also to ensure that locally manufactured goods can compete effectively with other similar products both at the local and at the international markets.

The components of the SON quality assurance activities as they relate to products manufactured in Nigeria, include among others the following:

- Routine Surveillance /Factory Inspection
- Product Quality Certification Inspection
- Consumer Complaints Investigation
- Manufacture-In-Bond
- Pre-shipment Export Inspection
- Duty Draw Back Scheme
- Import Inspection
- Market Survey.

3.7 International Relationships

SON has maintained relationship and affiliation with international standard organisations over the years and these include:

3.7.1 African Regional Organisation for Standardisation (ARSO)

In September 1975 an explanatory meeting of standard bodies and related organisations was held to discuss the need and implications of the establishment of an African Regional Organisation for standardisation. At the end of the meeting, a Steering Committee was set up to follow up actions and hold further discussions at the Economic Commission for Africa Head Office in Addis Ababa, which would

serve as the Secretariat. Nigeria played active parts in all these exploratory meetings and she was consequently elected a member of the Steering Committee.

3.7.2 Conference on Standardisation in Developing Countries

This conference was held in Algeria in October 1976 and was attended by an NSO Representative. The conference afforded organisation relatively new to standardisation the opportunity to discuss with more experienced standards bodies as it was attended by 400 standardisation delegates from 30 countries, with representatives from 10 International and Regional Organisations.

3.7.3 International Organisation for Standardisation (ISO)

Nigeria was elected in 1980, as a member of the governing Council of ISO for the period of January 1, 1981 to December 31, 1983. This was in recognition of NSO's continued active involvement in international standardisation.

3.8 Total Quality Management (TQM)

The implementation of TQM in Nigeria can be traced to the economic crisis of 1993-4. The economic crisis was itself a result of the political crisis that followed the annulment of the 1993 presidential election. There was a depression and warehouses were filled up because there was no effective demand for goods and also services. Financial institutions including banks, insurance companies, finance

houses, mortgage institutions, etc were distressed and many eventually closed shop.

At this point, survival became the focus of many organisations. Multinational organisations were the first to introduce total quality management as a management concept to beat competition and ensure survival. This was first noticed amongst banks and oil industry operators with foreign affiliations. This was then followed by the focus of many management consultants to sell TQM to their clients as a survival tool at that critical moment. Reputable trainers like the Lagos Business School also picked up the challenge to get to the level we are today.

3.9 Experiences from Abroad

We should look at the 'Quality' experiences of a few other countries, as a way of putting that of Nigeria in a proper perspective.

3.9.1 INDIA

India has a long tradition of "Quality and Excellence" though these terms were not in vogue. Indian craftsmen were well known in terms of quality of workmanship as reflected in the construction of various archaeological monuments including Taj Mahal, known as the 7th wonder of the world.

However, the emphasis on craftsmanship declined during the 19th and 20th centuries, as massive industrialisation gave major importance to the establishment of facilities and quantitative production. Quality was still there as one of the concerned issues, which used to be thought of as a responsibility of Quality Control Department. Availability of several facilities for carrying out testing and inspection reflected quality concern more as something to be handled by outsiders. Prevention concept was less emphasised. Things began to change in the 1950s as some institutions like the National Productivity Council (NPC), Indian Statistical Institute (ISI), Bureau of Indian Standards (BIS) emphasised rightly the importance of Statistical Quality Control, Conformance to National Standards, etc.

Quality consciousness and Quality Circle concepts came as a further step to quality improvement to some of the industries during the 1980s. ISO 9000 series based certification became a dominant concern of Indian management, since the end of 1980s. As at February 2000, 5000 Indian organisations have already been certified for ISO 9000.

Total Quality covering both the depth and widths has been very slow to spread. It is only a handful of Indian industries who have adopted a holistic aspect of TQM. The end of the last century saw certain amount of decline in the interest to promote TQM in Indian. However, NPC has been active in promoting TQM at

every level of organisation in the country through training programmes, seminars, etc.

3.9.2 SINGAPORE

Early quality and productivity campaign efforts in Singapore started in the 1960s with Quality Control Circles (QCCs) through the National Productivity Board (NPB). However, records show that the first quality circle (QC) was set up in Singapore in 1973 by a Japanese-owned tyre manufacturing company, Bridgestone (S) Pte Ltd. This was followed by isolated attempts to establish QCs by companies such as Sanwa Bank, Hewlett-Packard, Yokogawa Electric and Chartered Industries of Singapore. This not withstanding, it was not until 1979 that NPB and the Singapore Quality Reliability Association recognised the need for quality circles in the development of Singapore.

This then moved on to Total Quality Process (TQP) and then to ISO 9000 via Singapore Institute of Standards and Industrial Research (SISIR). A Productivity Movement was officially launched in September 1981 and was steered by a National Productivity Council which was in 1994 renamed National Productivity and Quality Council.

The NPB and SISIR were later merged to form the Singapore Productivity and Standards Board which developed certificate programmes such as National Cost of

Quality (NCOQ), People Developer, the Singapore Quality Award (SQA) and then Singapore Quality Class (SQC). The Board's mission is to raise productivity and quality so as to enhance Singapore's competitiveness and economic growth for a better quality of life for the people. The main activities undertaken by the Board, even today, include quality promotion, training and advisory services.

It is important to note that Singapore benefited immensely from the quality revolution that took place in Japan due mainly to the high number of Japanese investors in that country. For instance, in September 1980 NPB invited Mr Ichiro Miyauchi, a consultant with the Union of Japanese Scientists and Engineers (JUSE), to conduct a management seminar on quality circle activities. That seminar was part of a host of activities initiated by the government in the 1980s to enable Singapore to learn from Japan.

3.9.3 TAIWAN

In the 1970s, Taiwan's economic development had experienced a transition as a result of the changing economic and social environment. To make Taiwan's products consistently competitive in the world market, it needed to reinforce its resolve to pursue quality, and to promote the overall quality of its product. The task was an urgent one to help enterprises accelerate quality improvement and to enhance the global image of Taiwan business.

So the China Productivity Centre (CPC) was entrusted by the Ministry of Economic Affairs (MOEA) to implement the 5-year National Productivity Promotion Program from 1984-1989, and the first National Productivity Month was held in December 1984. But the market and environment was changing from Quantity to Quality. In July 1988, CPC was again entrusted by the MOEA to implement a 5-year National Quality Promotion Program. The first National Quality Month was held in September 1988 because of the realisation that quality matters more than quantity.

The Ministry of Economic Affairs has set up the National Quality Award and Quality Excellent Case Prize in 1989. The National Quality Award is the highest of Taiwan's quality award and the purpose is to set up a model for highest quality management for enterprises to emulate, and to make quality management a standard allowing enterprises to increase their competitive strength, and promote TQM.

The purpose of the award include:

- a. To reward outstanding achievement in TQM.
- b. To establish a standard for organisations to emulate.
- c. To promote overall quality level.
- d. To build an image of quality products.

The National Quality Promotion Program performance was very good for Taiwan's economic development. So in July 1993, CPC was entrusted by MOEA to implement the 2nd phase of the 5-year National Quality Promotion Program. In July 1998, CPC was again entrusted by MOEA to implement the 3rd phase of the 5-year National Quality Promotion Program.

Some content of the National Quality Promotion Program in 1999 were:

- National Quality Month mass meeting and The Quality Excellent Case

 Prize to award prize.
- Value, Quality and speed is our slogan in 1999.
- Different series about quality course.
- TOM consultant course.
- Factory manager course.
- Enterprise success quality example to be made public.
- Excellent quality enterprise visited.
- National Quality Award to award prize.
- Asia pacific Quality Engineering Seminar.
- Consulting service.

Etc....

CPC implemented the National Quality Promotion Program to provide consulting service over 50 enterprises annually. The total number of people trained by the

National Quality Promotion Program has reached 7,000 per year in recent years.

In Taiwan, CPC co-operate closely with the Ministry of Economic Affairs in the implementation of major projects. These have included the National Quality Promotion Program, R/D Management Program, etc. The success of these projects has been instrumental in promoting enterprises upgrading quality, productivity and TQM. Quality is the greatest in the effort to upgrade Taiwan's enterprises. Without quality, there will not be an established market for Taiwan products.

One thing that is common in the history of quality and standards in these countries is the high dependence on external consultants through the activities of multinational organisations. The spread of multinational management consultants across the globe had a significant impact in the importation of the tenets of quality.

CHAPTER FOUR

RESEARCH METHODOLOGY

3.1 Method of Data Collection

Three methods of data collection are adopted in this study. These are:

a. Structured Questionnaire

A well-structured questionnaire was drawn and administered on companies from various sectors of the Nigerian economy, including manufacturing and trading concerns; companies in the service industry such as banks, insurance companies, hotels; and the energy sector. Government controlled or public corporations will also be included. The questionnaire was designed to elicit information from senior executives of organisations about their organisations and their persons.

b. Personal Interviews

Personal interviews were conducted with two consultants at Trithel Consulting, Lagos who specialises on Total Quality Management training for organisations in Nigeria, and key officers of a few organisations that have implemented TQM successfully. The purpose was to get external opinion on how TQM had impacted on organisational successes in Nigeria as well as the level of awareness and appreciation generally. Another reason was to get insider knowledge of the success stories of some organisations that have successfully implemented TQM

and one of them is presented in Appendix I. The questionnaires and personal interviews will constitute the primary source of data.

c. Desk Research

This includes the collection of data by reviewing scholarly and professional works of TQM proponents including research reports, Journals and other published works. These have been duly acknowledged and listed in the bibliography. To achieve the set objectives, the British Council Library at Kingsway Road and the International Labour Organisation (ILO) Library at 188 Awolowo Road, both at Ikoyi, Lagos were extensively used.

3.2 Sample for Investigation

To achieve a fair level of representation, one hundred and two (102) organisations, covering manufacturing, trading, oil and gas, banking, insurance, investments, services, and government-controlled corporations were selected. Both the privately owned and publicly quoted companies were well represented. The key sub-sectors of the economy were also considered and the leaders were selected as part of the sample. Based on the Nigeria Stock Exchange capitalisation, the quoted companies included in the sample represent over ninety (90) percent of the total market. We were also mindful to include organisations that are fully or partly owned by foreign interest but with a higher representation of wholly indigenous organisations.

These organisations have a wide network of operations spreading over all nook and cranny of Nigeria. Covering the whole country as their market, with every major participating sector represented, results of the research is expected to give a fair representation of this big country. The complete list of organisations in the sample and those that actually responded can be found under Appendix II.

The summary of the list however, is as listed on the next page:

Organisations	No. Sampled	Responses
Banks	26	19
Discount Houses	1	1
Insurance Companies	11	4
Manufacturing/Trading Concerns	42	22
Energy Sector	9	2.
Hotels	4.	2
Government Corporations	5	2
Courier Company	1	1
Investment Companies	3	3
TOTAL	102	56

The fifty-six (56) organisations that responded represent 55 per cent of the total number sampled. Five questionnaires were sent to each organisation. They were to be completed by five senior executives and a total of two hundred and thirty-six (236) were actually returned completed. We were satisfied that the response was representative enough of the different segment of the sample size. These 56

organisations and 236 respondents will form the sample size for the data analysis, depending on what is being tested.

3.3 Method of Data Analysis

Considering the objectives of the study and the nature of the research, the statistical methods to be employed in the data analysis are frequency and percentage of the frequency. We believe that fairly accurate judgements can be made using this approach based on the number and spread of organisations as well as the number of individual respondents.

CHAPTER FIVE

DATA PRESENTATION AND ANALYSIS

The presentation and analysis of data will include the following:

- 1. Testing of hypotheses based on the results of the questionnaires.
- Assessment of the level of dependence on external consultants and its impact on success rate.
- 3. Analyses of the critical success factors.

4.1 Hypothesis 1: Many organisations in Nigeria are not aware of the Total Quality Management concept.

The hypothesis will be tested using the level of awareness amongst the top executives as they represent the human vehicles through which these organisations live. The table below summarises the responses.

Responses	Frequency	Percentage
Yes	224	95
No	12	5
Total	236	100

From the table, 95% are aware while 5% are not. Thus the hypothesis that many organisations in Nigeria are not aware of the Total Quality Management concept is invalidated.

4.2 Hypothesis 2: Many organisations have implemented Total Quality Management successfully.

The test of this hypothesis is divided into two: level of implementation and of success.

4.2.1 What is the level of TQM implementation amongst organisations in Nigeria?

The responses from each organisation were unanimous as to whether their organisation had started TQM implementation or not. Therefore, the 56 organisations will form the sample size for this test. In the following table, responses are "YES" for having started TQM implementation and "NO" for not having started.

Responses	Frequency	Percentage
Yes	35	62.5
No	21	37. 5
Total	56	100

The table shows that only 62.5% percentage of the organisations have actually started the implementation of Total Quality Management. Let us see the level of success.

4.2.2 What is the level of success in the implementation of TQM amongst organisations in Nigeria?

Of the 56 organisations, only 35 have actually commenced the implementation of TQM and this will form the sample size for this test.

Responses	Frequency	Percentage
Successful	24	68.57
Unsuccessful	8	22.86
In Progress	3 .	8.57
Total	35	100

The table shows that about 69% of organisations that have implemented TQM were successful while about 9% cannot be judged yet. Considering only the organisations that can be judged successful and unsuccessful, the success rate will be 24 out of 32 i.e. 75%.

When we combine the results of the two tests, we get:

Implemented TQM
 Successful
 Successful
 75.00%
 Therefore, implemented and successful = (62.5 x 75)%
 46.88%

Based on this, the hypothesis that many organisations have implemented Total Quality Management successfully is invalidated.

4.3 Hypothesis 3: In Nigeria, there is no deep knowledge of the principles of Total Quality Management.

The respondents were asked to answer the question that "there is a general staff' knowledge of the principles of Total Quality Management" in their organisations. The aim is to limit their views to their immediate environment where they can give an objective opinion and hence avoid over generalisation. The result is presented in the table below.

Response	Frequency	Percentage
Absolutely Agree	41	17.4
Agree	74	31.4
Absolutely Disagree	121	51.2
Total	236	100

From the table, 51.2% absolutely disagree that there is a general knowledge of the principles of TQM in their organisations while only 17.4% absolutely agree and 31.4% merely agree. This validates the hypothesis that in Nigeria there is no deep knowledge of the principles of Total Quality Management.

4.4 Hypothesis 4: Most organisations in Nigeria do not have ISO 9000 series and ISO 14000 series certification, as they have not taken practical steps to conform to these Quality Systems.

The analysis will be in two parts to effectively assess the two different certifications.

4.4.1 ISO 9000 series certification

Certified	Frequency	Percentage
Yes	6	10.7
No	47	83.9
In Process	3.	5.4
Total	56	100

4.4.2 ISO 14000 series certification

This test is restricted to the 22 manufacturing and 2 energy sector organisations that responded. The justification is that these are the organisations whose activities directly impact on the environment.

Certified	Frequency	Percentage
Yes	<u>-</u>	-
No	24	100
In Process	-	-
Total	24	100

From the first table above, about 84% of the organisations have not even embarked on the ISO 9000 series certification while, from the second table, none has embarked on ISO 14000 series certification. This therefore confirms the hypothesis that most organisations in Nigeria do not have ISO 9000 series and ISO 14000 certification, as they have not taken practical steps to conform to these Quality Systems.

4.5 Use of External Consultants

This is an analysis of level of involvement of external consultants in the implementation of TQM in Nigeria and an assessment of their possible impact on the level of success achieved. The 35 respondent organisations that have implemented TQM will be used for the analysis.

4.5.1 Analysis of the involvement of External Consultants

External Consultants	Frequency	Percentage
Yes	29	82.9
No	6	17.1
Total	35	100

From the above analysis, 82.9% of the organisations that have commenced the implementation of TQM engaged the services of external consultants.

4.5.2 Analysis of the impact of External Consultants

In this analysis, we are looking at the success rate of organisations that engaged external consultants. For a correct interpretation, three organisations that have engaged the services of external consultants but have their implementation at stages where it cannot be judged successful or unsuccessful have been excluded from this analysis.

Implementation with External Consultants	Frequency	Percentage
Successful	23	88.5
Unsuccessful	3	11.5
Total	26	100

The result of the analysis is that 88.5% of the organisations that engaged the services of external consultants in the implementation of their TQM programmes were successful while 11.5% were not. One of the three organisations that failed is a government-controlled corporation.

Critical Success Factors

The critical factors that contributed to the success of those organisations that have successfully implemented TQM is analysed below. Turning the coin, these are

also the critical factors that were lacking that contributed to the failure of the other TQM programmes. The analysis is based on the percentage of respondents who consider each factor as critical.

	<u>Factor</u> <u>l</u>	ercentage ²
1.	Top Management Commitment	7.65.
2.	Training and Education	60.8
3.	Focus on Customer Satisfaction	59.8
4.	Total Involvement and Participation	56.2
5.	Co-operation and Teamwork	55.9
6.	Employee Empowerment	46.1
7.	Adequate Planning and Monitoring	44.7
8.	Reward and Recognition	43.4
9.	Strong Leadership	42.2
10.	Effective Communication and Feedback Mechan	ism 41.2

The analysis shows that while 76.5% of respondents consider top management commitment a critical success factor, only 41.2% consider effective communication and feedback mechanism to be one.

CHAPTER SIX

INTERPRETATION OF RESULTS

From the data presentation and analysis in the last chapter, the following interpretation can be drawn:

- Many top executives of organisations in Nigeria are aware of the Total quality management concept, as over ninety percent of those surveyed are aware.
- 2. The level of TQM implementation in Nigeria is very low as only slightly more than half of the organisations surveyed have attempted doing so. Against the backdrop that many organisations may not have respond to the survey so as not to expose the fact that they have not implemented TQM, the proportion that have actually implemented is likely lower.

If we relate this finding to the fact that about 95% of top corporate executives are aware of TQM, there will appear to be some inconsistency. This may not be correct as personal interviews reveal that "to be aware is one thing but to change from the old way of doing things is another matter entirely".

- 3. The level of success amongst organisations that have implemented TQM in Nigeria is high considering the fact that three out of every four that have implemented were successful. This should be very encouraging to organisations that are still contemplating its implementation.
- 4. The knowledge of the principles of TQM in Nigeria is very low. This could be one of the reasons why the level of implementation by organisations in Nigerian is so low. Awareness of the concept and knowledge of the tenets or basic principles are two different things. Many people, including top executives, are aware of the concept without really knowing what its principles are. This lack of deep knowledge of TQM principles could mean that many are not aware what their organisations stand to gain from its successful implementation.
- 5. The awareness and effort to achieve the ISO 9000 series certification amongst organisations in Nigeria is very low. The analysis shows that only about 16% have either been certified or are in the process of obtaining certification. The picture is even worse if the response from many managers that they are not aware of ISO 9000 series is considered.
- 6. Another finding is that no organisation has obtained the ISO 14000 series certification that aim to make organisations more environment-friendly.

The level of awareness or knowledge of this particular series is even worse than that for ISO 9000 series. This may confirm the general cry about environmental degradation by various communities in Nigeria.

- 7. Many organisations in Nigeria engage or rely on the services of external consultants in the implementation of TQM. Over eighty percent involved external consultants in the process. This could also mean that as more and more organisations implement this management philosophy, the demand for the services of external consultants will increase. The external consultants will have to lead by example by making sure they meet and exceed the expectations of their clients in other to remain relevant.
- 8. In Nigeria, the engagement of external consultants had tremendous impact on the level of success achieved. Only very few organisations that involved external consultants in the implementation of their TQM programme were unsuccessful. The analysis also reveal that the success rate amongst organisations that implemented TQM on their own is very low as only one out of six was successful.
- 9. The external consultants stay on-site and work with their clients' employees for periods between three months (Nigerite Plc) and one year (First Bank of Nigeria Plc). The study also revealed that consultants that come in from

parent organisations overseas tend to stay for shorter periods while local consultants tend to stay longer with their clients.

- 10. Another finding of the study is that most of the organisations that engaged external consultants had "maintenance agreements" that provided for periodic visits and review of process. For example, in First Bank of Nigeria Plc, a two-year contract was signed to enable the consultants come in every six months to compare results with targets and to update set benchmarks. Also provided in most cases is continuous training and education of employees.
- 11. Total quality management is a long-term process. It can take an organisation years to put the fundamental principles, procedures and systems into place as well as create an organisational culture, which is conducive to continuous improvement. It has to change the values and attitudes of its people, with considerable effort and intellectual input by the senior management team, and a clear strategic direction and framework. This is indeed a major reason for the use of external consultants.
- 12. The study also showed that for periods varying from six months to five years after external consultants concluded their assignment and left, no outright failure was recorded. The only major problem recorded was that of

a big bank (one of top 3) which was due to employee outright sabotage and resistance to change. Under a new management with a new philosophy, the old and existing employees felt threatened and ignored. Other minor problems encountered were addressed through training, effective communication and continuous top executive commitment.

- 13. Top management commitment is considered the most critical success factor in the implementation of TQM by organisations in Nigeria. Also considered critical are training and education, focus on customer satisfaction, total involvement and participation, teamwork, and employee empowerment in that order. To a lesser degree, adequate planning and monitoring, reward and recognition, strong leadership, effective communication and feedback mechanism were also noted as being critical factors.
- 14. The hypothesis that many organisations in Nigeria are not aware of the Total Quality Management concept is invalidated.
- The hypothesis that many organisations have implemented Total Quality

 Management successfully is confirmed.
- 16. The third hypothesis that in Nigeria, there is no deep knowledge of the principles of Total Quality Management is validated.

17. The hypothesis that most organisations in Nigeria do not have ISO 9000 series and ISO 14000 certification, as they have not taken practical steps to conform to these Quality Systems is also confirmed.

CHAPTER SEVEN

SUMMARY, RECOMMENDATIONS AND CONCLUSION

The objective of the study was to determine how organisations in Nigeria have responded to the Total Quality Management concept. The results have shown that while there is a remarkable awareness of the concept, the level of actual implementation is very low. It has also been shown that the approach most organisations have adopted is to seek the services of external consultants in the planning and implementation of TQM.

As we approach the next millennium, the drive and push to achieve quality in products and services amongst organisations in Nigeria is near absent. This means that with the present approach and level of TQM implementation in Nigeria, our goods and services do nut stand the chance to compete favourably in both the local and international markets. Except organisations in Nigeria adopt the right attitude of creating a mindset as well as organisational framework where adherence to total quality is given its rightful place, they will remain toddlers in the evolving competitive market.

It is against this background that the Standard Organisation of Nigeria (SON) was established to enforce quality standards in the country. Though great improvements have not been recorded, a few organisations have received

certification for quality implementation. The figures available from SON show that only twenty-one companies, as at July 1999, had received the ISO 9000 series certification. This is still worrisome at this stage of the country's development. The records further indicate that about one hundred applications are currently being processed. If this is viewed against the total number of organisations operating in Nigeria it is a very dismal performance.

It has come to the time for participants in the economy to copy what the West did when the task of coping with Japanese products became a difficult one. We may not need to send delegations to Asia, Europe or America to find out, we can start from what we know. Considering the level of international competition that is envisaged under a democratic Nigeria, there is an urgent need to wake up to reality before it is too late.

Recommendations

In the light of the discoveries in this study, the following recommendations are made:

1. Total Quality Management should be introduced immediately as a course in all tertiary institutions in Nigeria. The course should not be restricted to any particular faculty but should be a compulsory course for all disciplines.
This will enable every Nigerian graduate to have a good knowledge of the

principles of TQM. This will serve as fertile ground on which to sow the seed of quality as these young graduates take their positions in society.

- 2. Professional bodies like the Institute of Chartered Accountants of Nigeria, Nigerian Society of Engineers, Nigerian Institute of Management, Chartered Institute of Bankers of Nigeria, etc. should include TQM as a subject in their curriculum as well as adopted as part of their annual continuing education programmes. Professionals trained by these institutions constitute a high proportion of middle and top executives of organisations in Nigeria. Making TQM part of their professional training and orientation will help to focus the right attention on its benefits and critical nature.
- 3. Practitioners and consultants who have developed a wealth of experience in the area of Quality and its implementation should share their experiences by writing books or articles that others can read and learn. These materials will assist in the academic works of tertiary and professional institutions, as already mentioned, in the teaching of the subject.

These publications will also constantly put TQM in the consciousness of people. As things are right now, there is a dearth of published materials that have local flare. Although TQM has universal application, the level of

knowledge, understanding and implementation in Nigeria is still very low and we need materials that take this fact into consideration. The absence of materials with local settings, examples or case studies could lead to the concept being viewed as alien and not relevant here.

- 4. The Standards Organisation of Nigeria (SON) has to set up an enlightenment campaign programme in the area of quality. Most people do not really understand the role of the organisation in Nigeria. They believe that all it does is to seize substandard goods and destroy them. SON should do more and should deliver quality service to its own customers as in leading by example.
- 5. SON should be adequately funded by the relevant supervisory agency to be able to make its impact felt. The agency should not be seen as one of those cost centres that are ranked secondary on the priority list of government. Whatever funding is required for it to carry out its duties effectively is far outweighed by the benefits to the country.
- 6. SON should involve the various chambers of commerce and other business groups in its activities. These are the organisations that bring major players in the economy together under one umbrella and are therefore a useful link to them. If at their regular meetings, SON can get one of their members

who had implemented TQM successfully to talk on it, they will surely listen to one of their own. The benefits could become more realistic to them. SON should not expect to do it all alone but should involve all those that can help as long as the over goal is achieved.

- 7. The Nigerian Export Promotion Council (NEPC) should organise seminars and workshops in addition to incorporating it in its brochures, the difficulties that lie ahead for export-oriented organisations that do not have ISO 9000 series certification. Its activities should be closely co-ordinated with that of SON. Quality certification by SON should be one of the requirements for the issuance of export certificates to any organisation by NEPC. Organisations could be given a grace period to implement quality programmes and institute continuous improvements.
- 8. With the level of involvement of management consultants in the effort so far to implement TQM in Nigeria, the Institute of Management Consultants should be recognised by an Act of Parliament. This will enable the institute to regulate and monitor the activities of its members to ensure the clients get the best. It will also help the institute to implement compulsory continuous education programmes that will help members to acquire up-to-date techniques and tools in the area of quality and TQM.

The confidence of users of the services of Management Consultants in their integrity and competence to deliver will take a big leap if there is a central regulatory body. The achievements of the Institute of Chartered Accountants of Nigeria and others are clear examples.

- 9. The Institute should step up its own enlightenment campaign through seminars, workshops, the newsletter and other publications. It should also publicise its training activities so those organisations interested can take advantage of the expertise in the form of in-house programmes for their employees.
- To There is urgent need for organisations that have successfully implemented TQM to process and obtain certification, which should keep them on their toes to continuously improve their processes. There should be no break in the momentum by going to sleep or becoming complacent. SON can contribute in this regard by carrying out regular review of the organisations already certified.

In this regard, the recent statement by the Director-General of SON, Professor Joseph Abalaka that the organisation had concluded plans to commence routine meetings with all ISO 9000 series certified organisations is highly applauded. This will help the organisations to derive the

maximum benefits from the certification and SON to help them to overcome any operational difficulties. It will also encourage non-certified organisations to show more interest so as to reap the benefits of such assistance from SON.

11. These organisations should begin to insist that their suppliers show evidence of quality certification in order to enjoy patronage. This is very important as quality starts from the supplier through the organisational processes until it is received, measured and determined by the external customer.

There is no way an organisation can deliver quality to the customer if the supplier does not deliver quality input, backed by quality service, to it. Once the process chain starts wrongly, the end result will be a quality failure.

12. As we confront the Year 2000 bug, in the same vein we can set deadlines for the various categories of organisations to implement quality and obtain the certification of SON. This has to be done as the benefits of quality implementation and continuous improvement are not for the organisations alone but for the development and growth of the whole country. It is

unfortunate that in Nigeria today, many things are taken for granted and left undone until there is an element of force or compulsion about it.

- 13. For organisations that renew their product or service licences or permits annual, such renewals should be predicated on satisfactory proof of being a Total Quality organisation. If the organisation is already certified, which is normally for three years validity, renewals must be based on thorough reviews as if it was a fresh application.
- 14. SON should institute an annual corporate award for total quality management. This will serve many purposes like encouraging continuous improvement, raising awareness and removing the fear of change. This can be presented during the regular meetings already being planned by SON for ISO 9000 series certified organisations.
- 15. The Stock Exchanges should also play a role in making organisations realise that quality is a must if they are to survive. Therefore, as part of the quarterly and annual reports from companies listed on the Exchange, progress report on Quality implementation should be included.
- 16. For organisations seeking listing or applying to raise fresh capital, the evidence of quality should be part of the requirements. There must be

evidence of top management commitment to quality implementation and continuous improvement. This is an opportunity for the regulatory bodies to protect prospective investors' interest by ensuring that the organisation is forward looking and can deliver value to all stakeholders in future.

- 17. Auditing worldwide is shifting from transaction auditing to the auditing of processes. The regulatory bodies for Accountants and External Auditors, currently ICAN, should immediately begin to educate members on this world trend. An annual review of processes, as part of the annual audit of accounts will go a long way in accelerating the awareness and implementation of TQM in Nigeria.
- 18. Most organisations in Nigeria do business with the government and other statutory bodies and it should be easy to make quality certification part of the conditions for such patronage. The Anti-corruption Bill currently before the National Assembly will help to ensure that once again it is the quality of products and services that win contract.
- 19. For organisations that have implemented a quality programme and was unsuccessful, the critical factors responsible for the failure should be carefully identified, analysed and corrected. It should not be seen as the end of the road but quality should be considered as a task or goal that must be

achieved. It should be considered a challenge and not a source of demoralisation and frustration.

- 20. Organisations cannot continue to ignore the environment, in which they operate, they must be alive to their responsibilities to the communities. This should be part of the package to resolve the Niger Delta crisis currently posing a hard nut for the country to crack. If the oil exploring companies were a little more sensitive to the effect of their operations on their environment, may be things would not be this bad. The companies too are now feeling the effects of this neglect, as they too can not carry on with their business with the 'war' declared on them by the community. The regulatory agencies must insist that organisations comply with the requirements of the ISO 14000 series.
- 21. The Federal Environmental Protection Agency (FEPA) has become a toothless bulldog and the government should immediately do something about it. It should be made functional and adequately equipped to protect the environment. The option of fines should be reviewed. The fees should be punitive and top executives of organisations that violate the provisions should be made to pay some penalty.

22. All the recommendations concerning the Standards Organisation of Nigeria should be adopted by FEPA where appropriate.

Conclusion

From the study, it is clear that a lot still need to be done. Nigeria is underdeveloped and the rest of the world will not wait for it to catch up. If we hope to turn the situation, we have to start thinking of quality and implementing appropriate quality programmes in our organisations. The only way the economy can be diversified and stop being 90 percent dependent on oil is to set quality goals for the other products and services. As we do this, the quality certifications required to be able to export goods and services under the World Trade Agreement will then be put in place. TQM needs to gain ground rapidly and become a way of life in most organisations in Nigeria.

Finally, the government can no longer stand aloof in matters concerning quality. As the biggest participant in the economy, at least for now, government and its agencies have to lead and if necessary 'drag' other organisations along. The government and its agencies should note that TQM is not a private sector concept but a management concept that is necessary anywhere management is required. While commenting on the concept of TQM in the public sector in 1998, Foluso Philips, managing director of Philips Consulting Limited in Lagos, was quoted as saying that:

Governments today are joining the total quality bandwagon. TQM will reduce red tape and time wasting bureaucracy. It will encourage the delegation of authority, increase accountability, introduce a new approach to human resource management, ensure value for money and support continuous improvement. Most important of all, it will force transparency because service will be systems-driven, it will be measurable and will come with its rewards and sanctions to the service provider. Performance expectations will be spelt out and service failures will be measured and reacted to. (Thisday, May 7, 1998, p. 19).

In the new order of governance in Nigeria, we cannot but agree with Philips and say that the public sector needs TQM to move the nation into the next millennium. Mondy and Premeaux (1995, p. 572) note that operators must "recognise that TQM is a commitment to excellence by everyone in an organisation that emphasises excellence achieved by teamwork and a process of continuous improvement". According to them, "it is quite possible that organisations that fail to pick up the quality baton and run with it will become second-class players in our rapidly changing global environment".

BIBLIOGRAPHY

- 1. Asher, Mike, <u>Managing Quality in the Service Sector</u>, London: Kogan Page Ltd, 1996.
- 2. Bendell, T., Boulter, L. and Kelly, J., <u>Benchmarking for Competitive</u>
 <u>Advantage</u>, London: Pitman Publishing, 1993.
- 3. Chaudhry-Lawton, Rani; Lawton, Richard; Murphy, Karen; and Terry, Angela, Quality Change through Teamwork, London: Century Business, 1992.
- 4. Choppin, Jon, Quality Through People: A Blueprint for Proactive Quality Management, Bedford: IFS Ltd, 1991.
- 5. Ciampa, Dan, <u>Total Quality: A User's Guide for Implementation</u>, New Jersey: Addison-Wesley Publishing Co, 1992.
- 6. Clutterbuck, David et al., <u>Inspired Customer Service: Strategies for Service Quality</u>, London: Kogan Page Ltd, 1993.
- 7. Dahlguard, J. Jens, Kristensen, Kai and Kanji, K. Gopal, <u>Fundamentals of Total Quality Management</u>, London: Chapman & Hall, 1998.
- 8. Deming, W.E., Out of the Crisis, Cambridge: MIT Centre for Advanced Engineering Study, 1986.
- 9. Garvin, A. David, Managing Quality, New York: Free Press, 1988.
- 10. Galvin, R., The Idea of Ideas, Illinois: Motorola University Press, 1991.
- 11. Gilbert, John, <u>How to Eat an Elephant: A Slice by Slice Guide to Total</u>
 Quality Management, Merseyside: Tudor Business Publishing, 1992.
- 12. Ho, K. M. Samuel, <u>Operations and Quality Management</u>, London: International Thomson Business Press, 1999.
- 13. Iornem, David, How to be a Good Manager in 10 Minutes and Other Essays, Kaduna: JVC Press, 1998.
- 14. Kanji, G.K. and Asher, M., "Total Quality Management Process A Systematic Approach", <u>Advances in Total Quality Management Series</u>, Abingdon: Carfax Publishing co., 1993.

- 15. Kermally, Sultan, <u>Total Management Thinking: Idea that are Transforming Management</u>, Oxford: Butterworth Heinemann, 1996.
- 16. Kilman, H. Ralph, Saxton, J. Mary and Serpa, Roy, "Issues in Understanding and Changing Culture", <u>California Management Review</u>, Winter 1986.
- 17. Larson, C. and Lafasto, M., <u>Teamwork</u>, Newbury Park, CA: Sage, 1989.
- 18. Macdonald, John, Understanding Total Quality Management in a Week, Corby: Institute of Management Foundation, 1993.
- 19. Mondy, R. Wayne and Premeaux, R. Shane, <u>Management: Concepts</u>, <u>Practices and Skills</u>, New Jersey: Prentice Hall, Inc., 1995.
- 20. Munro-Faure, Lesley, Munro-Faure, Malcolm & Bones, Edward,

 Achieving the New International Quality Standards: A Step-by-step

 Guide to BS EN ISO 9000, London: Pitman Publishing, 1995.
- 21. Oakland, John, <u>Total Quality Management: Text with Cases</u>, Oxford: Butterworth Heinemann. 1995.
- 22. Owen, Hilarie, Creating Top Flight Teams, London: Kogan Page Ltd, 1996.
- 23. Quirke, Bill, Communicating change, London: McGraw-Hill, 1995.
- 24. Ross, E. Joel, <u>Total Quality Management: Text Cases and Readings</u>, Florida: St. Lucie Press, 1995.
- 25. Sibson, E. Robert, <u>Maximizing Employee Productivity: A Manager's</u> Guide, New York: Amacom, 1994.
- 26. Stahl, J. Michael, <u>Management: Total Quality in a Global Environment</u>, Oxford: Blackwell Publishes Ltd.
- 27. Thiagarajan, T. and Zairi, M., "A review of total quality management in practice: understanding the fundamentals through examples of best practice applications part II", <u>The TQM Magazine</u>; MCB University Press, Vol. 9, No. 5, 1997.
- 28. Unruh, A. James, <u>Customers Mean Business: Six Steps to Building</u>
 <u>Relationships That Last</u>, Reading: Addison-Wesley Publishing Co., 1996.

- 29. Wakhlu, Bharat, <u>Total Quality Excellence Through Organization Wide Transformation</u>, New Delhi: A.H. Wheeler & Co Ltd, 1994.
- Weihrich, Heinz and Koontz, Harold, Management: A Global Perspective (10th ed.), New York: McGraw-Hill, 1994.
- 31. Wilkins, H. Robert, <u>The Quality Employered Business</u>, New Jersey: Prentice Hall, 1994.
- 32. Wilkinson, Adrain; Redman, Tom; Snape, Ed; and Marchington, Mick,

 <u>Managing with Total Quality Management: Theory and Practice,</u>

 London: Macmillan Business, 1998.

APPENDIX I

TOM SUCCESS STORIES IN NIGERIA

Owena Bank Plc

In its 1993 financial year, Owena Bank posted a loss of N215.8 million and it was mired in the mud of distress. At that time, customers were moving their businesses away fast and even employee morale and confidence was very low. The shareholders decided to put a new management in place.

The objective of the new management was to reposition, restructure, and refocus the bank. One of the strategies was the initiation of a customer service orientation that was considered the most innovative and most successful in the banking industry since the deregulation of the money market. They launched the programme code-named "Quality is Money (QIM)", a domesticated version of Total Quality Management.

The programme was a comprehensive customer service package aimed at matching promises of quality with actual delivery. Under the programme, there was a scheme tagged "Error-Free Banking or We Pay". The bank offered to pay varying degree of compensation to customers for every error committed in the course of serving the customer. There is a guaranteed compensation

The success of QIM at Owena Bank has earned the bank a new image of a customer service bank. The efforts have also contributed to the bottom-line as well as staff morale. From a loss position of N215.8 million in 1993, the bank posted a profit before tax of N48.9 million and N50.4 million in 1994 and 1995 respectively. This figure has grown to N122.3 million for 1997 and N235 million for 1998. The projections are that the bank will be posting profit before tax of over N1 billion by the year 2000.

The bank has increased its market share and has won many awards including:

- 1. Thisday Quoted Company of the Year Award for 1997
- 2. Bank with the highest Return on Investment (ROI) for 1997
- PEARL Award for Market Excellence 1998
- 4. President's Merit Award of the Nigeria Stock Exchange for 1998 as the company with the highest Return on Equity (ROE).

With the focus on continuous improvement of processes to meet and exceed customers' needs and expectations by the bank, we cannot but agree with its slogan that "things are looking up at Owena Bank".

Nigerite Limited

At a time, Nigerite was had serious problems with its customer service and was losing market share fast. The main problem was the lack of teamwork and collaboration between the various departments. The Production Department had no customer relationship with the Field Department (in charge of sales and customers). The Field Department could not get the Finance and Accounts Department to introduce the flexibility that will enable them service the customers satisfactorily. They were more concerned with adhering to policies and procedures than how long customers waited after payment to collect their goods. The result was frustration for the Customer Service Officers and ultimately the customers.

Soon the management realised that the company had competitors as turnover was being affected and some old customers were not coming back. What the management did was to set up a committee it called "TQM Project Team" with representatives from all the departments to look into the problems and make

recommendations. The coming together of the various departments as a team provided the necessary platform for the Internal Customer concept to be taught and understood by all the staff. It enabled the back-office departments to realise that their job directly affects the final customer satisfaction.

The Committee also visited its major competitors including Tower Aluminium Nigeria Plc, Berger Paints Plc, Aluminium City and Dunlop Nigeria Plc. The idea was to benchmark some of their processes and possibly improve on them. The input of major customers and dealers was also sought.

The outcome of the Committee assignment was the realisation by all concerned that the customer simply expects the company to at least meet their expectations. This is particularly at the inception stage of their transaction and eventually throughout any other subsequent transactions with Nigerite. Before the Committee was set up, it took 3 and 5 days for a new customer to open account and for the customer to collect the goods paid for. Sometimes documents get missing for days and the customers are delayed further. With the phased implementation of the Committee's recommendations, Nigerite has achieved the following:

- 1. The average time it takes a new customer to open account and collect goods is now between 40 minutes and 55 minutes depending on whether it is payment by cash or cheque.
- 2. The Production Department now relies on feedback from Field Department to plan its production schedule and to know what customers expect.
- 3. The Finance and Accounts Department now advises the Field Department on how their customers' transactions can be processed faster.

4. The old procedures have been discarded and Nigerite now creates a good first impression on its customers, as it became a customer-oriented company.

Nigerite has come a long way since then as it now has the NIS/ISO 9002 certification which is a good reward for the initiative and efforts to give customers quality. The company now lives up to its policy which states that "It is the policy of Nigerite Limited to provide at all times, goods and services which MEET, and EXCEED, where possible, customer expectations at a cost which represents value, as committed to NIS/ISO 9002".

APPENDIX II

ORGANISATIONS ON WHICH QUESTIONNAIRES WERE ADMINISTERED

(indicating those that responded)

This is the list of organisations that duly received the questionnaires grouped under the different sectors:

BANKS a.

	ORGANISATION	RESPONDED	EXECUTIVES
1.	Afribank Nigeria Plc	DC AC	GM, Credit Marketing GM, Operations GM, Credit Marketing incipal Manager
2.	Chartered Bank Ltd.	Yes DO AC Co Ser	GM, Corporate Banking GM, Consumer Banking orporate Branch Manager nior Manager, Allen Branch nior Manager, Ibadan Branch
3.	Citizens International Bank Lt	d Yes Gr DC AC	oup Head, Operations GM, Credit Marketing GM, Investment Banking ead, Internal Audit

4. Diamond Bank Ltd *	Yes	Head, Personnel & Admin Executive Director, Operations Executive Director, Treasury & FI DGM, Credit & Marketing V.I. Branch Manager Head, Internal Audit
5. Ecobank Nigeria Plc		-
6. Equity Bank of Nigeria Ltd	Yes	TQM Co-ordinator TQM Team Leader AGM- Former TQM Co-ordinator Head, Credit Risk Management Alaba Branch Manager
7. Fidelity Union Merchant Bank Ltd		<u>-</u>
8. First Bank Nigeria Plc	Yes	Head, Corporate Planning
		Income Controller
		Deputy General Manager
0 First City Marshant Bank 1 td		Head, Group Co-ordination
9. First City Merchant Bank Ltd 10. FSB International Bank Plc		<u>.</u>
11. Guaranty Trust Bank Plc	Yes	Executive Director, Operations
11. Qualanty Flust Dank 14c	140	Executive Director, Corporate AGM, Consumer Banking AGM, Treasury & FI Senior Manager, Customer Services
12. Gulf Bank Nigeria Ltd	Yes	DGM, Treasury & Fin. Inst. Head, Corporate Banking Balogun Branch Manager Head, Systems Dept.
13. Industrial Bank (Merchant Bankers)	Yes	Managing Director DGM, Corporate Banking Head, Oil & Gas P.H. Branch Manager
14. International Merchant Bank Plc	Yes	GM, Banking Operations Head, Information Systems Head, Administration Registrar
15. Lead Merchant Bank Ltd	Yes	Head, Special Projects Head, Investment Banking Head, Treasury & Marketing
16. Merchant Bank of Commerce Ltd	Yes	Managing Director/ CEO Executive Director Regional Head, East

17. NAL Merchant Bank Plc 18. Nig. Intercontinental Merch. Bank	Yes	Regional Head, North Head, Quality Improvement GM, Operations GM, Investment Banking
19. Owena Bank Plc	Yes	DGM, Subsidiaries AGM, International Treasury Managing Director TQM Co-ordinator VP, L/N Network VP, Treasury & Int'l Banking
20. Savannah Bank Plc		Head, Corporate Planning
21. Standard Trust Bank Ltd	Yes	Chief Operating Officer Regional Director, South Regional Director, West Group Head, Treasury Group Head, Energy
22. Union Bank Nigeria Plc	Yes	Group Managing Director Executive Director MD, UHSL Team Leader, Reengineering DGM, Group Co-ordination
23. United Bank for Africa Plc		-
24. Universal Trust Bank Plc	Yes	Principal Mgr, Corporate Banking Principal Manager, Operations Manager, Energy Manager, International Treasury Head of Operations, V.I. Branch
25. Wema Bank Plc	Yes	DGM, Financial Control Chief Inspector Head, Information Systems Broad Street Branch Manager
26. Zenith International Bank Ltd	Yes	Executive Director DGM, Personnel & Admin Head, Branch Co-ordination Senior Mgr Port Harcourt Branch Isolo Branch Manager
DISCOUNT HOUSES		
27. Kakawa Discount House Ltd	Yes	Head, Credit

Head, Dealing

Head, Marketing Head, Business Support

INSURANCE COMPANIES

28. AHCO Insurance Plc	Yes	GM, Finance GM, Life & Pension Operations DGM, General Insurance Ops AGM, Marketing
29. African Alliance Insurance Ltd	Yes	Marketing Executive Assist. Gen. Manager (Finance) Assist. Gen. Manager (Life) Assist. Gen. Manager (Claims) Senior Manager (EDP) Senior Manager (Marketing)
30. Cornerstone Insurance Plc		-
31. Crusader Insurance Plc		-
32. Industrial General Insurance Ltd	Yes	Manager, Technical Manager, Credit Control Head, Finance & Admin Head, Re-insurance
33. Law Union & Rock Insurance of Nig	eria Pl	c -
34. NEM Insurance Plc		-
35. Prestige Assurance Plc		-
36. Royal Exchange Assurance Plc		<u>-</u>
37. Standard Alliance Insurance Co.	Yes.	Managing Director Head, Marketing Group Head, Credit Control Head, Reinsurance Head, Claims
38. UNIC Insurance Plc		-
HOTELS		
39. Eko Hotels Ltd	Yes	GM, Accounts AGM, Personnel Manager, Admin Services
40. Federal Palace Hotels Plc 41. Ikoyi Hotels Plc		
42. Sheraton Hotels & Towers Ltd	Yes	Public Relations Officer Manager, Training Manager, Maintenance

MANUFACTURING & TRADING

43. Afprint Nigeria Plc	Yes	Industrial Engineer Mill Manager Manager (Accounts) Admin. Manager Quality Manager
44. AG Leventis Nigeria Plc		
45. Berger Paints Plc		_
46. B.O.C. Gases Plc		_
47. Cadbury Nigeria Plc	Yes	Director Salan/Marketine
47. Caubury Nigeria Fic	1 68	Director, Sales/Marketing
		Director, Planning
		Controller, Industrial Materials
		Controller, Finance
48. CFAO Nigeria Plc	Yes	GM, Corporate Affairs/Coy Sec.
		GM, Finance & Administration
		GM, Subsidiaries
		Client Service Manager
49. Chemical and Allied Products Plc	Yes	Finance Director
		Executive Director, Technical
		Executive Director/Coy Secretary
		General Manager
50. Churchgate Group of Companies	Yes	GM, Ocean Fisheries
		GM, Platinum Textiles
		GM, Intercott Ltd
		Group PR Manager
51 DIL/Maltex Nigeria Plc	Yes	General Manager
U		Factory Manager
		Chief Accountant
		Raw Materials Manager
52. DN Meyer Plc	Yes	ISO 9002 Project Co-ordinator
	2 40.	Production Manager
		Head, Raw Materials
		Store Manager
53. Doyin Group of Companies	Yes	PA to Executive Chairman
33. Doylir Group of Companies	1 03	Group Chief Accountant
		GM, Investments
		GM, Manufacturing
54 Dunlon Nigeria Pla	Yes	Finance Director/ Coy Secretary
54. Dunlop Nigeria Plc	1.62	Divisional Head, Rubber Products
		•
		Manager, Product Evaluation
		Manager, Tyre Services

55. Eleganza Group of Companies	Yes	Secretary to Executive Chairman GM, Sales Property Manager
56. First Aluminum Nigeria Plc	Yes	Public Relations Manager Director, Corporate Affairs General Manager Financial Controller Manager, Administration
57. Flour Mills of Nigeria Plc		-
58. Glaxowelcome Nigeria Ltd		-
59. Guinness Nigeria Plc	Yes	Technical Director ED/GM Benin Brewery
		R & Development Manager Head, Public affairs Dept.
60. International Paints (West Africa) Pl	c	-
61. Lever Brothers Nigeria Plc		-
62. Longman Nigeria Plc	Yes	Chief Accountant Marketing Manager Administrative Manager
63. May & Bakers Nigeria Plc		-
64. NCR Nigeria Plc		-
65. Neimeth Int'l Pharmaceuticals Plc	Yes	Executive Director Vice President, Human Resources VP, Finance
		AVP, Research & Manufacturing
66. Nestle Foods Nigeria Plc	Yes	General Manager, Manufacturing Manager, Manufacturing Tarkwisel Manager
		Technical Manager Stores Manager
		Head, Sales & Promotions
67. Nigeria Motor Industries Ltd	Yes	General Manager
O7.111goria 1110tol maasa105 Eta	1 05	Production Manager
		Services Manager
68. Nigeria Tobacco Company Plc		_
69. Nigeria Wire and Cable Plc		-
70. Nigerian Bottling Company Ltd		-
71. Nigerian Breweries Plc		-
72. Nigerite Ltd	Yes	National Technical Sales Manager
		Quality System Co-ordinator
		Field Sales Administrator
		Marketing Research & Dev. Mgr.
73. NIYAMCO Plc		Personnel Manager
73. INTERMICOTIC		-

74. Pfizer Specialities Ltd	Yes	Manager, Business Development Head, Product Management Director, Pharmaceutical Division AGM, Imports & Banking
75. Poly Products (Nigeria) Plc 76. PZ Industries Plc		-
77. SCOA Nigeria Plc	Yes	GM, Management Services GM, Industries Division AGM, EXIM Trading AGM, Corporate Sales Manager, Finance
78. Seven-Up Bottling Company Plc		-
79. Smithkline Beecham Nigeria Plc	T 7	
80. UAC of Nigeria Plc	Yes	BPP Divisional Managing Dir. Divisional Marketing Director Divisional Commercial Director GBO/MDS Div. Mkting Director Property Divisional Director
81. Union Dicon Salt Plc	Yes	GM, Lagos Office
		Financial Controller
		Sales Manager, Lagos Area
		Head, Admin & Personnel
82. United Nigeria Textiles Plc		•
83. Vitaform Nigeria Plc 84. Vono Products Plc	Vac	- Eastery Managar
84. Vono Products Pic	Yes	Factory Manager Factory Engineer
		Manager, Foam Production
		Head, Electrical Services
ENERGY (OIL & GAS)		
85. African Petroleum Plc		-
86. Agip (Nigeria) Plc		-
87. Chevron Nigeria Ltd	Yes	TQM Co-ordinator
•		Senior Planning Manager
		Manager Operations
88. Mobil Oil Nigeria Plc		-
89. National Oil & Chemical Marketing		-
90. Shell Development & Property Co.	Ltd	-
91. Texaco Nigeria Ltd		
92. Total Nigeria Pla	Yes	Cornerate Planning Manager
93. Unipetrol Nigeria Plc	168	Corporate Planning Manager Accounts & Finance Manager
		11000ding & 1 maile Managei

GOVERNMENT CORPORATIONS

94. National Electric Power Authority

95. Nigeria Airways Ltd

96. Nigeria Security Printing & Minting Company Plc -

97. Nigerian National Petroleum Corp. Yes Group Exec. Director, Services

Group Exec. Director, Finance Group Gen. Manager, Materials

Head, Assets & Projects

PA to Group Managing Director

98. Nigerian Ports Authority Yes Executive Director, Finance

Senior Manager (Procurement)
Senior Manager (Statistics)
Senior Manager (Services)

Manager (Marketing)

COURIER COMPANIES

99. DHL Nigeria Ltd Yes Sales Support Manager

Information Security

Administrator Quality Manager Sales Executive

Sales Support Executive

INVESTMENT COMPANIES

100. Tafawa Balewa Sq. Inv. Co, Ltd Yes Assist. Gen. Manager (Finance)

Head, Credit

Head. Internal Audit

Head, Trading

101. Benchmark Ventures Ltd Yes Managing Director

Head, Marketing

Head Admin & Personnel

102. Rao Investment & Property Ltd Yes Managing Director

Executive Associate

APPENDIX III

SAMPLE OF QUESTIONNAIRE

Name	e of your organisation:			
Job p	osition:		·····	
PAR	<u>T 1</u>			
Pleas	e tick Yes or No for the following questions.			
1.	Have you heard of Total Quality Management (TQM)?Yes □	No [<u>.</u>
2.	Are you aware of the basic principles of TQM?	Yes 🗆	No [
3.	Has your company started implementing TQM?	Yes □	No 1	
4.	Does your organisation focus on continuous improvement of products or services?	Yes 🗆	No	
5	Does your organisation focus on continuous improvement of processes?	Yes □	No	
6.	Does your organisation focus on continuous improvement of people?	Yes □	No	
7.	Are external consultants involved in the project?	Yes 🗌	No	
8.	Is "quality" the task of the Quality Department?	Yes [No	
9.	Do you have a department that inspects to detect errors or rejects?	Yes 🗌	No	
10.	Are there remakes or tasks being repeated in your company?	Yes 🗀	No	
11.	Are you aware of ISO 9000 series?	Yes □	No	
12.	Are you aware of ISO 14000?	Yes [No	
13.	Does your company have an ISO 9000 series certification?	Yes □	No	Г

PAR	<u>r 2</u>			
stater	e indicate as appropriate the extent to which you agree or disagnent by circling the number that corresponds to your answing key:	-		
10110	5 Absolutely Agree 3 Agree 1 Absolutely Disagree			
1.	Our organisation is highly focused on customer satisfaction	5	3	1
2.	There is a general staff knowledge of the Principles of Total Quality Management (TQM)	.5	3	1
3.	Our Chief Executive himself gets involved with quality	5	3	1
4.	Our senior executives are personally and visibly involved	5	3	1
5.	Customer satisfaction is the driving force that propels our organisation's existence	5	3	1
6.	Our customers dictate the quality of our products and service	s 5	3	1
7.	Employees are empowered and are participating in decision making	5	3	1
8.	There is a willingness of employees to offer feedback for improvement	.5	3	1
9.	Our employees know with explicit detail what they need to detail to achieve and exceed defined targets	o 5	3	1
10.	In our organisation, there is high employee morale	5	3	1
11.	We have a culture where mistakes are accepted as part of the learning process, and drive towards excellence	5	3	1.
12.	There is pride in the job as achievements are highlighted openly and rewarded	5	3	1

Does your company have an ISO 14000 certification? Yes ☐ No ☐

14.

13.	We are not complacent but have sustained the improvement Of our organisation	5	3	1
14.	We understand our business and our people	5	3	1
15.	There is a high level of teamwork in our company	5	3	1
15.	Everyone in our organisation at all levels, and in all Departments is conscious of quality	5	3	1
17.	Senior executives have demonstrated a change in behaviour to reinforce the quality message.	5	3.	1.
18.	Suppliers actively participate in achieving quality	5	. 3	1
18.	Our organisation sees TQM education as essential for everyone	5	3.	1.
20.	Our organisation's attainment of quality performance objectives (if any), could be attributed to the education and training of all levels of staff	5	3	ĺ.
21.	Employees are educated on the principles of total quality and the need to get it right first time and always	5	3	1
22.	Information is made generally available in our organisation	5	3	1
23.	There is a high organisational quest for customers feedback	5	3	1
24.	There are strategies in place to obtain customer feedback from Our Shareholders, End-users, Employees, and suppliers	n 5.	3.	1.
25.	Our processes are highly interlinked	5	3	1
26.	There is a commitment of adequate resources to total quality	5	3	1
27.	There is general knowledge about ISO 9000 in our organisation.	5	3	.1
28.	There is general knowledge about ISO 14000 in our organisation.	5	3	1

29.	There is a high level of awareness about TQM in our industrial sector	5	3	1
30.	There is a high level of appreciation of TQM in our industrial sector	5	3	1
31.	There is a high level of awareness about TQM in Nigeria generally?	5.	3.	1
32.	There is a high level of appreciation of TQM in Nigeria generally?	5	3	1

PART 3

If your company has started to implement TQM, please answer the following questions:

- 1. Which of the following would you say is the stage of implementation?
 - a. Understanding the needs of your customers
 - b. Recognising the need for change
 - c. Developing a quality vision and gaining commitment
 - d. Providing the necessary environment for culture change
 - e. Implementation of TQM (including training and education)
 - f. Ensuring success
 - g. Continuous review and improvement actions.
- 2. In my opinion, TQM programme in my company has been:
 - Successful
 - b. Unsuccessful
- If a, which of the following factors were present and contributed, and if b, which of the factors were lacking?
 - a. Tope Management commitment
 - b. Strong leadership
 - c. Employee empowerment
 - d. Total involvement and participation

- e.
- f.
- Co-operation and teamwork
 Training and Education
 Effective communication and feedback mechanism g.
- Focus on customer satisfaction h.
- i,
- Reward and recognition
 Adequate planning and monitoring. j.

Thank you.