

# **Total Quality Programmes Within The Large UK Privatised Organisations Between 1983-1997**

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***For my Mum and Dad***

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## CONVENTIONS

The following conventions will apply throughout this document:

- Quotations in quotation marks but not italicized are direct quotes from published sources and work will be attributed.
- Words in *italics* and within quotation marks are verbatim comments taken from contemporaneous notes or informal discussions. So as to maintain anonymity, such quotes will not be attributed.
- The use of the masculine pronoun will be adopted to maintain anonymity.
- The term 'manager' and 'respondent' will be used when illustrating direct feedback from respondents.

## Abstract

This dissertation takes the form of a case study review of Total Quality Programmes (TQPs) - defined as a suite of organisation wide change initiatives with a continuous improvement orientation - within seven large privatised (plus a candidate for privatisation) organisations in the UK between the period 1983-1997. Four of them operate in the service sector, four are manufacturing or production oriented. The smallest organisation employed between 7,500 and 8,000 staff, the largest between 125,000 and 240,000 staff over the period covered by the study. All of them experienced competition without governmental protection and seven of them were subjected to major downsizing. For the purposes of this research a privatised company is defined as having involved a transfer from Government ownership to private ownership since 1979, with many of the general public holding shares. Supported by a comprehensive theoretical and literature overview, the primary research focuses on identifying, comparing and contrasting the key features and drivers associated with these programmes. This was through a detailed review of company documentation and other available data covering the period in question, supplemented by the views of a small but informed cross-section of employees.

Employee perceptions of concepts and issues surrounding quality and TQPs within privatised UK companies were initially investigated through a survey. The sample comprised 200 questionnaires distributed to staff in 20 selected companies, 19 of which had been privatised since 1979, the other being a candidate for privatisation. The questionnaire consisted of 55 questions of a tick box format with an estimated completion time of 20 minutes. Opportunity was given to respondents to expand their response by way of written commentary. Underpinning the questionnaire design was a set of hunches about quality and TQPs in privatised organisations, based upon both the researcher's prior extensive experience as a participant in one of them and the theoretical overview. These hunches were composited into eight propositions and subjected to a critical scrutiny as part of the analysis of questionnaire responses. Eight of the organisations were then chosen for detailed case study analysis, none of which had been privatised before 1983. Further opinions were elicited by means of a small number of 1-1 interviews conducted with representative staff from each of these. For each of the case study organisations the researcher conducted an audit trail, by means of company documentation and other sources, on quality in general and TQPs in

particular. A chronological account was then undertaken of the history of TQPs in each organisation from 1983-1997.

The initial survey and the chronological accounts surfaced a number of common themes and approaches associated with TQPs as well as a mean average of 25 TQ related programmes per organisation with over 200 different names being used. Key themes and key words across the programmes were isolated and looked at in turn to identify origins of, inspiration behind and objectives of TQPs. Of particular interest was the identification of persuasive terminology used to convey the quality message and persuade people of the need to change. The concept of change through continuous improvement, or associated technology, was common across each case study organisation.

Anderson et al., (1994) carried out a Delphi study with a panel of seven members (both academe and industry) to elicit the concepts underlying the Deming Management Method. They developed a set of seven concepts defined as the building blocks of their proposed theory of quality management. They suggest that process management practices contribute to continuous improvement of processes, products and services, and employee fulfillment. Reed et al., (1996) developed a framework for analysing the relationship between firm orientation and TQM content from a contingency perspective. Their model indicates that some organisations have a greater customer orientation focusing upon market advantage and increased revenue, whereas others have more of an operations orientation focusing upon process efficiency and reduced costs. They restrict it to the manufacturing sector but suggest that it could apply to firms in service industries.

The main findings of the research were:

- Programmes ranged from covering one or more of:
  - ◆ Introduction of Quality tools, techniques, and principles as part of continuous improvement
  - ◆ Culture change
  - ◆ Re-structuring/re-organisation
  - ◆ Customer focus.
- In each of the organisations no single TQP associated activity is standalone. Collectively each forms a part of a whole set of interventions, which are designed to create a greater commitment and responsiveness in peoples' attitude to work, and to make the organisational operating systems - which form a part of the overall design archetype - more effective.

- Although the degree of emphasis varied, each organisation had explicit aims to increase customer satisfaction because customer focus and quality of customer service are deemed key to business success. Each organisation also had examples that focussed on:
  - ◆ creating models of customer first approach
  - ◆ employee participation and involvement
  - ◆ continuous improvement
  - ◆ creating a sense of greater ownership.
- Although there are no hard and fast rules, TQPs have provided a framework and focus for developing management systems appropriate to the needs of the customers the organisations serve.
- During the mid-late 1990s, there has been a convergence across all companies towards the softer aspects of people process rather than statistics measurement processes.
- Training has been regarded as fundamental to change the mindset indicating management focus on greater participation.

Success of the various programmes is open to debate and not the subject of this research, but within the context of that debate the effect of TQPs on staff awareness of quality issues and motivation towards, plus involvement and participation, in trying to improve quality are all reviewed.

The findings support the notion that the introduction of TQPs in the workplace has been widespread in privatised organisations during the last two decades. TQPs have been the most popular improvement programme adopted by such organisations. TQPs have sought to fulfill a variety of aspects.

The company perceived benefits have been to:

- ◆ improve company image
- ◆ gain competitive advantage
- ◆ understand customer needs
- ◆ satisfy customers
- ◆ improve profitability
- ◆ improve employee attitude.

Key drivers for implementing change via TQPs have been:

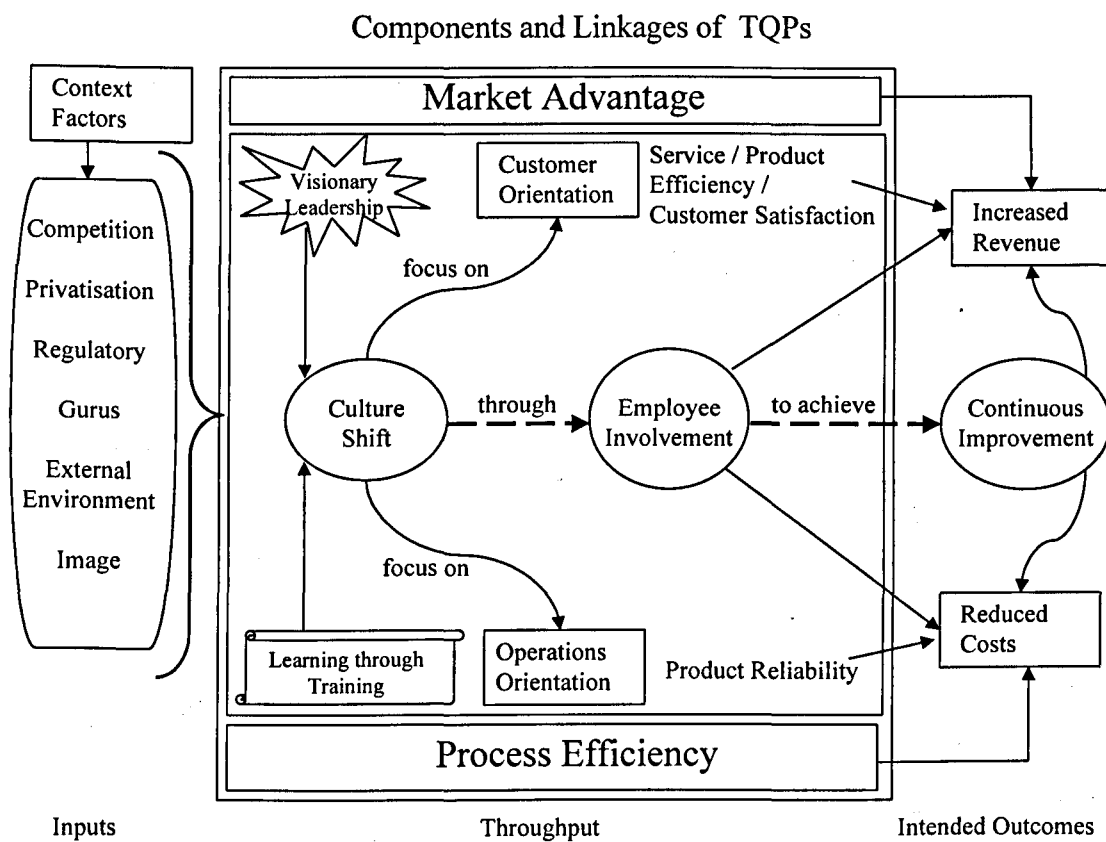
- ◆ Competitive threat, 'knock on' effect from privatisation
- ◆ Financial pressures to improve bottom line results
- ◆ Improve employee attitude and generate greater involvement
- ◆ Generate greater customer satisfaction
- ◆ To be 'world leaders'.



Key support for TQPs during the introduction and implementation have been:

- ◆ Training, both soft and hard issues
- ◆ Consultants employed to conduct training
- ◆ Senior management undertake training up front
- ◆ Senior Management commitment and ownership
- ◆ Generate awareness and involvement, and increase participation.

In conclusion this study builds upon and extends the Anderson et al., and the Reed et al. frameworks, incorporating culture shift, employee involvement and continuous improvement, three factors mentioned by both Chang (1993) and Waldman (1994b) and figuring in the case study organisations (see figure below).



## **Chapter 1**

# **introduction and purpose**

## 1.1 Introduction

Quality initiatives have taken major organisations by storm since 1980, initially in product and manufacturing companies, quickly followed by service companies, such as BA and BT. They have rarely been standalone initiatives, and have been introduced under a variety of umbrella labels, for example 'Total Quality', 'Total Quality Management Programmes', 'Total Service Quality', and so on. For the purposes of this research, quality programmes will be generically referred to as 'Total Quality Programmes (TQPs)' and will be treated as part of a suite of programmes designed to achieve continuous improvement.

An interest in quality as a broad ranging theme became prevalent in the 1980s in the UK, as many businesses began to learn from the many quality gurus (Juran, 1951; Deming, 1982, 1986; Feigenbaum, 1983; Crosby, 1984; Taguchi, 1985). Collectively these gurus developed an overarching ideology and philosophy, which became known as Total Quality Management (Oakland, 1989; Hackman and Wageman, 1995), as well as supporting tools and techniques associated with the implementation of quality programmes.

Also, throughout the 1980s the UK Government was very keen on privatisation and many of the large corporations, such as BT and BA, were floated. This notion of privatisation brought competition and for many companies this was the first time that they could not rely on government subsidies. Privatisation was increasingly becoming recognised as a key strategic weapon, because of its perceived ability to cut unnecessary costs (Smith, 1986), and improve revenues through customer retention and increased market share (Holberton, 1991).

It is probably not a coincidence that a strong focus on quality became popular for these companies during this time when they were undergoing a transformation through privatisation and associated exposure to competition.

Some companies during the 1980s reorganised their departments and infrastructure to take on-board a quality orientation (such as BT, BA). The question that could be asked is *why this sudden wave of change?* In today's competitive world, the challenge is to achieve more using less. Delivering higher levels of availability and service using fewer people and smaller budgets, have become a fact of life, and

an increasing dilemma. The prevailing corporate ideology is that in today's global market, a successful company needs to be flexible, approachable and easy to do business with. An important aspect of this is establishing good contacts, maintaining contracts and working practices, as being responsive and customer friendly these days are not optional but essential for survival in any business.

Many organisations have seen quality programmes as key enablers in ensuring competitiveness.

Leonard and Sasser (1982) state, "Quality has become a major strategic variable in the battle for market share". Garvin (1988) who also shares this view, states, "a growing number of companies have come to the conclusion: Quality is a powerful competitive weapon".

Some authorities went further seeing quality as *the* most important factor for competitive survival both in the manufacturing and the services sector of business (Berry et al., 1988; Gale, 1994).

## **1.2 connectivity of quality and change**

A number of authorities have drawn attention to the inter-relationship between quality initiatives and the need for change. There are two main types of organisational change:

- change within a system (1<sup>st</sup> order change (Drummond, 1991)), and
- change that actually changes the system (2<sup>nd</sup> order change (Watzalwick et al., 1974)).

TQ initiatives encompass both types.

First order change is implicit in the notion of continuous process improvement (e.g. Hunt, 1993), which is a defining characteristic of the Deming Management Method (e.g. Anderson et al., 1994). Second order change is implicit in culture change. Nesbit (1992) suggests culture is the "real target" for most TQP initiatives and that very few companies have an appropriate culture and infrastructure that can support TQPs. Paradoxically quality management programmes create a means of changing attitudes, culture, and the way things are done.

Introduction of any programme, which requires a change in behaviour and working practices (i.e. a cultural change), will need a wide-ranging response from the workforce and management alike. The culture of quality requires corporate systems (Beer, 1988; Blackburn and Rosen, 1993), both formal and informal, to fill particular needs, and as systems develop to reinforce the quality culture in a symbiotic relationship.

Every organisation faces an important role in the way it carries out change within its organisation, and the ways in which it introduces and implements change ideas and programmes to its' employees. Any programme or form of change will bring about some concern, apprehension, and so the organisation is faced with cajoling the employees towards the change (Senge, 1990). There are many reasons why an organisation will want to favour change from within, especially for those organisations that have been privatised. From the literature some of reasons can be identified as:

- pressure from external sources
- change in attitudes towards the environment
- competition
- new technology and technological changes
- increased awareness by stakeholders
- higher demands from customers, increase in service improvement
- change incorporating customers, suppliers, workforce
- legislation
- staff have more responsibility
- the need to meet the overall change strategy of the organisation
- the need to encourage and motivate staff, and many more.

### **1.3 aims of the research**

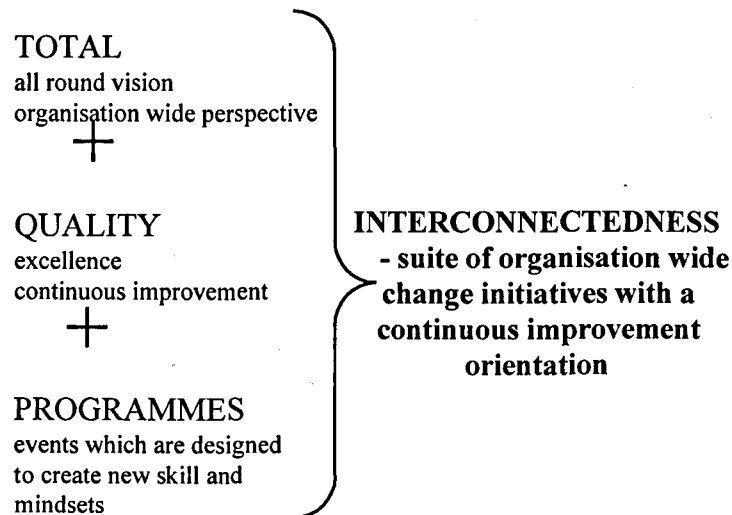
The aims of this research are:

1. to identify and compare the TQP initiatives within large key privatised corporations in the UK between 1983-1997;
2. to identify the mechanisms used to deliver, and the vocabulary used to communicate and embed the notion of quality within the TQPs;
3. to identify how the notion of quality has changed for the organisations over the period of research.

It is important at the outset to have a working definition of TQPs and to show how the various aspects are linked. The following diagram (Fig 1.1), which emerged during the course of the research, is presented here as a working model to facilitate the readers' understanding of the researcher's position.

In the context of this research, the connectivity of change and privatisation are explored in brief (Chapter 3) to provide an overview and understanding why the organisations under study adopted their approach to quality initiatives.

FIG 1.1 INTERCONNECTEDNESS OF TQP



## 1.4 *programme of research*

This thesis aims to evaluate the TQPs within major privatised organisations in the UK over the period of 15 years. The research builds on previous unpublished work within one privatised organisation by the author (Basra, 1994), to gauge whether similar attitudes are reflective of other privatised organisations. It provides evidence of the cultural variability between the different companies in the privatised sector, as previous work has not concentrated on these issues. The research started with a literature overview of the theoretical background to Quality (Chapter 2) and Privatisation (Chapter 3). This was followed by survey analysis against a set of propositions (Chapter 5). Following this survey, a detailed case study analysis of eight organisations was undertaken to explore the chronology of TQPs initiated within the sample organisations (Chapter 6). From the case studies and the survey analysis, there were a number of core themes emanating. These are discussed in Chapter 7. Finally, conclusions have been drawn from the body of feedback in response to the aims outlined in Section 1.3 above (Chapter 8). The methods and methodology used are described in Chapter 4.

The specific contribution to knowledge provided by this work lies in comparing the effects of the privatised organisations in the different industrial sectors, analysing the rich source of information gathered to provide a contextual framework of the effects of the TQPs upon the workforce.

Furthermore, privatisation is generally perceived as being synonymous with quality. Here, assumptions are made that once an organisation has been privatised it will introduce programmes that will affect the organisation and its' infrastructure.

## **Chapter 2**

### **literature review - Quality**

## **2.1 Introduction**

During the last two decades a number of quality oriented strategies have been developed claiming to introduce best practices, such as quality assurance, quality control, total quality control, total quality management, continuous improvement, each promoted by various bodies (e.g. 'gurus', government, academics, practitioners, etc.). Through all this there has been the emergence of buzzwords within the quality environment, and the terminology has been used to communicate an awareness and understanding of the changing concepts, philosophy and face of quality.

It was not until the 1980s that the use of the terms 'quality' and 'total quality management' became widespread in organisations as a management philosophy, so much so that they became a serious subject of academic interest for, academics, senior management, and practitioners (e.g. TQM issues in the Academy of Management Review, Journal of Quality Reliability, Journal of Quality and Participation, and many more). Examples of the number of articles that appear on the database with TQM in the title (at the time of writing) are in excess of 800 in ABI/Inform database of business and management (nearly half written during 1993-94), and over 130 in Inspec database of technical journal articles and conference papers.

This chapter provides a literature overview of total quality principles, approaches adopted to introduce TQ concepts, benefits from TQ, why programmes might fail, how they have changed over time, based on theoretical frameworks, critical studies, and practitioner comments. The review provides a basis for understanding why the case study organisations (Chapter 6) embarked upon organisation wide continuous improvement initiatives, and the underpinning tenets for the choice taken by these companies in the pursuit of quality.

## **2.2 quality - background and literature review**

### **2.2.1 the root definition of quality**

Reeves and Bednar (1994) trace the 'roots' of quality, examining strengths and weaknesses, describing the trade-offs that can arise in accepting one definition over another. They conclude that not only does each quality definition have its strengths and weaknesses, and vary in their usefulness to managers, but can also provide motivation to employees.

Early attempts to define the concept of quality go back to the time of the Ancient Greek philosophers, where it was linked to 'excellence' (Reeves and Bednar, op cit.). Bigliuzzi et al., (1995) give examples of



the application of quality principles from both the Ancient Greek and Roman period. In more recent times quality has been associated with the so-called 'American system of manufacturing' which originated in the 19<sup>th</sup> Century (Hounshell, 1984). An essential ingredient was 'conformance to specifications' in manufacturing processes - if parts did not conform to specifications, they would not be interchangeable between products and the production system would fail because it did not meet quality standards. However, it was not until the 1980s that the use of the term 'quality' became widespread in organisations, so much so that it became a serious subject of interest amongst populist writers, and senior executives of large corporations. Naisbitt and Aburdene (1985) highly influential representatives of the former, argued in their list of 10 considerations for re-inventing the corporation that 'quality is paramount'. John Young, President and CEO of PA Consulting Group is a typical representative of the latter, stating in 1986 that "in today's competitive environment, ignoring the quality issue is tantamount to corporate suicide" (as cited in Smith, 1986). Quality programmes moved from a concern with statistical control in a manufacturing environment into a central plank of a management change philosophy for a wide range of organisations, and a driving force behind company wide culture change programmes. Concern with meeting customer expectations demonstrates a move from manufacturing to a more broad-based approach. Reeves and Bednar (op cit.) trace the gradual evolution from the 1950s to the 1980s of the thinking of both Juran and Feigenbaum in terms of 'meeting the expectations of the customer', and indicate that by the 1980s defining quality in customer terms had become pervasive. Value became interpreted in customer terms – Reeves and Bednar (op cit.) commenting on value analysis see it as a technique where every component and part of a product or service is individually examined to see if it provides value to the customer. However, from the literature available it also became apparent that there is no standard definition of quality (Gehani, 1993), and that the definitions are as varied as there are those who express their view, and according to Reeves and Bednar (op cit.):

"A search for the definition of quality has yielded inconsistent results. Such a global definition does not exist; rather, different definitions of quality are appropriate under different circumstances ... the concept has had multiple and often muddled definitions and has been used to describe a wide variety of phenomena".

The concept of quality has been subjected to significant academic scrutiny during the last two decades. Reeves and Bednar (op cit.), building on Garvin (1988) identify four separate roots of quality definitions and discussed the strengths and weaknesses of the broader concepts of quality, namely: quality is excellence, quality is value, quality is conformance to specifications, quality is meeting and/or exceeding

customer’s expectations. There appear to be omissions from their analysis, particularly continuous improvement and value for money (see Table 2.1 below). (Value for money was specifically referred to in a number of the case study organisations.)

TABLE 2.1 ROOT DEFINITION OF QUALITY

Reeves and Bednar (1994)	Garvin (1988)
Excellence	Transcendent
Value	Value Based
Conformance to Specification	Manufacture Based
Meet / Exceed Customer Expectation	User Based
Precise and Measurable	Product Based
Omissions	
Continuous Improvement	
Value for Money	

Garvin (1988) states that “quality remains a term that is easily misunderstood. In everyday speech its synonyms range from luxury and merit to excellence and value”. He suggests that TQM contributes to lower manufacturing costs and enhanced organisational performance. This approach in turn has become a management philosophy, and involves the whole organisation in a process of Continuous Improvement (CI). Waldman (1994a) writes that “both person and system factors must be considered simultaneously when modelling the determinants of performance”. He devised a framework of work performance which links key factors - person (knowledge, skills, and motivation), work performance, system factors (person enhancers, and system constraints and demands) with a central focus on hierarchy and autonomy.

2.2.2 evolution of quality to TQM

There have been a number of articles reviewing the historical evolution of the quality movement (Garvin, 1988; Hansen, 1990; Gehani, 1993; Hackman and Wageman, 1995; Harris, 1995). Most locate the concept of TQM in the work of the so-called quality gurus, namely Feigenbaum, Crosby, Juran, Deming, and Ishikawa, and there have been a number of studies comparing some or all of their perspectives (e.g. Oakland, 1989; Harris, 1995). Harris (op cit.) in tracing the evolution of TQM identifies the emergence of a customer focus and the development of traditional quality control techniques for use outside the production area where they originated, which made TQM applicable to other sectors such as service industries. Harris contends that as the need for a focus on the customer and the important role of employee involvement in successful quality management became clear, the term TQM began to replace the term Total Quality Control (TQC) - term first coined by Feigenbaum (1957) in the 1950s, but was diffusing into North America by the early 1980s. TQC in turn was an attempt to move quality concerns

from a narrow focus on statistical control within a production department to a wider, more systems thinking arena, albeit still from a manufacturing perspective. Vansina (1990) says TQC is “essential for organisations that want to survive and improve in a highly competitive and saturated market”. He adds that “there is so much written about quality under an increasing variety of names - Quality Control, Quality Assurance, Total Quality Control, Quality Function Deployment ... that any critical observer has to wonder whether quality improvement is a new fad or a genuine necessity”. Lynch (1992) goes as far as suggesting “consumers are choosing companies not simply on the quality of their products but on the integrity of their behaviour”, that in the 1990s it is Total Care Management (TCM) that is replacing TQM of the 1980s (Lynch, *op cit.*).

A number of the case study organisations specifically used the term TQM at some stage of their TQP life cycle. For example, the first TQM programme in BT was launched in 1986 as an umbrella term to cover a range of Quality Improvement initiatives. There was a strong customer orientation – quality was defined in 1988 as ‘meeting the customer’s (agreed) requirements at lowest cost...first time every time’.

There have been many case studies of successful and unsuccessful TQM implementations, rationale for adoption of TQ, and benefits gained. These studies cover a whole array of industries such as manufacturing (New, 1986), automobiles (Aldridge et al., 1991), textile (Allen and Oakland, 1988, 1991a, 1991b), banking (Dawson and Patrickson, 1991), construction (Boaden and Dale, 1992), retail and service sector (Porter and Smith, 1993, Dotchin and Oakland, 1994a, 1994b, 1994c), professional services (Harte and Dale, 1995a, 1995b, 1995c), financial services (Wilkinson et al., 1995), research and development (Pearson et al., 1998), advertising (Ghosh and Ling, 1994), auditing (Peters 1992; Wilcox and Discenza, 1994), and even regional (Whitcher and Whyte, 1992; Whitcher, 1994). Whilst these studies provide key features and elements of TQM, what they cannot do in essence is provide evidence of the TQM effectiveness.

Reed et al., (1996) explore the content of TQM from a firm business orientation - they differentiate between a customer orientation and operation orientation in pursuing a relationship between TQM and revenue improvements. Their model illustrated in Fig 2.2 has informed the approach taken within this research, in particular the key elements of customer orientation.

There has been an increase in the number of studies conducted covering a wide range of quality related issues. In the 1980s some researchers identified the reasons for inferior quality, and recommended

approaches for TQM such as customer focus, teamwork, continuous improvement, leadership, product quality, and organisational change (Harmon, 1988; Bhote, 1989; Peters, 1992; Zairi, 1994; Lengnick-Hall, 1996). By mid 1990s there were numerous case study examples with comparative data (e.g. Aldridge et al., 1991; Boaden and Dale, 1992; Harte and Dale, 1995a, 1995b, 1995c), not so much on new injunctions, but more on how the process was being implemented. Quality programmes have moved from a statistical control into company wide organisational culture change programmes (Blackburn and Rosen, 1993; Reed et al., op cit.).

Studies centred on awareness, adoption and rationales for quality, including bottom-line results and benefits to be gained have been undertaken by academics (Zairi et al., 1994; Redman et al., 1995; Wilkinson et al., 1994; Finn and Porter, 1994; Porter and Smith, 1993). These detail the progress of quality and achievements, although the findings are applicable to particular organisation and sector and not applicable to all the organisations and sectors within the UK. Other studies have examined the link between quality and performance (Voss et al., 1993, 1995) and performance practice (Delbridge et al., 1992, 1994, 1995), within the UK. Research confirms the strategic benefits of TQM, and that TQM contributes to increased market share and is linked to return on investment (Ho, 1996). Chang (1995) suggests that it is the design of the overall approach and implementation methods, which are limiting return on investment regarding quality improvement initiatives. Cupello (1994) provides four ways for quality improvement using performance measurement techniques: planning, screening, control, and diagnose the process.

Over the years the approach has moved towards an emphasis on quality service: customers are important, quality is everyone's responsibility, quality is defined by customers, and continuous improvement is key to remain successful. Literature also suggests that TQM has become somewhat of a social movement (Hackman and Wageman, op cit.). They point out that rather than asking if TQM is being practised, it is better to ask if the organisation is practising the features associated with TQM.

### **2.2.3 tqm - association with change**

There have been a number of conscious attempts to use rhetorical imagery in populist literature dealing with organisational change. Naisbitt and Aburdene (op cit.) state that "the aim of this book is not just to inform but to inspire". Peters and Waterman move from 'In Search of Excellence' to a 'Passion for Excellence' in their well known publications of the 1980s. Hackman and Wageman (op cit.) comment

that “the rhetoric of TQM is engaging, attractive and consistent with ... the managerial *Zeitgeist* in the United States”. Pithy phrases and slogans from the quality gurus include: ‘drive out fear’ and ‘it will not suffice to have customer’s that are merely satisfied’ (Deming, 1986); ‘continuous improvement’ (Juran, 1988); ‘it is always cheaper to do the job right first time’, ‘zero defects’ and ‘fitness for use’ (Crosby, 1979). Rust et al., (2000) pursue the implications of ‘delighting the customer’ which they note has become a term used in ‘executive exhortations’ in the marketing trade press since about 1990. Hackman and Wageman (op cit.) conclude that ‘rhetoric is winning out over substance’, restricting their observations to the US. In focussing on the actual terminology used over a period of fifteen years, this study explores this claim and its significance for change theory in the context of eight large UK organisations. It evaluates whether businesses need a catch phrase or gimmick to motivate their workforce bringing about change through TQPs.

#### **2.2.4 total quality models and frameworks**

There is a vast amount of quality related literature suggesting various models, frameworks, and policies for implementing quality initiatives. From empirical studies, literature reviews, industry case analysis, and theoretical studies, writers have proposed a variety of implementation models, frameworks and given advice to the organisations planning to adopt the quality route (Kanji, 1990; Dale, 1994; Oakland and Porter, 1994). Academics indicate that no single piece of work from the ‘gurus of quality’ should be adopted, but to develop a strategy incorporating a combination of different aspects. Some have carried out many studies comparing the many theoretical frameworks and models. Comparative studies suggest there is little difference and that the frameworks are reiterating earlier frameworks with some modification.

“The literature offers many recommendations for implementing total quality, and principles for management. Different authors place their individual emphasis, and it might be inferred the substantially different philosophies are being represented. A more careful analysis, however, reveals surprisingly similar content. It is possible to recognise the influence of Feigenbaum (1957), Juran (1964), Crosby (1979), and Deming (1982), to a variable extent, in many subsequent works”, (Dotchin and Oakland, 1992).

A number of writers have tried to establish common content features of TQM programmes. Chang (1993) lists - an intense customer focus; hands on involvement of senior management; deployment of strategic objectives; continuous process improvement; a long term orientation; targeted measurement data; market responsiveness; empowered involvement of satisfied employees; continuous learning and development; and internal and external partnership. Waldman (1994b) refers to: upper management commitment to

place quality as a top priority; striving continually to improve employee capabilities and work processes; frequent use of scientific and problem-solving techniques including statistical process control; involvement of all organisational members in co-operative team-based efforts to achieve quality improvement efforts; attempts to involve external suppliers and customers involved in TQM efforts; the development of a quality culture; the institution of leadership practices oriented towards TQM values and vision; a focus on quality throughout all phases of the design, production and delivery of a product or service, i.e. not just the end product. Change and continuous improvement is emphasised in these and other lists (e.g. Garvin). Ongoing literature review highlighted a number of themes, which in broad terms mapped onto the original hunches (Chapter 5). Of particular significance were the ten core threads by Chang cited above.

Anderson et al., (1994) carried out a Delphi study with seven expert panel members, from both academe and industry, to elicit the concepts of quality management underlying the Deming Management Method. They devised a list of concepts for each of Deming's 14 points. The panel members were asked to indicate from this list which concepts they believed were suggested by the 14 points. After a number of iterations the panel agreed on the meanings of 37 concepts. These were subjected to further scrutiny - re-grouping and correlation, and a final set of seven concepts was identified as the "Whats or building blocks" of their proposed theory of quality management. These were visionary leadership, internal and external co-operation, learning, process management, continuous improvement, employee fulfilment, and customer satisfaction (illustrated in Table 2.2 and Fig 2.1). According to Anderson et al., "the effectiveness of the Deming management method arises from leadership efforts towards the simultaneous creation of a co-operative and learning organisation to facilitate the implementation of process-management practices, which, when implemented, support customer satisfaction and organisational survival through sustained employee fulfilment and continuous improvement of processes, products, and services". The concepts illustrated in Table 2.2 and the proposed theory in Fig 2.1 emphasises the need for "top managers to act as leaders to demonstrate responsibility for defining and communicating a purposeful vision of the desired organisational system, one that is characterised by the pursuit of (a) internal and external co-operation, and (b) learning". Anderson et al., suggest that process management practices contribute to continuous improvement of processes, products and service, and employee fulfilment. Both of these are necessary for customer satisfaction.

TABLE 2.2 CONCEPTS UNDERLYING THE DEMING MANAGEMENT METHOD@

**Visionary Leadership**

The ability of management to establish, practice, and lead a long-term vision for the organisation, driven by changing customer requirements, as opposed to an internal management control role. This is exemplified by *clarity of vision, long-range orientation, coaching management style, participative change, employee empowerment, and planning and implementing organisational change.*

**Internal and External Co-operation**

The propensity of the organisation to engage in non-competitive activities internally among employees and externally with respect to suppliers. This is exemplified by *firm-supplier partnership, single-supplier orientation, collaborative organisation, teamwork, organisationwide involvement, systems view of the organisation, trust, and elimination of fear.*

**Learning**

The organisational capability to recognise and nurture the development of its skills, abilities, and knowledge base. This is exemplified by *companywide training, foundational knowledge, process knowledge, educational development, continuous self-improvement, and managerial learning.*

**Process Management**

The set of methodological and behavioural practices emphasising the management of process, or means of actions, rather than results. This is exemplified by *management of processes, prevention orientation, reduction of mass inspection, design quality, statistical process control, understanding of variation, elimination of numerical quotas, elimination of management by objectives, elimination of merit-rating reward systems, understanding motivation, total cost accounting, and stable employment.*

**Continuous Improvement**

The propensity of the organisation to pursue incremental and innovative improvements of its processes, products, and services. This is exemplified by *continuous improvement.*

**Employee Fulfilment**

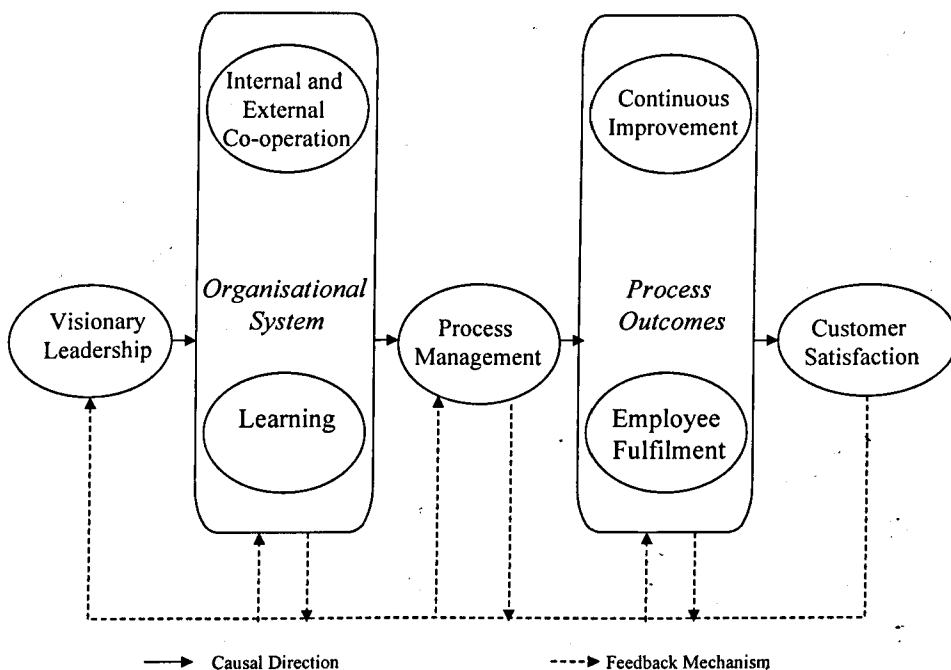
The degree to which employees of an organisation feel that the organisation continually satisfies their need. This is exemplified by job satisfaction, job commitment, and *pride of workmanship.*

**Customer Satisfaction**

The degree to which an organisation's customers continually perceive that their needs are being met by the organisation's products and services. This is exemplified by *customer-driven focus.*

Note: @ Italicised words as identified by the Delphi panel.

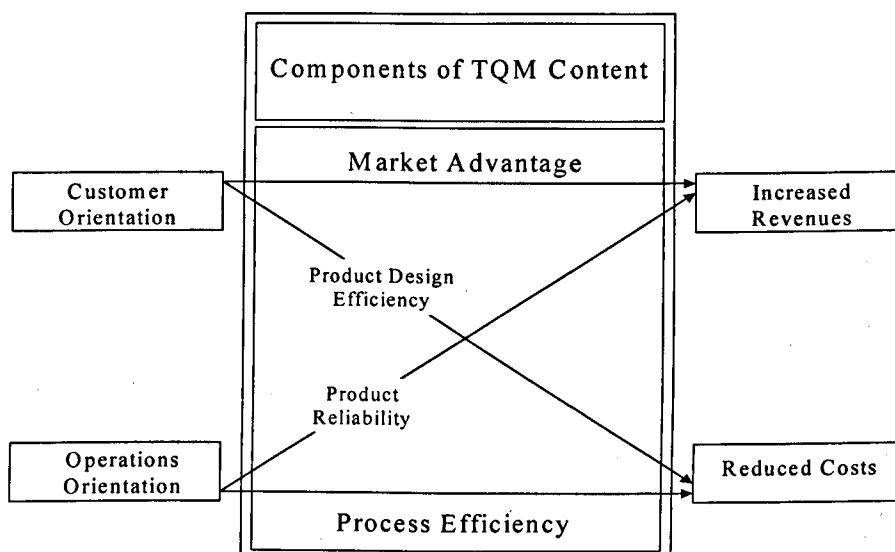
FIG 2.1 A PROPOSED THEORY OF QUALITY MANAGEMENT UNDERLYING THE DEMING MANAGEMENT METHOD



Source: Anderson et al. (1994)

Reed et al., (1996) developed a framework (Fig 2.2) for analysing the relationship between firm orientation and TQM content from a contingency perspective. Their model suggests that some organisations have a greater customer orientation focussing upon market advantage and increased revenue, whereas others have more of an operations orientation focussing upon process efficiency and reduced costs. They restrict it to the manufacturing sector but suggest that it could apply to firms in service industries. They state, “a customer orientation helps the firm deal with both external and internal issues (especially, market advantage and product-design efficiencies), as does an operations orientation (specifically, process efficiencies and customer needs for product reliability)”.

FIG 2.2 FIRM ORIENTATION, TQM CONTENT, AND PERFORMANCE

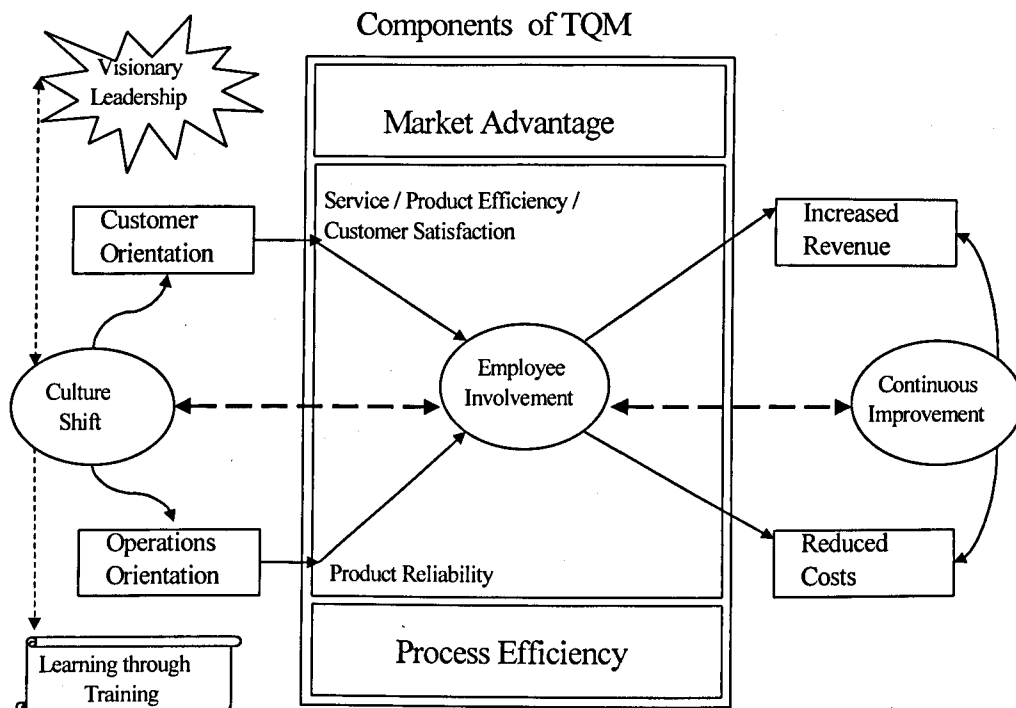


Source: Reed et al. (1996)

Based on the logic of ‘input - throughput - output’, this study builds upon and extends the Reed et al., and the Anderson et al., frameworks, incorporating culture shift, employee involvement and continuous improvement, three factors mentioned by both Chang and Waldman above, as well as visionary leadership, and learning through teamwork (Fig 2.3). This analytical framework will be used in subsequent analysis within this research (Chapter 6 Section .10, and Chapter 7).



FIG 2.3 COMPONENTS OF TQM



Source: - adapted from Reed et al., (1996) and Anderson et al., (1994)

Other TQM frameworks, such as the Baldrige, emphasise the need for customer perceptions of services provided; encouragement of continuous improvement; consisting of processes, both administration and mechanical; cost effectiveness of Quality programmes, and easy to understand and update (Capon et al., 1995).

### 2.2.5 continuous improvement in the literature

It is unclear when the term 'continuous improvement' was first used. The concept underlies the Deming Management Method as defined by the Delphi panel in the 1950s (Anderson et al., op cit.). Deming (1986), in his "14 points for management to abide by when considering quality", referred to "improving constantly and forever the system of production and service" to improve quality and productivity and to decrease costs. Juran first uses the term in 1988, in the 4<sup>th</sup> edition of his Quality Control Handbook. Reed et al., (op cit.) analyse 'continuous improvement' in terms of process improvement of operations in manufacturing. They argue that in TQM terms, the concept of continuous (process) improvement is considered as an efficiency tool, with strong affinities to *Kaizen* – "the never ending attention to detail that reduces the effort and time that it takes to conduct operations" (Schmidt and Finnigan, 1992). They recognise, however, a trend to move away from the earlier "continuous process improvement orientation

to the broader” continuous improvement with a focus on the customer and market. Hunt (1993) states that “continuous improvement depends on both innovative and small incremental changes”. He quotes a report emanating from the Logistics Management Institute which states “that no process, product or service ever attains perfection and that neither the customer’s expectations nor the quality of service remains static”.

Kiernan (1993) argues that in the 21<sup>st</sup> Century, companies must embrace continuous improvement and change if they are to adapt to the competitive exigencies of speed, global responsiveness, the need to innovate constantly or perish. During the 1990s this came to be seen as both a commitment and a process. As stated by Gallagher and Smith (1997), “the commitment to quality is initiated with a statement of dedication to a shared mission and vision and the empowerment of everyone to incrementally move towards the vision. The process of improvement occurs through the initiation of small, short-term projects and tasks that collectively are driven by the achievement of the long term vision and mission”.

Garvin (1993) comments that at the time of writing “continuous improvement programmes are sprouting up all over as organisations strive to better themselves and gain an edge”. Whatever the themes underpinning such programmes, “continuous improvement requires a commitment to learning”. He proceeds to make a connection with the concept of a ‘learning organisation’. A number of writers refer to ‘continuous learning’ as a feature of TQM, or as a feature of the ‘learning organisation’, which some see as a development from TQM. Pedler et al., (1991) define a learning company as “an organisation that facilitates the learning of its members and continuously transforms itself”. Walton (1999) challenges this notion of continuous transformation, contending that it is counter-intuitive to the notion of learning, “without any stability there is no sense of continuity or order, no time to enjoy and build on what has been achieved”.

Continuous improvement is featured within the assessment criteria of some prestigious quality awards. It is specifically referred to in the European Quality Award (Business Excellence) model launched in 1992, under two headings. The first is ‘People management’ - ‘how the company releases the full potential of its people to improve its business continuously’ - and the second is ‘Processes’ - ‘how processes are identified, reviewed and, if necessary, revised to ensure continuous improvements of the company’s business’.

### 2.2.6 culture and organisational change

The concept of culture change in relation to quality improvement is well established “we are entering a new economic world where companies will survive only if they pay attention to quality. In order to bring an organisation into the quality revolution the organisation leader must have, as his primary personal job responsibility, quality and culture” (Deming, 1986), and “to become a total quality organisation means changing the culture by changing its management style and its attitudes” (King, 1994).

Many authorities suggest that a culture shift is the key factor towards success in developing the commitment for change which underpins the organisation’s long term aims to sustain effective service quality (Kanter, 1989; Kotter and Heskett, 1992). Oakland (1989) states organisation culture is conducive to continuous quality improvement with everyone’s participating needs to be created. Wash (1991) states that the start to a culture change is training the top team in diagnostic and change agent skills. He states that leadership behaviours are a key part of the total quality management culture.

Bright and Cooper (1993) state that not only are TQM and organisational culture interconnected but also that the organisation will waste money on such programmes if they do not take into account the impact that their organisation culture will have on the introduction of such schemes. Shadur (1995) suggests that change in leadership can influence the direction of cultural change dramatically. Shaskin and Kiser (1993) regarded TQM as a shift in thinking and culture, and proposed the following elements as representing a TQ culture: “Quality information must be used for improvement, not to judge or control people; Authority must be equal to responsibility; There must be rewards for results; Co-operation, not competition, must be the basis for working together; Employees must have secure jobs; There must be a climate of fairness; Compensation should be equitable; and, Employees should have an ownership stake”.

Wilkinson (1992), Young (1992), and Ghobadian and Speller (1994), not only identify key factors relating to quality but also identify the human aspects involved, suggesting that quality practices cannot be effected into an organisation unless the relationship between management and employee is sound and conflict free. Binney (1992) who indicates that “if change is to happen your own people must own the change process” supports this. Dean and Bowen (1994) suggest the difference between total quality and management theory is the audience: i.e. total quality is aimed at managers, and theory is aimed at researchers, and that the language is also different.

As already mentioned, there are two main types of change: change within a system (1<sup>st</sup> order change (Drummond, 1991)), and change that actually changes the system (2<sup>nd</sup> order change (Watzalwick et al., 1974)). Organisation culture can influence the development and behaviour of an organisation even though it is diffuse and can be difficult to describe. "The best way to make a company successful is to have a culture that influences all members to adopt by tacit agreement, the most effective approach, attitude and behaviour to the job" (Kilman et al., 1986). Second order changes focus on ways in which change in attitude is introduced, and is driven by customer expectation, needs and satisfaction. (The case study organisation's attempts to change attitude/culture are discussed in subsequent chapters.)

### ***2.3 what goes wrong with quality initiatives?***

So what goes wrong? Why do quality programmes fail? Much has been written on why TQM related activities fail (Beer et al., 1990; Gilbert, 1992; Hutton, 1992; Brown, 1993; Yang, 1993; Harari, 1993a, 1993b, 1997; Reger et al., 1994; Grant et al., 1994; Brown et al., 1994; Masters, 1996; Choi and Behling, 1997; Shin et al., 1998). Some of the reasons given for the failure of TQM programmes are attributed to: programmes being unconnected to business strategy (Kanter, 1983), lack of focus on goals and purpose, flavour of the month, TQM emphasises form over function, more effort on awareness than on implementation (Zemke, 1992), weakness in design and ineffective implementation (Dumas, 1989; Glover, 1993), failure to create a shift in peoples' attitude at work, cost cutting labour relations policy and globalisation of business (Holoviak, 1995; Argyris, 1994), old measurement appraisal and reward systems do not work for TQM, particularly those practices that relate to dealing with customers, suppliers, and employees, need to be reviewed (Brown et al., 1994). Walsh (1995) provides other reasons why TQM fails, namely, people getting tired of the constant TQM push - chronic TQM fatigue, whilst Heller (1996) says senior management must unleash the talent and energy of disaffected middle managers and workers, if programmes are to succeed. Why companies failed in their TQM approach is illustrated in the following statements: "companies failed to grasp the basic truth, Continuous Improvement requires a commitment to learning" Garvin (1993); and, "Quality initiatives fail because they use words, which are the medium by which we communicate and persuade, but not the means by which people change their behaviour - and behaviour change is fundamental to culture change" (Beer, 1992).

Doubts have been raised surrounding the true value of the Quality Improvement Programmes (QIP), even though the primary objective of the programmes is to ensure the achievement of quality standards

throughout the organisation. However, many programmes neither set quality standards nor evaluate their corporate performance against those standards. Many parts of the organisation sometimes fail to establish quality standards to assess the impact of their QIPs and do not apply the programme across the business areas. Also, because the programmes are being oversold by zealous advisors, and lack of middle management's understanding and participation. It is suggested that TQM doesn't always work because, it focuses on people attention rather than results, has minimum standards, appeals to faddism, is analytical, and detached (Cortada and Woods, 1994). (This is similar to rhetoric over substance as mentioned earlier (Hackman and Wageman, op cit.).

Dooley and Flor (1994) have devised a model which looks at two gaps, namely the difference between perceived organisational state and a desired organisational state, and it is this that motivates change and drives the selection of the organisational strategy of change.

Beer et al., (1990) state the obstacle to revitalisation is that it comes about through company-wide change programmes, "wave after wave of programs rolled across the landscape with little positive impact". They identify six steps to effective change, which includes commitment to change, gaining consensus for vision, and institutionalisation through formal policies, systems and structures.

Gilbert (1992) reports on three companies who implemented TQM, two of which failed in their attempt because of lack of commitment, involvement, and having many obstacles in the way. The third had some success, but Gilbert states that with the right support, TQM can help turn the company around.

Yang (1993) identified a condition called Excessive Activity Syndrome (EAS) which he says occurs when an organisation is trying to do too much too fast, and thus has become the downfall of many quality improvement initiatives.

Laza and Wheaton (1990), though not critical of TQM as a process, do suggest reasons why things can go wrong during implementation. They identified seven potential TQM pitfalls: oversimplification of the difficulty of bringing about change, failing to recognise that every company is different, lack of management of TQM implementation as a project, conducting mass training before establishing support systems, emphasis on technical elements at the expense of management issues, applying TQM tools before direction is established, and failing to provide the structure to move TQM to supplier or subcontractor.

Sinclair and Zairi (1995) conducted a survey, which highlighted that there is a gap between managers' understanding of the importance of using performance measures, and the performance measures used. They attribute inappropriate performance measurements as being a cause of failure in the implementation of TQM.

There is no one single reason but a combination of factors which contribute to how effective the systems are once they have been implemented. It is suggested that reasons for failure of such programmes is that the culture of the organisation remains unchanged, and managers only pay lip service to the programmes and issues introduced. It can be perceived as softer aspect of the organisation with little or no effect on the real competitive issues. Continuous Improvement change programmes involves commitment, continuous learning, and keeping up with technology and business environment. If this is not continuous, failure will result.

## **2.4 conclusion**

There has been a general shift by academics from the manufacturing process of the 1970s and 1980s towards adoption of quality initiatives of the late 1980s and early 1990s. TQM is both a philosophy and a set of guiding principles that represent the foundation of a continuously improving organisation. TQM is the application of quantitative methods and human resources to improve the material and services supplied to an organisation, all the processes within an organisation, and the degree to which the needs of the customer are met, now and in the future. TQM integrates fundamental management techniques, existing improvement efforts, and technical tools under a disciplined approach focussed on continuous improvement. The plethora of writers on the subject of quality has just as many guiding principles, concepts and frameworks on which a strategic quality plan should be implemented. The literature suggests that TQM is more effective where the commitment of the participants in it is strong, and where there is clear leadership in the organisation.

Summarising the various literature sources suggests that the introduction of TQM can be attributed to:

- A re-configuration or analysis of business processes which hinder communication
- A clear vision of what the company stands for among its staff and customers
- A management style which recognises and releases the power of each member of staff
- A move away from hierarchical organisation structure
- An identification of areas of quality weakness, how these should be rectified and how improvements should be monitored: i.e. to identify and progress elimination of waste
- An identification of external and internal customer requirements to achieve customer satisfaction

- Constantly seeking new areas for improvements and making external changes to react to external conditions
- Knowledge of the cost of bringing in and introducing the quality scheme into the company, and above all the belief that everyone is responsible for quality
- Total commitment and example from top management

These principles were identified during the very early years by the quality champions, and are still applicable today. However, much is written on why TQM programmes may succeed or fail, as already outlined above. The literature review provided a framework for analysis and highlighted the following points which informed the subsequent research:

- Gave a theoretical context for understanding TQ initiatives in organisations
- Concern about rhetoric over substance
- Awareness of Excessive Activity Syndrome
- Relationship between continuous process and service improvement
- Problem identifying success.

During the development of the case studies (Chapter 6) there were a number of themes emerging (e.g. continuous improvement, changing attitude, changing culture, the need for training, etc.), which in broad terms 'mapped' onto the components featured in Fig 2.3. This model provides a broad framework in analysing the key themes in subsequent chapters.

For the privatised organisations discussed in the case studies (Chapter 6) all have highlighted the need for some of the attributes listed above, and to some degree they are present and building on the organisation ethos.

### **Chapter 3**

## **literature review - Privatisation**



### **3.1 Introduction**

There is a body of literature which supports the proposition that privatisation (and with it competition) is perceived as being synonymous with quality (Smith, 1976; Moore, 1985; Goodman and Loveman, 1991; Nicholson, 1994; Sanderson, 1995). Some people perceive that privatised organisations are keen to introduce TQP systems, which are then seen as enhanced drivers of change. Here, a brief overview will be given of what is meant by the term privatisation, together with an overview of the links between competition, quality and change, and why government's chose to privatise, resistance to privatisation, and its success.

### **3.2 what is privatisation?**

The word privatisation was first coined by Drucker (1969), and generates an abundance of feelings for individuals and organisations, depending on how they are impacted by the consequences and effects of privatisation. Privatisation creates a plethora of different challenges. The most visible attributes of the process are regarded as improved service quality for customers, increased profits for shareholders, and financial boost into the country's economy (Wiltshire, 1987; Wallis, 1995; Cunha and Cooper, 1998). Privatisation is the process whereby productive operation is transferred from the public sector to the private sector (Peacock, 1994; Bourn, 1995). This may incorporate contracting out, leasing out, financing, and so on. There are various forms of Privatisation, such as small business auction, strategic investments, and initial public offering- IPO (commonly known as a 'flotation').

A quote from Pirie (1988), "privatisation is a complex and subtle process. It is not a panacea or a formula. Instead it is an approach which can generate and focus creative policy ideas", helps to explain the mass usage of the term privatisation. He concentrates on the ways in which privatisation can be introduced, and identifies various methods of privatisation: Selling the whole company (e.g. Amersham International); Selling a part of the company (e.g. BP); Selling to the public (e.g. BT); and Divestment's (e.g. British Gas).

Privatisation is not subjected to any specific type of company or industry, and the process can be introduced for anything (Pirie, op cit.). Examples of organisations involved in the direct sale of assets and flotation are highlighted in Table 3.1:

TABLE 3.1 EXAMPLE OF COMPANIES INVOLVED IN FLOTATION AND DIRECT SALE

BUSINESS SECTOR	FLOTATION	DIRECT SALE
Manufacturing:	British Aerospace Amersham International Jaguar Cars Rolls Royce	British Sugar Corporation British Shipbuilders British Leyland Royal Dockyards Royal Ordnance
Transport:	Associated British Ports British Airways British Airports Authority	British Rail National Freight Corporation National Bus Company
Communication:	British Telecom Cable & Wireless	
Petroleum:	Britoil Enterprise Oil British Petroleum	
Others:	TSB British Gas	National Enterprise Board Motorway Services Area Leases Forestry Commission Drake And Scull Suez Finance Company National Seed Development Organisation

*Note: Compiled from various literary materials. Though Britoil and Enterprise oil are not categorised as nationalised industries (as per NEDO (BEARDSHAW J. and PELFREMAN D. (1990)) Specifications) they however were public corporations which were also privatised. BP already had mixed ownership so privatisation for it cannot be considered as BT etc.... BP has been greatly affected by the undulating oil prices of the 80's.*

The privatisation strategy process has been salient in the UK especially during the 1980s, and has become the umbrella under which the government has introduced other privatisation initiatives. The events of privatisation programme in the UK (Appendix 3.1) stem from the conservative government's zeal for private ownership led by Margaret Thatcher as Prime Minister in 1979. The changes brought to organisations created an enormous change to company's infrastructure, communication, implementation and the introduction of new ideas and techniques for the pursuit of good product and service in the light of heightened competition. Many of these revolutionary changes were imposed by regulation, denationalisation, and privatisation for both the industrial and services sector. BT, BA, and British Gas are prime examples of companies that have undergone image change. Their strategic direction has focussed on organisation infrastructure and quality.

Eglin (1993) identifies two key contributory factors for successful privatisation: firstly that politicians make the decisions, and secondly, that there is some effort to fatten the company before sell off. This was certainly true for British Leyland, Rover, and British Gas.

Arnold and Rowland (1996) suggest privatisation programmes in the UK have a three-phase approach:

- privatise those businesses that were already competing in the national or international markets

- privatisation of essential services - such as Water, Electricity (with regulation) involving a degree of restructuring towards meeting competitive markets
- privatise those large industries with a history of financial losses, political liabilities, e.g. coal, iron, nuclear electricity.

Some people regard privatisation as a breaking up of the monopoly status, and that by giving a degree of freedom to external companies attracts investment into the host country (Goodman and Loveman, 1991).

Reduction in the workforce is also linked with privatisation since it is the perception that public sector companies have a higher number of people and are over-manned (Parker and Hartley, 1991; Parker, 1992).

### **3.3 *privatisation, competition and quality***

The introduction of new techniques, new machinery, new processes, are contributory elements towards the success of the privatised company, some of which have involved a massive cash injection at the outset. A major change has been the move away from government interference, leaving the company to concentrate on core business, rather than being deviated towards any political interests. Privatisation has been viewed as a means of injecting financial support, encouraging employee ownership, gaining political advantage, reducing government involvement in enterprise decision making, creativity and entrepreneurialism, as well as to stimulate competition (Vicars and Yarrow, 1988; Goodman and Loveman, op cit.).

Privatisation was one of the major events which changed organisation behaviour, and the introduction of quality programmes was one of the ways by which peoples' attitudes began to change as a result of new organisation status, meeting customer demands, and winning competitors. Carnall (1990) states that "growing competition, privatisation and deregulation across many parts of industry, commerce and the public sector have led many organisations to try to develop in their staff more commercial awareness and more concern for quality". Companies across the privatised sector have established an organisation structure designed to fit in the newly created arena (Bishop et al., 1994).

A number of claims have been made on the effects of privatisation on quality: e.g. it is argued that privatisation at Powergen has meant an increase in the quality of service to its customers, including benefit for the environment. Success has led to reduction in cost and increase in productivity (Wallis, 1995). Goodman and Loveman (op cit.) state privatisation leads to improvements of efficiency and

quality. Improvements in productivity associated with private ownership, show that there are contributory factors associated with the privatisation programmes which link to competition, new management or performance related contracts (Parker and Hartley, 1991; Parker, 1992).

### **3.4 privatisation and change**

Over the period of study privatisation created a direction of change in company's philosophy and culture, thus having a great impact on its corporate image. Privatisation brought with it an element of new initiatives to improve the quality of service to its customers. Many larger organisations acknowledged that their markets might not be as secure as they once may have been, thus seeking to identify alternatives flexible enough to incorporate into their existing culture and infrastructure. While the impetus for change is argued by some to come from top management, the momentum for the change comes from management's ability to get the workforce to adopt the changes proposed. However, internal politics - *politicking*, amongst organisational members, may become fast and furious as changes are cascaded through the organisation (Zoltan, 1997).

Cunha and Cooper (op cit.) identify five objectives of the privatisation programmes: "economic and financial, information, control, strategic and cultural". Companies do respond to change, via competition and the economic environment, both socially and politically (Smith et al., 1986). This change is widely accepted as a challenge of the times. In the UK the effect of privatisation has attempted to create a change in management behaviour, to that of becoming more people focussed, and creating increased financial awareness (Cuhna and Cooper, op cit.; Parker, 1992; Parker and Martin, 1993).

Privatisation for any organisation is by no means a small feat. It brings about a change that is much larger than the organisation may expect, in that it forces the organisation's senior management to rethink its business acumen and overall business strategy and philosophy. This change may lead to the widely published mission and vision statements we see today.

Most important factor to consider is that the customer expects and wants excellence in products and services. This in turn affects the overall culture of the organisation and thus, the introduction of TQP associated initiatives get underway.

Post privatisation process, a company has to seek funds based on the returns and the value of its share price. It is this, which is monitored, and the company performance evaluated. The overall effects of change that emerges from the privatisation factor are the cultural change at a national level. That is to say, it encourages people to believe that allowing wider competition should bring prices down. The flip side to this is that the government is seen as the regulator and not the owner, and lucrative share ownership offers encourage the smaller investor. However, if based on the evidence of the number of people who stay in the company share save schemes is anything to go by, then one can agree to an extent, that this is true.

### **3.5 growth of privatisation**

Following Mrs Thatcher and the 1980s era of privatisation, a new wave in the way a government perceived governing was paramount. However, privatisation did have its dilemmas, that the businesses the government wanted to sell the most were those that were 'eating up' the most from the government treasury; and probably those that the private sector really least wanted to buy, unless that is, there was an option of staying as near as possible to a monopolistic state. Another reason why governments' considered privatisation was that the process injected a huge sum of cash into an organisation, and competition was enhanced. Rover and BA are prime examples. The overall mode of change is the management's ability to change the whole organisation and its future focus and strategy. A survey conducted in 1988 by Vicars and Yarrow argued that there is insufficient supporting evidence in favour of private enterprise (Vicars and Yarrow, 1988). It is argued that much state owned firms are isolated and very much removed from disciplines and incentives, which are inherent in the competitive sector. The great difference between public and private sector industry is the philosophy surrounding customer care and customer needs/focus, and creating an end to the subsidised competition from state owned companies.

Privatisation can create 'spin off' businesses with firms being created specifically to handle the privatisation process on behalf of the government. Examples of spin off industry have been the stockbrokers, banks and building societies, which have seen a growth in business dealing with the buying and selling of shares on behalf of their customers. Other benefits emanating from the privatisation process is that of new industries setting up business in the UK, and creating new jobs leading to economic

growth. The major privatisation programmes in the UK were preceded by elaborate mass media campaigns on television, radio, billboards, etc., all encouraging people to invest: e.g. BT - the first of the popular privatisation programmes, and British Gas - 'Tell Sid' campaign which generated huge interest.

### **3.6 UK government and privatisation**

For any government proposing organisational change to privatisation from the state sector it is important that the first proposed privatisation programmes are truly successful (Donaldson and Wagle, 1996). This builds confidence in people, helps build the economy, reduce state debt, increases state revenue, creates a stable image, improves efficiency of the business, promotes development of market economy, and increases individual share ownership (Bourn, 1995). In the UK BT was a prime example. The BT model was modified for use in other mass flotations (Worcester, 1994). Also, privatisation along with it competition is necessary for the healthy growth of an organisation, be it within the organisation or competition with the outside world.

John Redwood, whilst Minister of Local Government, wrote that it was clear that privatisation in the UK affected the global market through better performance of the private sector companies. "Government can create the climate, but it is up to business to compete, back the right ideas, interest, train its people, know what its customers want" (Redwood, 1993). The UK government encouraged the privatisation approach by deregulation so that companies, which were imposed by rules and regulation suddenly found freedom and were greatly enthused by this. A key concern of the government is that it is not expected to bail out weakened, non-productive, public sector money consuming companies.

The government also encouraged tendering, out sourcing within the nationalised industries post 1980s, e.g. British Rail outsourced their catering services, and the National Coal Board contracted out their uniform making to a small private firm. Many of the companies have taken the opportunity in contracting out cleaning services.

By mid-1983, the Thatcher government sold many of the British Rail's hotels and the major holdings of the National Enterprise Board (NEB), and an employee/management buyout had taken place with British Sugar Corporation, and National Freight. The government also sold off companies, in which it had controlling stock holdings, such as: the Rover Group, Rolls Royce, Jaguar, Ferranti, Cable and Wireless,

and Amersham International. The various water boards which were in public ownership were also privatised. The 1990s plans to privatise the Post Office, British Coal, British Rail are examples of nationalised industries of a reasonable significant size and Government's intent in them being privatised.

In 1994 the Government sold Property Services Agency (PSA), which involved separating PSA Services Management into five parts: with the first three being negative proceeds, i.e. Government had to pay purchasers to take on the entity. The fourth involved sales of publicly owned airports (East Midlands) formally owned by a consortium. Lastly, the sale of South Yorkshire Buses and the bus companies of Grimsby, Northampton, and Leicester.

An increasing important area of the UK government's activity is the Private Finance Initiative (PFI) (Clementi, 1995). Examples of PFI include the Jubilee Line extension and Heathrow Express on the London Underground. The Chancellor, Kenneth Clarke stated he expected £500m of private capital to be committed under the PFI by 1994-95. It was estimated then that the Railtrack flotation could well be the last of the government's major share offers due to the fact that most of the large 'public' entities have been floated.

The format of the privatisation process is indicative and concludes that privatisation is seen as a success in political, economic and commercial terms (Donaldson and Wagle, op cit.). The government's involvement is present in the guise of bringing about legislation, regulation/deregulation before, during and after privatisation has occurred. Regulation maintains a hold on pricing controls and competition flourishes. Examples of regulators are Oftel, Ofgas, Ofwat, Offer, etc. The government's function is therefore to ensure competition via the introduction of its deregulation policies.

Pirie (op cit.) asks the question, 'What next?' and foresees the "government's selling off land it owns with a potential tag of £224bn. Selling off such land could keep the privatisation business going, at the current rate of £5bn annually, for another forty years" (Naisbitt and Auburdene, 1990). The success of each privatisation is ongoing confirmation the government seeks for further programmes. Each successful campaign opens the gates of privatisation that much wider, and gives the government that much more conviction and confidence for subsequent flotation's.

### 3.7 resistance to privatisation

There are some groups of people who resist to the change for privatisation, e.g. Government opposition, Unions, and so on. Some people see the privatisation transition as a toll for loss of jobs, losing the protection of what were once known as secure jobs, increased workload, added responsibility, a change in the internal culture, and so on (Bishop and Thompson, 1982; Boycko et al., 1996). It was reported that reductions in the workplace have been by 25% in the big utilities, and one-half in the Electricity companies (BBC2, 1997). Examples include (from company annual reports):

- BT : 241,124 employees reduced to 127,500 employees, between 1984 -1997
- BAe: 75,650 employees reduced to 30,500 employees between 1985- 1997
- BS: 52,500 employees reduced to 41,000 employees between 1987-1997

One of the key factors against Privatisation is that it transforms national or state monopolies into private ones. Some see these sales as *selling off the family silver*. The process also relies on the ordinary taxpayer for raising funds, which are later used by the company for investment and expansion. On the one hand people pay for part ownership of something, which in not so many ways they already have a stake in - a national industry (Worcester, 1994). A greater concern in humanistic terms is that privatisation is deemed to concentrate on profits and not the people who make those profits (Cunha and Cooper, op cit.)

Some people see privatisation as putting the process itself, before them. There are those who believe that apart from the obvious - change in ownership, embedded in the privatisation philosophy; there is an element of business as usual that gets the day-to-day activities progressed and completed, and the wider game plan being the link with the company's long term strategic plan ( Cunha and Cooper, op cit.).

A factor, which increases the level of resistance, is fear of new machinery, new processes, extra workload, and change in the company infrastructure - namely the change in *the way we do things around here*. Privatisation also attacks the view that it leads to increased efficiency and creates the thought that there is a greater need for understanding organisation that becomes privatised (Parker, 1995). Parker argues against the suggestion that privatisation leads automatically to increased efficiency but does suggest that it is what occurs within the organisations at the time of privatisation, is what should be understood.



An example of the perceived negatives of privatisation is the tragedy of the rail collision at Watford Junction on 9<sup>th</sup> August 1996, when two trains collided head on. Many would put the blame to privatisation and poor management. Likewise the rail crash in Southall in October 1997, and the Ladbroke Grove, Paddington station in October 1999. The blame also directed to the different sectors of the whole system, (e.g. Railtrack, signalling).

Comments have been made of the huge profits made by those organisations for its shareholders, and also the boost in salaries for 'fat cats' - the CEO. Criticism can sometimes lead to suggestions that the quality of service declines once the privatisation has taken place, intimating that money may not be ploughed back into the business.

### **3.8 success of privatisation**

It is difficult to quantify how well some firms would have performed if they had not been privatised.

"Privatisation is one way to make sure the needs for infrastructure will be fulfilled" (Drucker, 1995).

Research studies have shown that a link does exist between privatisation and improved performance, especially in the UK during the 1980s (Walsh, 1992; Vickers and Yarrow, 1988).

Empirical studies conducted by Bishop and Kay (1991) compared denationalised firms against those still under state ownership and found that improvements in total productivity between 1979-1983 and 1983-1990 for state owned British Coal, and British Rail showed significant improvements.

Work carried out by Kotter and Heskett (1992) demonstrated that between 1977-1988 companies with a strong culture that focussed more on customers, employees, as well as shareholders, actually performed 12 times better on share price appreciation than a parallel sample of companies without this strong culture.

A study directed by James E Burke, the Business Roundtable, and the Ethics Resource Centre of Washington DC, found companies taking unusual care to be socially responsible out performed their peers in the Dow Jones Index over a 30 year period by 7.6 times. These therefore can be seen, as prescribing to the new customer needs culture.

The period between 1980-1988, it was estimated that 40% of Britain's sector was under private enterprise. It is for this reason that the UK is considered to be the "primary model in the global shift from the welfare state to privatisation" (Naisbitt and Auburdene, op cit.). By 1988:

- 1,000,000 council tenants become homeowners
- 16 state owned companies were privatised (inc. BT, British Gas, BA, Jaguar, etc.)
- 400,000 employees sought shares in their companies
- 600,000 Government employees became private sector employees
- Privatisation had gathered in excess of £7.5bn into the UK treasury.

Some very large companies, having undergone privatisation, still maintain a monopolistic state. BA is an example where a privatised company is isolated from competitors on many of its flight routes, mainly due to the need for holding an operating licence from the Civil Aviation Authority (CAA). This isolation has been a key factor towards its overall success.

The success story of privatisation continued with examples of Cable and Wireless increasing seven-fold and National Freight increase twenty-fold. In the case of National Freight, since its' transfer to private ownership in 1982, the pre tax profit of the truck group increased nine times with an improvement in customer service. Sir John Egan, Chairman of Jaguar, comments on the improved service, by saying, "When Freight was owned by the state it was appalling. Our dealers had to bribe drivers to get deliveries made. Its a very good contractor now " (Naisbitt and Auburdene, op cit.).

"Vision and the route for change begin at the top ... winning companies are led by visionary, enthusiastic champions of change" (Competitives, 1994). In 1979 it was estimated that the then nationalised industry was costing the British taxpayer over £50m a week in losses. Today, these same companies contribute in excess of some £60m a week in taxes on the profits they earn as a result of the privatisation factor.

Michael Haseltine highlights that there are still some major obstacles to overcome, such as education, over-regulation, and lack of public funding (Haseltine, 1994).

Nigel Lawson, former Chancellor of the Exchequer, in 1987, wrote, in his autobiography, "the privatised companies are flourishing, recording higher profits, and providing a better service to their customers.

Governments around the world are now following our example and injecting vigour into sluggish state-run industries by returning them to private ownership".

If privatised companies are judged by their turnover and profits generated, then the following are just

some of the figures from the company annual accounts highlighting the total turnover since they have been privatised: e.g.

	Annual turnover	Annual pre-tax profits:
BT:	from £6,830m (1984) to £14,935m (1997)	from £990m (1984) to £3,203m (1997)
BS:	from £3,461m (1987) to £7,048m (1997)	from £177m (1987) to £1,202m (1997)
BAA:	from £439m (1987) to £1,373m (1997)	from £166m (1987) to £407m (1997)
BAe:	from £2,647m (1987) to £8,546m (1997)	from £150m (1987) to £425m (1997)

The success has also encouraged the general investor - '*Joe Public*', to invest either in the company for which they work, or in other companies which are being sold off through privatisation process. For example at the time of privatisation the total number of employees participating in the company share ownership schemes was BA (90%), BAe (74%), and BT (96%).

Privatisation has created a new breed of person, as seen from the result of 46 companies, which came under private ownership by 1992, and saw 11 million new shareholders in the UK. Evidence of this *shareholder-ship* is portrayed with the introduction of the flotation of Railtrack, in March 1996, encouraging people to register for the offer, valued at £1.5-£2bn. These offers are made very lucrative enticing a greater number of investors.

Shareholder attitude has also seen the growth of the institutional investors. During the period between 1978-1989, the total number of people owning shares in Britain had increased three-fold from 7% to 20% of the adult population.

By 1992 the proportion of individuals holding shares had risen from 1/14 to 1/4, and by 1997 more than 11 million individuals owned shares. Examples include:

- BT had over 1 million applications. By March 1985, 1.7 million individuals held 13.7% shares of ordinary shareholdings in BT.
- In the National Freight Company, 10,000 employees bought shares at the time of privatisation in 1982, and by 1989, 27,000 employees were shareholders
- Trustee Savings Bank privatisation process created 1.5 million shareholders, and
- British Gas received over 2 million applications, following its 'Tell Sid' campaign, later it saw the highest ever shareholders at 5 million (Moore, 1992).

Many people are lured by the quick turnover they can achieve by selling their shares immediately after the sale is authorised. It is accepted that soon after the share dealing is underway, the number of

shareholders will fluctuate. For example, BA lost 60% of its original investors by the time the share register was published, and the Water Companies lost between 40% and 60% (Worcester, 1994).

Success has led to investments abroad, British Gas being the first major privatisation of the government that was listed on the Tokyo Stock Exchange. However, at the end of 1994 having arrived in Tokyo the company changed its mind and de-listed, and since 1994, 26 overseas companies (including 4 British businesses) have followed suite. Only 1% of British Gas shares was ever held in Japan

Benefits of privatisation are also economic, and today privatisation is accepted much more widely than say in the early years of its infancy (especially in UK from 1979 onwards). Privatised companies have seen business enterprises improve significantly, increased efficiency, increased competition, competition in the market, and also the customer/consumer is becoming that much more knowledgeable for quality of goods and service. For example, in BA and British Gas - productivity per employee rose 20%, and in BT - 96% telephones were actually in working order. BT also saw improvement in the call rate from 1 in 25 to 1 in 200, together with a reduction in the waiting list for telephone installation (Moore, 1992).

Competition can create a better market for its consumer in choice and value and many suggest that privatisation is connected with the free market enterprise ideas that competition increases efficiency (Cunha and Cooper, op cit.). Maloney and Richardson (1992) state that privatisation is introduced very much for pragmatic reasons producing £27bn in revenues by end of 1980s. By 1995 it was reported that privatisation programme had involved the sale of over 200 businesses and raised equity proceeds in excess of £55bn (Bourn, 1995). The sale of British Energy, part of the programme for privatising Electricity, was expected to net £2.5bn (Lascelles, 1996).

Privatisation has created a whole new business environment, particularly in the training sector. That specifically related to provision of courses covering subjects such as: techniques in privatisation, focussing on processes, management, dealing with competition in the private sector, and so on. Other consultancy agencies have also mushroomed, providing a much needed and useful service, through integrating quality into the business as a key process of ensuring building controls into everyday work activities. In a study covering financial ratios, labour, productivity and efficiency conducted by York University, conclusions drawn were, "the hypothesis that a movement away from political control improves performance was generally supported" (Healy, 1993).

Privatisation is not just a British fad, but a world-wide transformation in the thinking, developing, and promoting private ownership, spanning from the Latin Americas to the African states. For many of the countries privatisation is still a new yet exciting concept towards the private sector (Waddell, 1994).

McDonald (1993) questions the strategic concepts of privatisation between the West and East arguing that the West sees privatisation process as financially restoring run down state owned companies, whereas for the East this process is incompatible.

### **3.9 conclusion**

The literature suggests the Privatisation process has speeded up the introduction of change within organisations at a much faster pace than perhaps they may have realised. The reason is simple, the process created competition, with the customers demanding better service at cheaper costs, and quality initiatives have been the tool by which this has been achieved (to an extent!). Privatisation has seen financial gains for the government (e.g. proceeds for sales), organisations (e.g. turnover/profit), employees and individual investors (e.g. became shareholders). Any issue of service quality or criteria where service factors are considered to underpin the organisation's long term aims to sustain, can only be achievable if service quality and effective service quality is paramount.

It is generally perceived that companies prior to privatisation did not concentrate effort on innovation, perhaps partly due to being in a position of near monopoly. Today, post privatisation, however, the situation is quite different, and investment in innovative production is high. This is direct result of privatisation and competition. Summarising the various literatures on privatisation suggests key outcomes from the privatisation process is:

- Change organisation culture
- Created a greater awareness of the organisation financial environment
- Government raised equity
- Increased competition
- More choice for customers
- Reduced Central financial support
- Share ownership
- Reduction in workforce
- Increased investment in innovative production.

PS: The Labour Government turned round its previous strategy of re-nationalising those companies that were privatised by the Conservative Party.

## **Chapter 4**

# **research methodology**

## 4.1 Introduction

This chapter focuses on the methodology and supporting methods adopted, and provides an explanation of the methodological choices undertaken. This chapter is in two parts:

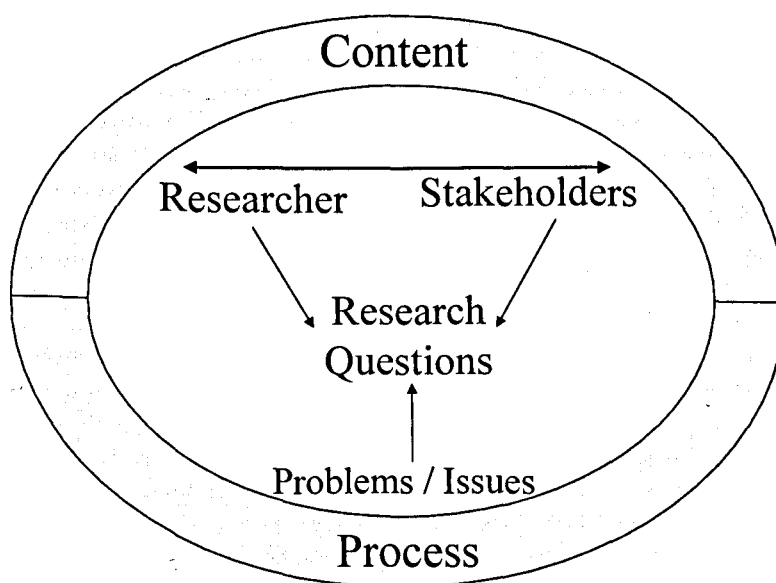
- Methodology, and Supporting Methods (section 4.2)
- Limitations of the methods used (section 4.3)

Easterby-Smith et al., (1991) suggest that management research emerges from “a process of negotiation between three elements - researcher, stakeholders, and subject”.

I as the researcher determined the subject of study based upon my experience in the field. The flexibility in conducting the research enabled me to create a synergy between the elements portrayed in Fig 4.1 below. The stakeholders in this context include anyone who has a legitimate claim to direct the focus for the area of study.

At the beginning of this research there was no particular group with a vested interest in the research being carried out. However, feedback from the completed surveys and interviews showed a number of people from the organisations surveyed wanted to see the final article once they became aware of the subject of my research. They in effect become stakeholders in the research effort.

FIG 4.1 INFLUENCES IN THE RESEARCH QUESTION



Source: adapted from Easterby-Smith et al. (1991)

The selected companies proved an interesting environment in which to conduct this type of management research because of the scale of the change initiatives engaged within them over the period of study.

Figure 4.2 illustrates the overall time-span of the research and the events conducted in each phase, and Fig 4.3 highlights the dependencies and flows of activity and action undertaken.

FIG 4.2 DIAGRAMMATIC VIEW OF THE TIMESPAN OF THE RESEARCH

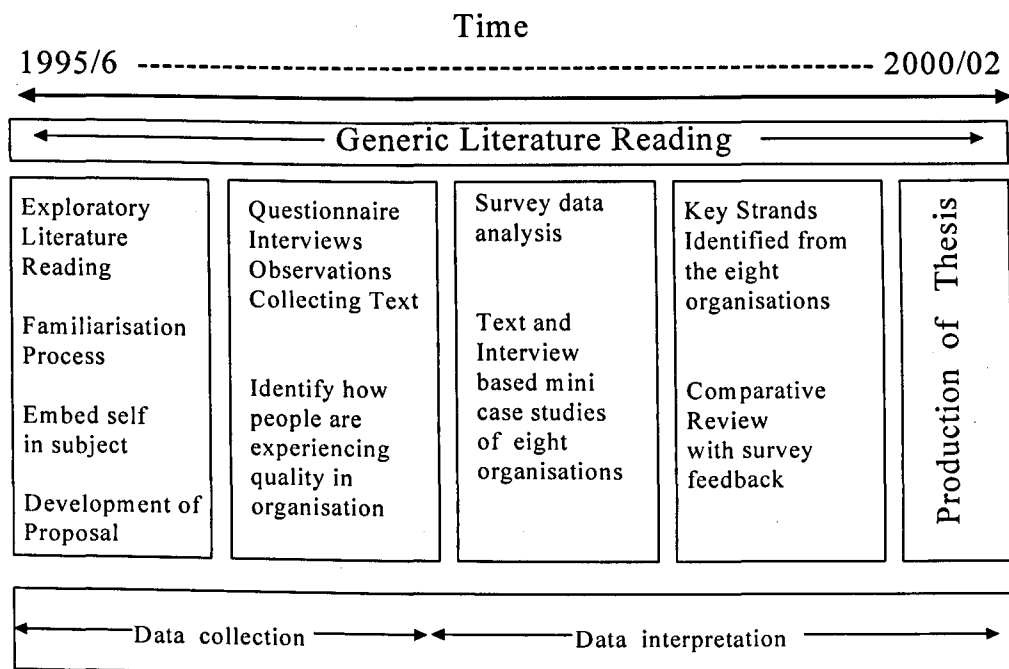
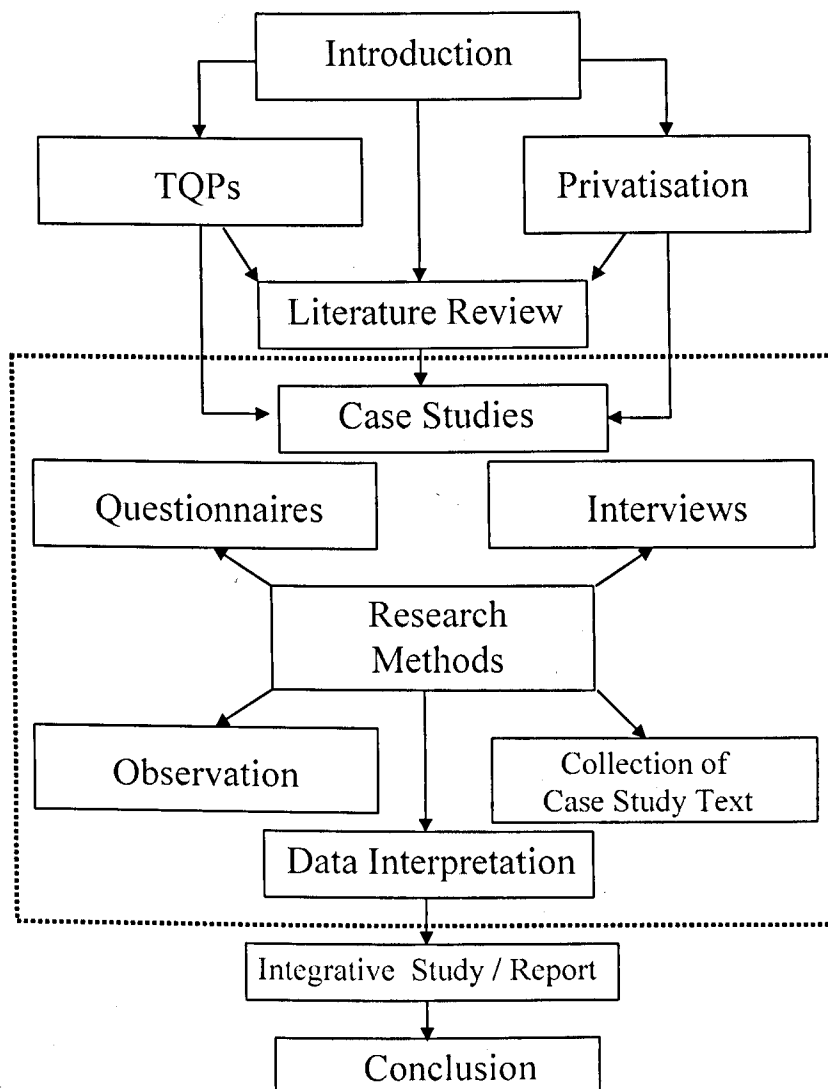




FIG 4.3 DIAGRAMMATIC VIEW OF THE THESIS FRAMEWORK DURING THE COURSE OF STUDY



## 4.2 methodology and supporting methods

### 4.2.1 methodological stance

I have approached this research from a position of methodological pluralism within an overall subjectivist, ideographic framework and interpretative paradigm (Burrell and Morgan, 1979), in which “the researcher seeks to deconstruct the phenomenological process through which shared realities are created, sustained and changed” (Hassard, 1991). Ideographic methodologies concentrate on ‘getting inside’ and finding the ‘meaning’ of things, through empirical research.

A phenomenological approach is one that seeks to gauge peoples’ experience of things and events. It tries to understand the world of lived experience from the point of view of those who live it (Locke, 2001).

Things or objects are construed very broadly to include not just physical objects but also 'social' objects, which include 'verbal' objects or 'language'. Thus to understand managers in organisations, for example, we need to learn the meanings that relevant physical, social, and verbal objects have for them (Blumer, 1969). The approach often entails that the researcher is part of what is being observed and is therefore adopting an ethnographic perspective.

Gill and Johnson (1997) state that, "the key feature of the ethnographic approach is that it is based on what are termed naturalist modes of inquiry, such as participant observation, within a predominantly inductivist framework". In ethnography the focus is on the manner in which people interact and collaborate in observable and regular ways. Fetterman (1989) states ethnography is the art and science of describing a group or culture.

In the context of this research an attempt is made to understand the cultures of the organisations under study. Such work typically takes long periods of study, with the researcher being immersed in a well-defined locality involving direct participation with some members of the organisation in their activities.

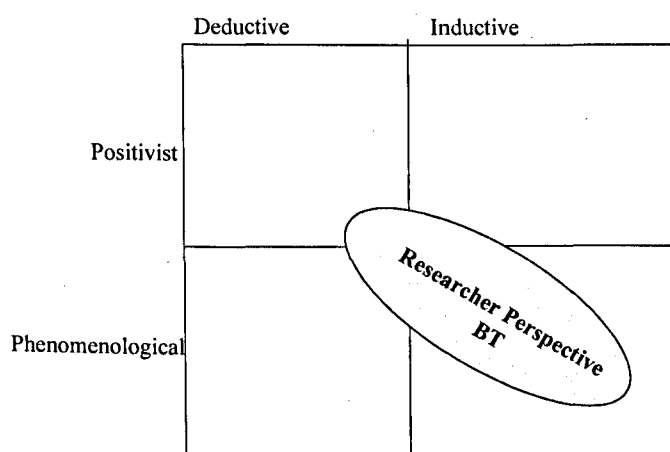
Scollon and Scollon (2001) refer to the significance of making sense from strange situations in ethnographic research. As already mentioned, this research really grew out of personal interest as a result of confusion arising out of the number of quality driven schemes coming into the author's own organisation. By working within the organisation, *an insider*, it was difficult to remain independent and uninfluenced by the changes taking place. There is also a risk when doing research within one's own organisation of operating with certain "taken for granted assumptions" (Schein, 1985). This is because one becomes 'acculturated'. The detailed literature review, comments from the supervisor and others, proved important to help reorient the research to make the 'familiar strange', and establish a perspective of objectivity as though one was operating as *an outsider*. The notion here is that it takes an outsider to change mental sets.

This research has adopted a predominantly qualitative approach, concentrating on defining, describing, evaluating and interpreting the quality programmes from a range of methods. Rutman (1984) states a qualitative approach consists of detailed "description of situation, events, direct quotations from people about their perceptions, experience, attitudes, beliefs and thoughts, excerpts from documents, correspondence, records and case histories". This has been the approach adopted for all the organisations

in the study. The researcher, has carried out qualitative interviews in order to understand, “how individuals construct the meaning and significance of their situation ... from ... the complex personal framework of belief and values, which they have developed over their lives in order to help explain and predict events in their world” (Stewart, 1967, 1982).

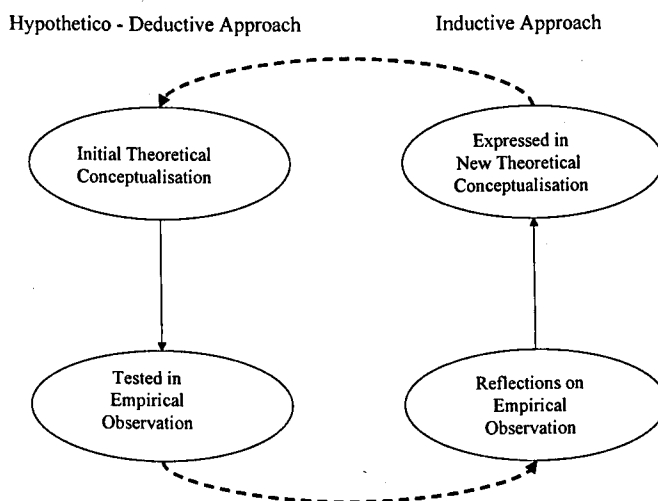
Smith (1975) suggests that data regarding an issue or problem can be gathered by using different techniques within the same empirical research. Mogensen (1942) shows the overlapping nature of types of approach, and justifies the methodological pluralism approach as follows: “Quantitative methods can be used to study both ‘hard facts’ and human perceptions, likewise qualitative methods can be used and analysed in either objectivist or constructionist ways”. There is an element of quantification in this research, for example, a questionnaire was used to collect part of the overall data and has been subjected to a simple statistical analysis (Chapter 5), but no attempt has been made in the research to conduct a detailed statistical correlation. Fig 4.4 illustrates the researcher methodological position (in particular to BT).

FIG 4.4 RESEARCHER'S METHODOLOGICAL POSITION



This research started by adopting a hypothetico-deductive approach, developing a questionnaire to test out a series of propositions. As the research developed, the researcher moved towards an inductive approach (Fig 4.5). This is accordance with the perspective of Jones (1985) who contends that, “there is no such thing as presuppositionless research. In preparing for interviews researchers will have, and should have, some broad questions in mind, and the more interviews they do and the more patterns they see in the data, the more likely they are to use this grounded understanding to want to explore in certain directions rather than others”.

FIG 4.5 CONTRASTING THE LINE OF INVESTIGATIVE ACTION IN HYPOTHETICO-DEDUCTIVE AND INDUCTIVE CYCLE



Source: adapted from Locke (2001)

#### 4.2.2 research dimensions

An overall case study approach (Yin, 1981a, 1981b; Scapens, 1990; Otley and Berry, 1994) was adopted for the research. Stake (1994) states that a, “case study is not a methodological choice, but a choice of object to be studied”. Bogdan and Biklen (1992) suggest a case study is “a detailed examination of one setting, or one single subject, or one single depository of documents, or one particular event”. Scapens (1990) suggests case studies can be exploratory, descriptive, or explanatory. The research methods chosen are described in the table below set within overall case study context.

TABLE 4.1 METHODS OF DATA RESEARCH

	Description	Primary	Secondary
Descriptive Method	To gain understanding of TQPs	Case study interviews Questionnaires	Literature review of books, magazines, and journals
	To chronicle evolution of TQPs	Collection of text - archival research, books, magazines, and journals, from the case study organisations	Desk Research
		Desk Research	
Exploratory Method	To gauge the perceptions of the quality initiatives within the practised environment	Questionnaires Interviews with sample from selected organisations  Observation (overt - participate; covert - ethical issues, if it happens write it down)	Theoretical overview of explanatory models  Rhetoric analysis (Macro)
Explanatory	Data interpretation		

### 4.2.3 methods - data collection

#### 4.2.3.1 case study approach

The approach taken in developing the case studies was to study one organisation as a primary case study, and a sample of organisations from the various industry sectors for parallel case studies. The reason for this was to identify a framework for analysis within the different organisations studied. The primary case study was BT - where I as the researcher was participating fully in the day-to-activities, observing, despatching questionnaires, collecting texts, and conducting interviews. For the parallel case studies the format was mainly questionnaires and interviews, and observation (albeit within a very limited part of the organisation), and collecting archival data. These are indicated below:

TABLE 4.2 DATA COLLECTION METHODS

	Questionnaires	Interviews	Observation (‘walk through’)	Desk/Archival Research or Case Study organisations
BAe	✓	✓	✓	✓
Rover	✓	✓	-	✓
BA	✓	✓	✓	✓
BAA	✓	✓	✓	✓
BP	✓	✓	-	✓
BS	✓	✓	-	✓
RM	✓	✓	✓	✓

#### 4.2.3.2 questionnaire design and pilot study

A detailed questionnaire of 55 questions, spanning 20 pages was developed and piloted, and the revised final version sent to 200 people in 20 organisations (Appendix 4.1). The questionnaire was primarily directed towards privatised companies in the UK who have acquired this status since 1983.

Questionnaires were despatched to key contacts within the selected organisations for distribution to a proportionate random sample. A covering letter (Appendix 4.2) accompanied the questionnaire (Appendix 4.3) explaining the intentions of the research, giving assurance as to the confidentiality of the data collected, and requesting that completed forms be returned in the stamped addressed envelope that was enclosed. The postal system was used for the despatch and receipt of the surveys. Due to the method by which these questionnaires were sent, it was not possible to send reminder notices, so reliance was geared to the initial despatch. It is acknowledged that there is no influence on the ‘type’ of person who filled out the questionnaire, as that specific decision was left to the key contacts within the different organisations approached. The author recognises that there is no great statistical validity in the questionnaire and subsequent interview sample, and that it is not a representative sample of the total

number of people employed in these organisations. Nevertheless care was taken to select informed respondents. Sampling in this manner has provided a valid alternative to a census, as it would have been impractical to survey the whole organisations.

The questionnaire was based on a set of underlying precepts that the researcher wished to test, but was sufficiently open ended to allow respondents to interpret and create their own representations of reality.

The questionnaire was based on the assumptions that:

- TQPs entailed 2<sup>nd</sup> order change (Watzalwick et al., 1974) in terms of customer orientation and quality awareness.
- Quality awareness in turn implies an appreciation of internal processes and the external business environment.
- If management is to be a key instrument in implementing quality initiatives, they need to change the organisation's behaviour to ensure there is a change in the working practices.
- To be successful, there was a need for a greater level of staff participation and motivation supported by ongoing communication from management.

The assumptions are akin to those associated with the perception that organisational performance partially stems from an emphasis on high involvement work processes (HIWP), which in turn rests on four mutually reinforcing attributes. These attributes are:

- "the power to act and make decisions about work in all its aspects
- information about processes, quality, customer feedback, event and business results
- rewards tied to business results and growth in capability and contribution, and
- knowledge of the work, the business, and the total work system" (Vandenberg et al., 1999).

People however have their own knowledge, understanding and perceptions of quality and what it means.

Any questionnaire can be seen as an exercise in interpretation, as the response is dictated, and or, constrained by the nature of the question asked or not asked. Also acknowledged are that factors and issues that are most prominent in the individual's mind, will, inevitably decide the way in which the individual responds. Opportunity was given for individuals to give reasons for the choices they had selected, i.e. spaces were allocated for respondents comments throughout the questionnaire.

For any programme there is inevitably a 'human factor' involved. Therefore, the questionnaire was designed to gauge an understanding of 'what goes on' with working practices, and to capture as many representations as possible in relation to human attitudes, in a changing environment.

With this in mind the questionnaire aimed to identify important characteristics in relation to communication to employees, customer orientation, quality awareness, teamwork and its importance to

empowerment, and organisation's commitment to training and development. As shown in Appendix 4.3 the sample includes a broad cross section of questions relating to a multitude of activities which can affect an individual on a daily basis, and the need for "productivity via people" as highlighted by Peters (1984).

The questionnaire therefore, was an exploratory survey to learn about the humanistic issues and effects arising from the implementation of the quality concepts in the privatised industries. The objective was to gauge people's perception and practices regarding the quality programmes.

The questions ranged from simple 'yes/no' to selecting from a range of possibilities, using a 5-point Likert scale for grading replies (i.e. strongly agree, agree, neutral, disagree, strongly disagree). The questionnaire was fairly lengthy and was structured into five main sections, as it was the main source of information and needed to cover all aspects of service quality. The areas covered were:

- Company Knowledge
- Attitude and Awareness
- Communication
- Effects of the Quality programmes
- Respondent Details.

The questionnaire was 'tested out' with colleagues to gauge how much time would be required for respondents, and to establish how much time should be set aside for interviews.

The final questionnaire was constructed in five parts and piloted to 7 (6 BT, 1 BA) people and included one interview. The aim was to identify key areas for improvement in the questionnaire content and style, and formulation of the questions themselves. Following analysis of their results and discussions several amendments were made, such as: the order of some questions were changed, and extra space allocated for comments.

In the last section of the questionnaire respondents were asked to give personal details (e.g. job category, length of time with the company), and their knowledge of the company (e.g. total number of employees, annual turnover, and form of privatisation process their organisations had taken). This would provide useful insight in providing support on the feedback covering the period of study.

The questionnaire was used to maintain consistency. It drew upon guidelines and principles of good practice to develop the formatting and layout (Easterby-Smith et al., 1991; Hague, 1993).

Piloting is necessary, as it can be difficult to predict how respondents will interpret and react to questions (Gill and Johnson, 1997). The feedback after the pilot was analysed and adjustments made as necessary.

Nevertheless, criticisms of the questionnaire were:

- the use of the terminology 'TQP' which was considered to be overwhelming in encompassing the broad range of quality initiatives and may have been inappropriate for the initiatives.
- the use of the terminology 'programmes' which could be considered contentious when looking at change to represent a 'continuous' approach.

From the researcher's perspective the benefits of using a questionnaire were:

- it was easy to administer
- it was relatively cheap to administer
- respondents could choose the time and place they wanted to fill it in
- a large number of questions could be included
- people had privacy when filling in the forms
- it was the easiest form of collating large amounts of data.

The drawbacks of this type of sampling were:

- reliance was left upon the individual to provide feedback
- it was not mandatory
- it may have not been considered important (or priority) by the individuals
- reliability: how representative were the views of the sample, in terms of the whole organisation
- there was no means to explain any issues that the respondent may have wanted clarified
- run the risk of reduce response rate because there is little or no incentive for the individual to complete and return it, 'What's in it for me?' syndrome.

Bearing in mind the above, the response rate was gratifying and the data gathered was invaluable to the research.

The propositions developed for analysis are detailed in Chapter 5.

#### **4.2.3.3 interviews (and informal discussions)**

Following receipt of the questionnaires, interviews were carried out with 10 people from the selected privatised organisations in order to understand their perceptions of TQPs and any structural and cultural issues. They were contacted by 'cold calling' the organisation and then attempting to gain access to those individuals who were managing the TQP. Burgess (1982) states that, "the interview is ... the opportunity for the researcher to probe deeply to uncover new clues, open up new dimensions, of a problem and secure vivid, accurate and inconclusive accounts that are based on a personal experience".



The managers were selected (dependant upon who the author had access to at the time and by prior agreement via telephone) based on their organisational knowledge enabling the researcher to gain rich sources of data based on their experience, opinions, aspirations and feelings. All interviewees had experience of either managing or implementing the TQP within their organisations. In addition to this informal discussions were also held with BT staff based on similar criteria.

Flick (2000) drawing upon Tulving (1972) differentiates between episodic knowledge and semantic knowledge. "Episodic knowledge comprises knowledge that is linked to concrete circumstances (time, space, people, events, situations), whereas semantic knowledge is more abstract and generalised, and decontextualised from specific situations and events". The interview questions were primarily designed to establish semantic knowledge as opposed to episodic knowledge.

Interviews were structured/semi-structured based on the schedule as shown in Appendix 4.4. This format was necessary to gather similar information from the organisations. Some flexibility was offered through the use of open-ended questions and asking if the interviewee had additional comments to make. This allowed for qualitative information/data gathering, which was at times of a sensitive nature. Some questions required much thought and consideration and the responses to them had to be further explored and clarified (Easterby-Smith et al., 1991). The interviews were expected to last between one hour and thirty minutes and two hours.

At the start of the interview each respondent was told:

- the purpose and format of the research
- how the organisation was selected
- the reasons for using the semi-structured interview format.

In order to encourage openness and honesty, all participants were assured anonymity. To enhance the information gathering, all general comments made were also recorded. These provided a very valuable source of information and an insight into how changes and company programmes were perceived.

Interviewees sometimes requested further guidance from the researcher to some of the questions. To such requests the researcher provided prompts (e.g. a list of items identified as possibly contributing to 'motivation for TQM' from which interviewees might select) based on pre-conceptualised semantic knowledge.

In an attempt to validate the outcomes and conclusions drawn from the material a process of triangulation was undertaken. This involved checking data gathered from the various sources including company documentation.

At the time of conducting the interviews key themes from the eight case studies that had been undertaken were partly complete. These were presented to the interviewees for concurrence and comments.

Telephone interviews were conducted where face-to-face interviews were not possible.

#### 4.2.3.4 observation

In addition to interviews and questionnaires, other respondents and colleagues in BT were *probed* for their views on specific subjects and issues through *informal chats*. The author was also very fortunate to 'sit in' at a Quality Project meeting which proved to be a useful insight into how quality oriented meetings were conducted. The author also became a QMS Networker for the Division. Another means by which data gathering was complemented and enriched was by sheer observation of daily activities within the work place. Notes were kept to monitor events and general feelings that may have been overlooked in both the interviews and the questionnaire. The staff members, colleagues, managers were keenly observed during their daily activity.

Observation is best used as a qualitative method of collecting data. Advantages of using this method are that "observations can be made by relatively untrained observers" (Easterby-Smith et al., 1991). Also this allowed for far more control of what information was gathered and how it was interpreted in the context of this research. Some may, therefore, say that this is prone to researcher bias, as only data gathered would be what is deemed important to the researcher. However, this aside, the observation itself was as unbiased as could possibly be. It is the *sine qua non* of the ethnographer.

The model used best fits that of a *private agent*, which normally involves the researcher, operating independently, utilising resources and opportunities as best that are available. The data was recorded using the field note approach as suggested by Morgan (1993), e.g. class 1 data included historical data, number of people employed; and class 2 data included information gathered through conversations and what people said about situations and events, and how they interpret what is happening.

The author also gained valuable insight and experience observing the Quality specialists at work whilst

attending the 'Total Quality Journey' World Congress in 1997 and 'Achieving Excellence: Customer Loyalty' in 1999, at the Sheffield Hallam University. These events provided a useful insight into current thinking, beliefs and practices evolving in the business and academic environment. Also during the period of research every opportunity was taken to attend seminars where management gurus (such as Heller) or senior company executives (such as G Day of Rover, and D Evans of BAe) were giving talks. This was through the BT internal network groups and academic institutions.

Often used as qualitative technique, approach was to see how individuals spend their time.

Some 'walk through' observations were undertaken (Table 4.2). However, because they were not conducted regularly, and did not include all organisation, data that was gathered was very limited and given that not all organisations were willing to have an external research student observing their activities, this element of the research method has been eliminated from the analysis process.

#### **4.2.3.5 desk/archival research**

Desk/archival research included information already available in libraries, text/reference books, journals, periodicals, and published case studies. This mode of data gathering was time consuming, as information was not readily available due to materials being used by other users of the facilities. Additionally an enormous amount of data was obtained from the case study organisations directly in the form of annual reports, publicity material, pamphlets, etc. One of the constraints experienced during this research was that the organisations had not kept detailed information of all the programmes. This made it difficult to collect all material dating back to before they were privatised.

#### **4.2.4. methods - data analysis and interpretation**

##### **4.2.4.1 analysis of questionnaire**

A simple numerical analysis was carried out for classification purpose. This was to identify themes for further analysis. The software used to collect survey feedback was Microsoft Access. A database was created for ease of data input using an 'online screen form'. For each questionnaire received the data was transferred onto the database. For production of graphs Microsoft Excel application was used. First level analysis was then carried against a set of propositions (Chapter 5). The data was therefore quantitative. The 'qualitative' element was the comments received as part of the questionnaire feedback, and included as supporting evidence of the analysis (Chapter 5).

#### 4.2.4.2 analysis of interviews

Miles and Huberman (1984) suggest a simple method of analysing qualitative data whereby data needs to be collected by means of a semi-structured questionnaire or semi-focussed interview as described by Merton and Kendal (1957). Information collected during the interviews was qualitative. Analysis of this type of data collection was carried out by preparing a set of questions, and then categorising the responses from the interviews into main themes. (Analysis of this data forms a part of the secondary analysis in Chapter 7.)

#### 4.2.4.3 discourse analysis

Potter and Wetherell (1987) suggest discourse analysis “is a field in which it is perfectly possible to have two books (on the matter) with no overlap in content at all”. According to Grant et al. (1998), “discourse may mean almost everything”. The process is concerned with the language used in organisational texts. From the data gathered from the documentary and other sources described in the case studies (Chapter 6), and the interviews, a secondary analysis was carried out, which consisted of identifying, interpreting, coding and categorising key words and themes (Chapter 7). The process incorporated a discourse analysis of organisation texts. Many approaches to discourse analysis entail a very detailed line by line micro textual analysis often using specialised computer applications programmes. Such a detailed approach proved impracticable for this study because of the sheer volume of texts involved across the broad time frame, and also because the different organisations used different words and phrases to convey the same meaning. (The data analysis carried out was a manual process.)

#### 4.2.4.4 rhetorical analysis

A rhetorical analysis of organisational texts was undertaken to analyse key stylistic and other devices used in the case study organisations to try to convince people of the need to change. Following Leach (2000) *rhetorical analysis* can be defined as the analysis of persuasion attempts in oral performances or written texts. Politicians, for example, perform ‘acts of persuasion’ in their speeches. Trainers perform ‘acts of persuasion’ in their presentations. Top managers perform ‘acts of persuasion’ in their communications to staff and external stakeholders. This rhetoric is directed at a discrete audience that is expected to give some sign that it is persuaded by the arguments presented, classically through a change in behaviour or opinion.

There are three persuasive genres or *stases*: forensic, epideictic and deliberative (Gross, 1990; Fahnestock, 1986). Forensic theory is the rhetoric of the law courts, where interlocutors endeavour to persuade a third party that their account of past events is the 'true' account. Epideictic rhetoric is centred on contemporary issues, and on whether a certain individual deserves praise, blame or censure. The classical forms of epideictic rhetoric are funeral orations and award ceremonies. Deliberative rhetoric is found in the arena of policy, where debate centres on outlining and getting commitment to courses of future action. The mode of persuasion is frequently speculative. The texts used in the case study organisations to propagate the change message can be described as *deliberative*. They included company annual reports, newsletters, magazines and videos.

### ***4.3 limitations of the methods used***

Literature on research methods illustrates many aspects where potential problems can be encountered during the course of any research. As with any research activity there are hurdles to overcome. This research work was no exception. Some of main areas, which affected this research have been categorised within the methods adopted and are indicated below:

TABLE 4.3 AREAS AFFECTING RESEARCH

<b>Questionnaires:</b>	<ul style="list-style-type: none"> <li>• No control as to whom received the questionnaire, and little incentive for people to complete and return them</li> <li>• Some questionnaires were poorly completed</li> <li>• Some expressed frustration as there was no means of explanation</li> <li>• Some of the data was considered superficial (no time to check on the honesty or seriousness of the responses)</li> <li>• Data was predetermined into 'set boxes' some of which may/may not be appropriate for the respondents giving answers, i.e. questions may have seemed to be leading/misleading</li> <li>• Individuals did not wish to comment but merely 'ticked' the boxes and returned the forms</li> <li>• New categories were added by some respondents to the lists where response did not fit the pre-defined selection</li> <li>• Timing of the questionnaire (i.e. job-cuts being announced in some companies)</li> </ul>
<b>Interviews:</b>	<ul style="list-style-type: none"> <li>• Time consuming in terms of accessing willing participants, arranging suitable times and then reviewing notes after the interviews</li> <li>• People had to cancel interviews because of changes in job circumstances, e.g. leaving the organisation</li> <li>• Some questions were viewed as biased or leading</li> <li>• Cost of the interview (time, resource) for both the interviewer and interviewee</li> <li>• Interviews viewed as a disruption from the working 'norm' and 'work flow'</li> <li>• Scheduling/re-scheduling interviews in order to 'fit in' with interviewee schedules</li> <li>• Access only to those who wished to answer the questions</li> <li>• Some did not wish to be quoted in the report</li> <li>• Geographic barriers to overcome in particular when interviewees were in a different part of the country</li> <li>• Where interviews were being tape-recorded, at any point where the interviewee wished the tape to be switched off, so that the comments were not recorded, then the interviewee's wishes were acknowledged</li> </ul>
<b>Archival:</b>	<ul style="list-style-type: none"> <li>• Real insights via published material</li> <li>• Dated</li> <li>• Hard, objective data from which to make interpretations</li> <li>• Too many tests to do detailed content analysis</li> <li>• Difficult to collect comprehensively across spectrum</li> </ul>
<b>Others:</b>	<ul style="list-style-type: none"> <li>• Access: Contacting the 'right people' in the organisations was difficult and time consuming as some of those contacted were not always able to give details of who should be contacted regarding this type of research</li> <li>• Information availability and accessibility (e.g. people leave and therefore no new person to follow up contact)</li> <li>• Data collection problems - how the data should be collected and analysed, and are the methods appropriate</li> </ul>

**Chapter 5****research propositions and first level analysis**

## 5.1 *introduction*

As already mentioned in Chapter 4, a detailed questionnaire of 55 questions, spanning 20 pages was developed and piloted, and the revised final version sent to 200 people in 20 organisations.

Questionnaires were despatched to key contacts within the selected organisations for distribution to a proportionate random sample. Attached to the questionnaire was a covering letter explaining the reason why the survey was being conducted, and requesting that respondents return the completed forms in the stamped addressed envelope that was enclosed with the questionnaire. Due to the method by which these questionnaires were sent (i.e. the postal system), it was not possible to send reminder notices, and so reliance was geared to the initial despatch. It is acknowledged that there is no influence on the 'type' of person who filled out the questionnaire, as that specific decision was left to the key contacts within the different organisations approached. The sample of people within the companies surveyed by both the questionnaire and interview does not provide a scientific valid sample set. It does however represent a significant cross section of the target company/industry sector and care was taken to select informed respondents. Also acknowledged is that factors and issues that are most prominent in the individual's mind will inevitably decide the way in which the individual responds. Recognising these caveats the survey provides useful interpretative information, which provided a context for the more detailed case study analysis.

The theme of exploration in this chapter is to test out a series of propositions relating to what impact the TQPs have made in the selected organisations based on data emanating from the survey questionnaire. This is the first stage in the research and provides a broad contextualising framework for later stages in the data collection analysis process.

Underpinning the design of the questionnaire were the following 'hunches', building on the assumptions mentioned in Chapter 4, Section 4.2.3.2 (that TQPs entail 2<sup>nd</sup> order change in terms of customer orientation and quality awareness). These were based on the author's direct experience of and involvement in TQPs, supported by themes emerging from the literature review.

1. That TQPs promote a wider understanding of an organisation's functionality, objectives, and business environment.
2. That external factors directly influence an organisation's total quality policy.



3. That TQPs promote and improve communication channels within the organisation.
4. The organisations were 'ready' for TQPs and could justify costs involved at the time they were introduced.
5. That TQPs promote teamwork to improve communication.
6. That TQPs promote customer focus by developing an understanding of both internal and external customers and suppliers.
7. That TQPs promote positive attitude towards change by encouraging new employee approaches to working situation and relationships.
8. That TQPs promote change in management styles.
9. That TQPs promote clearer understanding of an individual's expectations and functions.
10. That TQPs promote participation and education using TQ tools, techniques, and insights of management gurus.
11. That TQPs promote greater communication between the management hierarchies and workforce.
12. That organisations adopt different names for their TQPs even though the intent is broadly similar.
13. That TQPs promote flexibility towards ownership and responsibility for work through encouraging worker participation.
14. That training and communication are key in the introduction of any TQPs.
15. That TQPs promote and enhance company image in a zeal for increase in business activity.
16. That TQPs promote key factors, which connect and drive privatised companies towards continuous improvement.
17. That TQPs are directly connected to privatisation and operating in a competitive environment.
18. That TQP success is measurable through a number of different forms.
19. That employees have been exhausted by TQPs.

Once the questionnaire was despatched and feedback from respondents was awaited, case studies of eight organisations were undertaken (see Chapter 6). Whilst doing the case studies, a number of themes began to emerge which indicated some commonality in approach taken to implement TQP by the organisations in the sample. At the same time the ongoing literature highlighted a number of themes which in broad terms mapped onto the original hunches listed above. Of particular significance were the following ten core threads by Chang (1993):

1. An intense customer focus

2. Hands-on involvement of senior management
3. Deployment of strategic objectives
4. Continuous process improvement
5. Long term orientation
6. Targeted measurement data
7. Market responsiveness
8. Empowered involvement of satisfied employees
9. Continuous learning and development
10. Internal and external partnership.

As a result the total number of 19 original hunches have been composited into a set of eight propositions, as listed below and against which the survey is analysed.

**Proposition 1: That TQPs have an objective to create a greater employee knowledge and awareness of organisation process and objectives (e.g. Porter and Smith, 1993; Zairi et al., 1994; Wilkinson et al., 1994; Finn and Porter, 1994; Redman et al., 1995).**

**Proposition 2: That TQPs are designed to encourage greater employee participation in organisation activities and involvement in decision making at all levels (e.g. Waldman, 1994b; Harris, 1995).**

**Proposition 3: That TQPs are designed to encourage a customer focus approach (internal and external) (e.g. Chang, 1993; Anderson et. al., 1994; Reed et. al., 1996).**

**Proposition 4: That TQPs are underpinned by theoretical contributions of management gurus (e.g. Garvin, 1988; Oakland, 1989; Hansen, 1990; Dotchin and Oakland, 1992; Gehani, 1993; Hackman and Wageman, 1995; Harris, 1995).**

**Proposition 5: That training is key to cascade TQPs through the organisation (e.g. Laza and Wheaton, 1990; Wash, 1991; Boaden and Dale, 1993; Anderson et. al., 1994).**

**Proposition 6: That TQPs have been used as a key tool within an organisation towards achieving continuous improvement (e.g. Garvin, 1993; Hunt, 1993; Chang, 1993; Anderson et. al., 1994; Reed et. al, 1996).**

**Proposition 7: That TQPs promote change in management styles (e.g. Wash, 1991; Anderson et. al., 1994).**

**Proposition 8: That employees have been exhausted by TQPs (e.g. Beer et. al, 1990; Yang, 1993; Walsh, 1995).**

Feedback from the questionnaires was subjected to first level analysis under its original four categories (Company Knowledge, Attitude and Awareness, Communication, and Effects of the Programmes) and then cross-mapped against the eight propositions.

## 5.2 respondent information

Three companies having initially agreed to participate, later reviewed their position, and felt unable to complete the questionnaire, returned the questionnaires leaving a total possible return of 170 for analysis. Completed questionnaires were received from 76 of these, a response rate of 45%. The response rate could be attributed to the large number of questions asked. However, it was important to ask such detailed questions to get a 'fuller picture'. The returns are a testament to the beneficial value of this research.

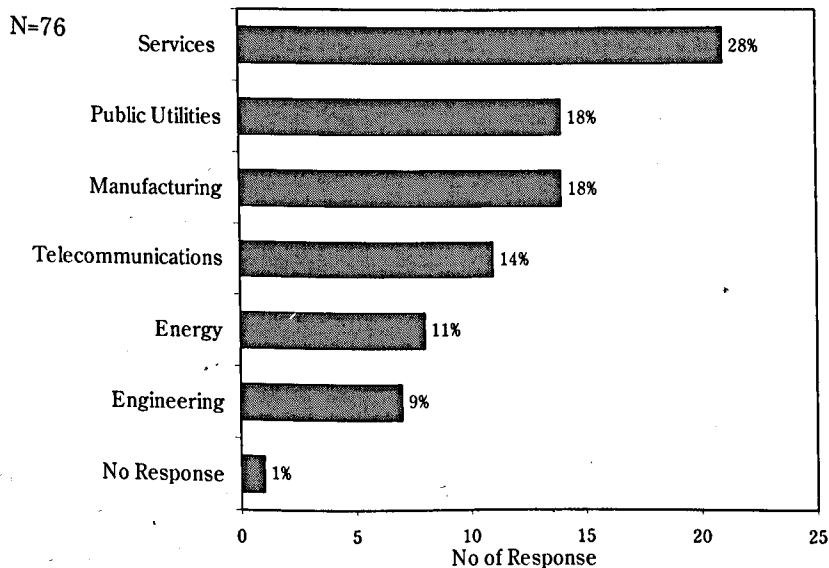
Of the total that did respond, 63% indicated they had worked in their respective organisations for 10 years or more, covering a large proportion of the time-span of this study. The significance of this is that the feedback can be interpreted to be as true a reflection as possible of the perceptions of the TQPs within these organisations.

The results from the survey were recorded and analysed question by question. Where a 5-point Likert scale was used responses were recorded into three categories to get a sharper and focussed viewpoint (e.g. better, same, and worse).

Basic background information on factors such as size of organisation, industrial sector, respondents' length of service, etc., were analysed and are illustrated below:

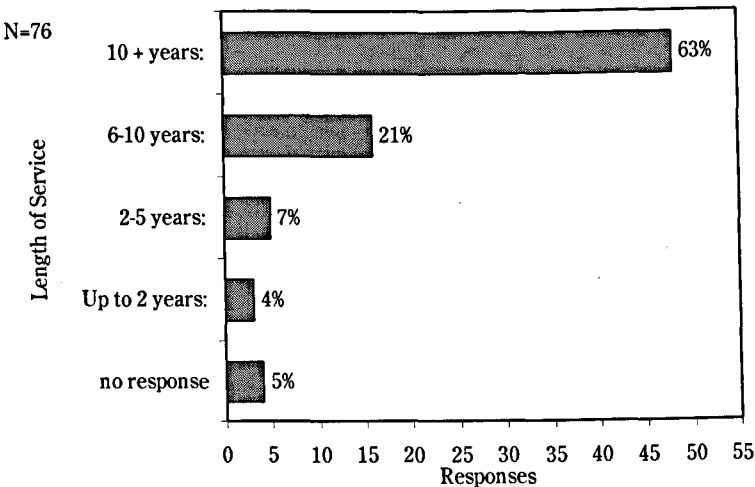
### Respondent Industrial sector

FIG 5.1 RESPONDENTS BY INDUSTRY SECTOR



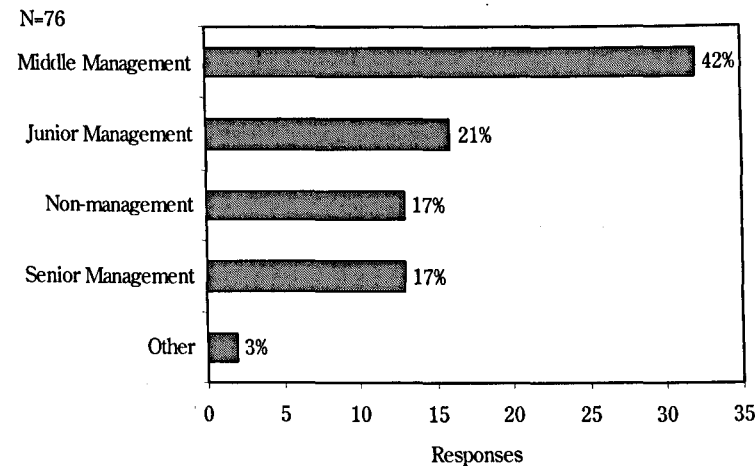
Respondent Length of Service

FIG 5.2 LENGTH OF SERVICE IN ORGANISATION



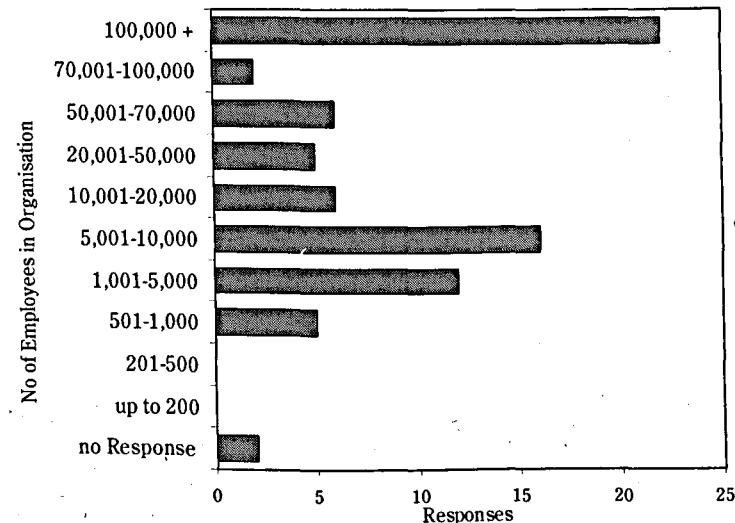
Respondent job classification

FIG 5.3 RESPONDENTS BY JOB CLASSIFICATION/GRADE



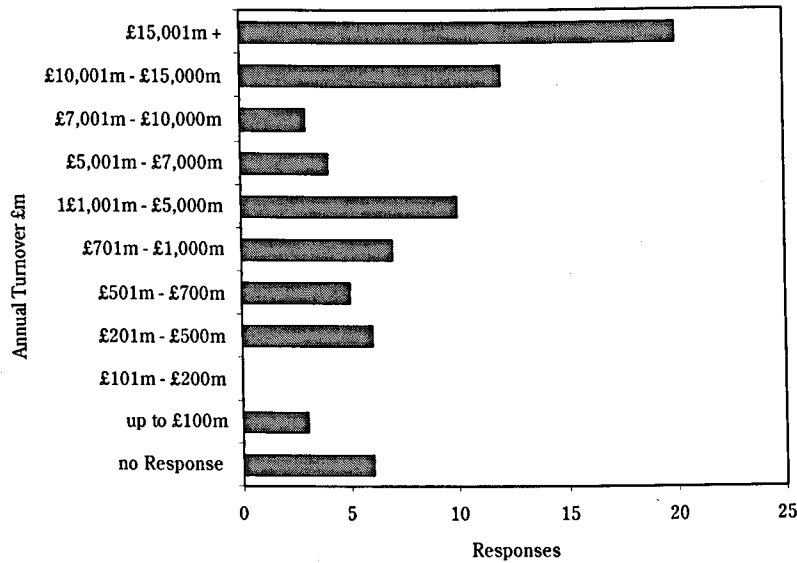
Number of Employees

FIG 5.4 NUMBER OF PEOPLE IN ORGANISATIONS



### Annual Turnover

FIG 5.5 ANNUAL TURNOVER OF ORGANISATIONS



### 5.3 propositions analysed

**Proposition 1: That TQPs have an objective to create a greater employee knowledge and awareness of organisation process.**

Literature suggests there have been a number of studies centred on awareness, adoption and rationales for quality, including bottom-line results and the benefits to be gained (e.g. Zairi et al., 1994; Redman et al., 1995; Wilkinson et al., 1994; Finn and Porter, 1994; Porter and Smith, 1993). A particular feature of the surveyed organisations was that the quality programmes were developed soon after most of the organisations had become privatised. Implicit in the process of implementing TQPs is the notion that the process itself will generate a greater awareness of the organisation current and/or future intentions.

The issues under investigation are to gauge how much impact the TQP has had in improving the awareness and understanding of the business issues facing the organisation. Organisation process can encompass a variety of different aspects and issues. The survey looked at organisation infrastructure, products and services offered, knowledge of financial environment, strategic commitment, organisation's communication channels, existence of business plans, and the key areas addressed forming a part of the long/short term strategic plans.

**Organisation infrastructure:** Respondents indicated significant improvement in their knowledge of most of the areas tested as a result of the TQPs, and some improvement in all the areas tested.

- 75% stated an improvement in their knowledge of the overall structure of their organisation
- 67% stated improvements regarding the individual groups that make up their organisation
- 66% stated their knowledge had improved regarding the functions of the main divisions
- 57% stated their awareness of key personnel was higher than before
- 37% stated improvements of the organisation history and development

The greatest improvement in knowledge and understanding was within the manufacturing sector particularly in the structure of the organisation (93%), followed closely by the telecom sector at 90%. It was interesting to note that in the service sector, which made up the greatest individual contribution of the feedback, only 45% indicated an improvement, and 45% about the same.

**Products/services offered and financial environment:** Another means of generating awareness was through communicating information about organisational products and services. Feedback showed for 72% of the respondents, awareness of products and services offered had improved.

Knowledge of financial environment, too, were deemed much better than before, supported by 62% of respondents who indicated a greater awareness in the organisation's financial operations. Though the response was not as high as for products and services, it provides evidence that TQPs do generate greater awareness.

There were some people who indicated that they had seen no difference in either products/services offered (28%), or the financial environment (38%), but none indicated their knowledge and understanding had worsened.

**Strategic commitment:** Another means of increasing employee awareness is by informing people of the organisation's strategic intent. Results indicate that there has been an overall improvement in knowledge and understanding of their organisation's strategic commitment as follows:

- 76% stated improvements relating to the organisations overall aims and activities
- 74% stated improvements of the organisation corporate mission, and where their organisation was headed. Communication of corporate mission was generally deemed to be better. Only one person stated that things had got worse
- 72% stated their understanding was better regarding how quality programmes fit into the organisation's philosophy
- 5% stated their knowledge and understanding regarding how quality programmes fit into the organisation's philosophy had got worse

Further analysis indicated improvements had been most noticeable within the manufacturing sector in particular the overall aims and activities (90%).

**Organisation communication channels:** Another means of increasing organisation awareness is through understanding others departmental functional activity. Results indicate that there has been some improvement regarding communication, as follows:

- 57% stated improvements in communication channels within their own divisions
- 38% stated improvements in communication channels with other divisions within the organisation
- A large number indicated that communication was about the same (39% within own division, and 59% with other divisions)
- A small number indicated that communication had worsened since the introduction of TQP, (4% own division, and 3% other divisions). There were no reasons given to support why this was so.

**Existence of Business Plans:** Another method of raising awareness is through business plans. These have been key in creating a focus for the organisation functions and future intentions. The majority (94%) of the respondents indicated they were aware of business plans within their organisations. There were surprisingly nine respondents, who stated that there were no formal plans for their organisations, and one who was “*not prepared to discuss*” (Rover respondent). Why this should be the case is intriguing. A number of possibilities emerged:

- new employee
- misunderstanding the company literary material
- disinterested individuals.

The most plausible of these is the last two because close scrutiny of the feedback data indicated that all respondents had been employed for a period of two years or more. Therefore, the assumption is that the information that is cascaded throughout the organisation relies upon individuals’ interest and motivation to make full use of the literary material.

There are a number of different methods by which organisations promote awareness of organisational activity, e.g. marketing, internal communication, etc. Respondents were asked to indicate their awareness of key issues addressed by their organisation during the last five years and those that they felt should be addressed in the future. Feedback showed:

• Customer service	89% - addressed during last 5 years, 64% - to be addressed in future
• Concentrate on improving core business	72% - “ , 62% - “
• Internal communications channels	71% - “ , 57% - “
• Information processes	62% - “ , 55% - “
• Formulate strategic development plan	58% - “ , 55% - “
• Marketing	58% - “ , 42% - “
• Other	14% - “ , 14% - “

There was some interest in movement of priorities, in both instances customer service was the most significant but less so for the future. Information processes also reduced significantly.

Other areas for future improvement included “*International Business*” (Thames Water respondent), “*People Development programmes*” (Powergen respondent), “*Management structure*” (BAA respondent), “*avoid duplicating activities*” (Railtrack respondent), and “*e-commerce*” (BA respondent).

**Proposition 2: That TQPs are designed to encourage greater employee participation in organisation activities and involvement in decision making at all levels.**

The TQ literature emphasises the importance of increasing employee involvement and participation of all organisational members to achieve quality improvement efforts, and a way of achieving organisational commitment (Waldman, 1994b; Harris, 1995). Implicit in the process of implementing TQPs is the notion that the process will encourage people to become involved in the organisation activities.

A particular feature of the surveyed organisations was that the quality programmes introduced a number of ways in which people became involved. The survey looked at employee involvement and participation resulting from the introduction of TQPs.

Each person has a different way of interpreting what the introduction of quality means within an organisation. A majority, 82%, indicated that it was about encouraging greater ownership, 78% indicated it was about getting employee commitment, and 72% indicated it was about getting senior management commitment. A majority, 88%, stated that it was important for the business to have personal commitment from its employees, and 76% indicated that it was important that everyone was committed in their work. Intriguingly enough only 45% felt that TQP helped them to do their job well.

**Employee participation in organisation activities:** Overall, 62%, stated that the TQPs have resulted in greater employee involvement and participation within their organisations as a whole. Respondents further indicated that TQPs have encouraged greater involvement in improving what they do. A majority, 80%, agreed that they had become actively involved in improving the quality of their work as a result of the TQP, whilst 18% disagreed. According to respondents the impact of TQPs has also resulted in perceived better working practices and relations with others, e.g. 79% stated good working relationships have been established with colleagues, and 71% stated their understanding of working practices has



enhanced. Respondents also indicated TQPs have encouraged greater involvement and participation amongst teams, groups and divisions as follows:

- Within own team - 72% higher, 26% about the same
- With other groups - 64% higher, 33% about the same
- With other divisions - 42% higher, 53% about the same

Feedback suggests there have been a number of different activities to increase participation. Results showed that the most popular means of bringing people together is via Team meetings and QIP teams.

The total number of people involved in group activities were:

- Team meetings - 80%
- QIP teams - 53%
- Steering committees - 49%
- Cross-functional teams - 49%
- Quality circles - 22%
- TQM teams - 17%
- Other - 3% (examples identified were “*Customer Awareness Teams*” (BS), “*Business Excellence Team*” (BAe), and “*Project Team*” (Rolls Royce))

Further analysis carried out on the above data showed that for each category, the breakdown by business sectors, listing the top two sectors only, was as follows:

- Quality circles - 41% from Services, 18% from Manufacturing
- Cross-functional teams - 35% from Services, 35% from Manufacturing
- QIP teams - 30% from Services, 20% from Public Utilities
- Team meetings - 30 from Services, 28% from Manufacturing
- Steering committees - 20% from Public Utilities, 18% from Telecom, 18% from Manufacturing
- TQM teams - 46% from Manufacturing, 23% from Services
- Other - 33% from Manufacturing, 33% from Engineering

Other means by which organisation have encouraged employees to get involved has been through team building events (78% agreed, 1% disagreed), training programmes involving everyone (78% agreed, 3% disagreed), job rotation (45% agreed, 17% disagreed), secondments (58% agreed, 18% disagreed), and job shadowing (43% agreed, 21% disagreed). Team building events, in many instances, are held away from the work place over a 2-3 days' duration. These include a high element of social interaction and the high response may be indicative of this.

Feedback also indicated, as a result of the greater involvement in TQPs, communications channels within the organisations had improved, e.g.:

- 76% stated communication was better regarding teamwork within their own team
- 50% stated communication was better regarding teamwork within the different teams
- 28% stated communication was better regarding teamwork with other Divisions

However, there were a number of respondents who indicated that they had neither seen an improvement or deterioration, e.g.

- 54% stated communication was the same regarding teamwork with other Divisions
- 42% stated communication was the same regarding teamwork within the different teams
- 22% stated communication was the same regarding teamwork within their own team

This suggests whilst improvements are noticeable there is still some effort required to improve communication within inter-departmental teams.

**Employee involvement in decision-making at all levels:** The ability to be involved in decisions in participation is important in TQP ideology, which suggests people feel valued if they are given some freedom. In response to what extent did respondents feel they had sufficient autonomy in the decision making process, 48% stated as a result of the TQP they had sufficient power and autonomy in making decisions, and a further 48% stated it was about the same. Only 3% stated it had worsened, however, there was no supporting evidence for this.

Overall (with the exception of 1% who did not respond) all respondents indicated they were involved in the decisions that affected their teams whether it was as an individual or as part of a larger group. Where decisions were made as part of a group, 63% of respondents stated the quality of work produced had improved and was better than before, and 32% stated about the same. Feedback suggests that teams can create better morale (49%), focus on tasks, increase in ownership of tasks (82%), generate ideas for improvement (87%) and provide a supportive management framework. Results showed all respondents, except one, were involved in making decisions that affected their teams. The frequency of their involvement is: often - 40%, sometimes - 36%, always - 16%, rarely - 7%, and 1% did not respond.

Response also indicates that as a result of TQP there has been an overall improvement in the communication of the decision-making process:

- 55% stated their involvement in the decision-making process was better than before
- 53% stated improvement in management's acceptance of new ideas
- 53% stated improvements in putting ideas and suggestions to higher management
- 50% stated there to be an easier access to higher level management
- 33% stated they were actively participating with higher management in the decision-making process

It is interesting to see that TQP are effective in this way, because it is the people on the ground floor who do the day to day work, and are being encouraged to put forward suggestions for improvements. Ideas

will only be forthcoming if people feel they are valued and given due consideration. Employees' belief in the process is greatly enhanced if they have some interaction in the decision making process, and in actively participating alongside senior management in the process. One manager wrote, "*increased empowerment in people encourages them to perform better*" (BT respondent).

Overall, feedback suggests that management needs to understand that any form of employee participation and involvement requires time to adapt especially during the early stages. One respondent wrote, "*gaining commitment from middle management has been a problem coupled with internal politics. In the long term it is important to hold the gains. This has been difficult to achieve, particularly due to the changing market, etc.*" (BAA respondent).

### **Proposition 3: That TQPs are designed to encourage a customer focus approach (internal and external).**

The TQ literature emphasises the importance for an organisation to be customer focussed - 'an intense customer focus' (Chang, 1993). Reed et al., (1996) suggests that some organisations have a greater customer orientation focussing upon market advantage and increased revenue. Literature also emphasises the need for understanding the internal and external partnership (Chang, 1993), and the need for internal and external co-operation (Anderson et al., 1994).

As part of their continuous customer focus approach organisations also introduced measures for monitoring customer satisfaction. Implicit in the process of implementing TQPs is the notion that the process will encourage people to become involved in the organisation activities. The survey looked at how the organisations encouraged a customer focus amongst their workforce resulting from the introduction of TQPs.

**Awareness of customers' and customers' expectations:** Each organisation has a unique array of customers, service users, and suppliers. Customers are both internal and external. Firstly it is important to know if people are aware of who their customers and suppliers are, and their customers' expectations.

Results highlighted:

- 80% stated the quality of communication between them and their customers had improved
- 67% stated the quality of communication between them and their suppliers had improved
- 49% stated they were aware of the expectations of their customers and suppliers
- 32% stated they were only partly aware of the expectations of their customers and suppliers

One respondent wrote that he became aware of his customer/supplier requirements, through, “*seminars given by suppliers identifying what they aim to provide ... and customers identifying what they wanted*” (Powergen respondent), and that there was “*still room for improvement on customer service and developing optimum relationship with suppliers*”.

Respondents indicated that for their organisations customer satisfaction was important - to satisfy internal customers (79%), and to satisfy external customers (75%). As well as this, other reasons for introducing TQPs in relation to customer focus that were deemed important were to:

- Always maintain high standards - 99%
- Do what is necessary to keep customers happy - 95%
- Give our customers confidence in what we do - 93%
- Encourage more customers to use our service - 79%

A majority, 96%, expressed it was important to give existing customers more confidence in products and services, as a result of the TQP introduced within an organisation.

**How to achieve customer focussed approach:** Attitude towards customers has changed. People are beginning to understand that a change in attitude is necessary to maintain good customer relations. The different behaviours and attitudes required for a customer centric approach are indicative of the high response of returns received, e.g.:

- We need to fit in with the way our customers work - 95% agreed
- It is important to treat each customer individually - 82% agreed
- We should spend as much time as is necessary with each other - 79% agreed
- Our work procedures should be flexible enough to satisfy all our customers - 78% agreed

However, one respondent whilst recognising that customers should be treated individually, highlighted the effects it may have on others, “*in some cases it is not possible to treat each customer individually. This is especially true in the area of airport charges where individuality can be misunderstood as discriminatory*” (BAA respondent).

There has been a positive mental attitude in the way people changed their own behaviour and approach towards their work. TQPs aim to encourage people to take a different approach in tackling customer problems. Feedback showed that as a result of TQPs people were beginning:

- To become actively involved in improving the quality of work - 81%
- To take time to really listen to those around you - 81%
- To focus on approaching others with solutions rather than problems - 81%

According to these respondents, listening to customers is important and being responsive to their needs, even more so. Listening to staff is important, and it is this that prompts managers to recognise peoples' ability and value their efforts. Respondents indicated that they took time out to talk face to face with customers, (9% always, 54% often, 33% sometimes, and 4% rarely). This practice of face to face customer communication enhances the understanding of customer requirements, meeting those requirements towards achieving good customer relations. As well as this, organisations have been encouraging partnerships with customers in an effort to improve customer focus. This was confirmed by 50% of the respondents. One manager wrote, "*working together on joint teams to identify value creation for both sets of share holders ... It is essential that regular feedback from customers both internal and external is solicited*" (BS respondent).

Other key areas that the organisations focussed their attention, according to the respondents, was customer service - 89%, improving core business - 72%, and improving internal communications channels - 72%.

Organisations introduce a variety of measures to gauge customer satisfaction for a product or service supplied. Such measures provide an organisation with information on areas that are doing well and those that are not doing so well. The data collected can be used to incorporate changes and focus for future activity. Results showed that customer related measurements featured highly within the sample organisations, e.g.

- 76% indicated it was via increase in customer satisfaction
- 74% indicated it was via customer satisfaction surveys
- 63% indicated it was via reduction in customer complaints
- 45% indicated it was via reduction in waste/returns

Breakdown by sector showed:

- Increase in customer satisfaction - 31% from Services, 19% from Manufacturing, 18% from Telecoms
- Customer satisfaction surveys - 33% from Services, 18% from Manufacturing, 16% from Telecoms
- Reduction in customer complaints - 30% from Services, 26% from Manufacturing, 19% from Public Utilities
- Reduction in waste/returns - 31% from Services, 30% from Manufacturing, 15% from Engineering

It was not surprising to see the returns from the manufacturing sector for two of the categories listed above - reduction in customer complaints and reduction in waste/returns, because cost of re-work is high.

It was interesting to note that the engineering sector also indicated the importance of reducing waste/returns

Other means of measuring success expressed by respondents included, employee opinion polls, metrics, and financial indicators (sales, profit, and total turnover). People do recognise the success that is brought about by the introduction of TQP. To increase customer satisfaction was clearly the element companies were focusing their energies upon - that satisfied customers are the stepping stones to increased business.

A respondent from Powergen wrote what customer focus approach meant to him, "*The management of all aspects of a job and the workplace to ensure consistent and high quality of work through the motivation of employees, satisfaction of customers and regular assessment and existence of standards, procedures, and methodologies*".

**Proposition 4: That TQPs are underpinned by theoretical contributions of management gurus.**

There has been much written on the works of the 'gurus' of quality, reviewing the historical evolution of the quality movement (Garvin, 1988; Hansen, 1990; Hackman and Wageman, 1995). Most locate the concept of TQM in the work of Feigenbaum, Crosby, Juran, Deming, and Ishikawa, and there have been a number of studies comparing some or all of their perspectives (e.g. Oakland, 1989; Harris, 1995). A number of studies conducted comparing the different frameworks and models, suggest there is little difference, and that the frameworks are reiterating earlier frameworks with some modification (Dotchin and Oakland, 1992). Literature available highlighted that there is no standard definition of quality (Gehani, 1993), and that the definitions are as varied as there are those who express their view, according to Reeves and Bednar (1996).

This proposition was designed to test whether the programmes and initiatives have features and principles that could be attributed to key players within the quality arena. The survey sought to ascertain if respondents had knowledge of the quality concepts, key tools and techniques, the key contributors, leaders, or gurus of quality?

**Awareness of quality concepts:** The literature suggests that basic concepts that form part of the TQP can be varied yet have an underpinning theme. The surveys sought to find out how familiar people were with the key concepts surrounding process improvement.

Respondents were provided with a list of the popular TQ concepts resulting from the literature review as examples from which to choose. As well as providing a pre-defined selection list, respondents were given

an option to mark an 'other' category and specify any TQ concepts not mentioned on the list but which were deployed within their own organisation. Results showed the most popular quality concepts amongst respondents were TQ/TQM, QMS and Zero Defects: e.g.:

- Total Quality/Total Quality Management - 82%
- Quality Management System - 62%
- Zero Defects - 62%
- Just In Time - 46%
- Quality is free - 37%
- Kaizen - 33%
- Kanban - 26%
- Plan Do Check Act - 25%
- Others - 12%

Of those respondents that indicated their familiarity with other tools and techniques the concepts included, "*BPR*", (BT respondent), "*RCM*" (BS respondent), "*SPC, FMEA, and WAVE*" (Rolls Royce respondent), and localised TQ processes specific for their own organisation. One response indicated that there was no need for knowing the TQ concepts because when it came to getting the work done, the "*JDI (Just Do It) principle came into play instantly*" (Powergen respondent).

For each of the TQ concepts above, further analysis was carried out to identify the highest returns from any one sector. Results showed:

- Kanban - 57% from Manufacturing
- Plan Do Check Act - 47% from Manufacturing
- Kaizen - 44% from Manufacturing
- Just In Time - 40% from Manufacturing
- Quality is free - 33% from Manufacturing
- Zero defect - 28% from Manufacturing
- Total Quality/Total Quality Management - 23% from Services
- Quality Management System - 23% from Telecoms

It was not surprising to see some of these returns as they highlight the distinctive features of the manufacturing/production and service industries. For example, JIT is a feature common to the manufacturing sector whereas QMS is more common to the service sector.

**Awareness of TQ associated Tools and Techniques:** The introduction of TQPs brings with it tools, techniques, and a new approach of doing things. The survey sought to find out which tools and techniques were people most familiar with. Results showed that Brainstorming was by far the most popular technique introduced by the organisations as part of their TQP initiatives (97%):

- Brainstorming - 97%
- Cause and Effect diagram - 66%
- Pareto analysis - 66%

- Force field analysis - 62%
- Problem wheel - 49%
- Decision analysis - 49%
- Solution and Effect diagram - 38%
- Departmental purpose analysis - 29%
- Quality function deployment - 24%
- Other - 16%

Of those that indicated the 'others' category examples included, "*Kepner Tregoe Decision Making model*" and "*Process Flow Analysis*" (Rolls Royce respondent).

So how did people become aware of these tools and techniques? 68% indicated they had learnt about the tools and techniques as a direct result of the introduction of TQPs within their organisations, and 32% stated by other means. This is interesting, suggesting people are encouraged by other events within their surroundings and are familiarising themselves with the TQ problem solving concepts within their industry.

Comments included, "*being trained in the facilitation process is an added bonus allowing clearer understanding in the use of tools, e.g. mind mapping*" (BAA respondent) and "*Several specific workshops for various tasks and techniques have been held following the TQ awareness training, e.g. including Taguchi, SPC*" (BS respondent). One manager wrote "*TQPs have been in use for a decade under various guises. The Business Excellence team produced a handy guide 'The Quality 50' encapsulating many of the ideas, methods, roles, etc. This document has been very useful in understanding how we can make use of such tools and techniques*" (BAe respondent).

It could be argued that much of the respondents interest in TQ concepts, tools and techniques, is because they subscribe to the notion that the underpinning message of TQ is good common sense, i.e. do it right first time and thereby avoid re-work.

**Awareness of 'quality gurus':** TQPs and associated change initiatives have features and principles that are attributed to key players within the quality arena. The survey showed that the respondents demonstrated some familiarity with the key people who had 'shaped' total quality as known today.

Feedback showed:

- T Peters - 74%
- W E Deming - 62%
- P Drucker - 61%
- P Crosby - 45%
- K Ishikawa - 38%
- J Juran - 34%



- G Taguchi - 26%
- S Shingo - 18%
- A Feigenbaum - 14%
- C Moller - 9%
- Other - 8%

Although not specifically a 'quality guru', Peters was the most popular in terms of awareness. This may be attributed to the publicity he and others populists like him generated during the late 1980s and early 1990s. Other persons identified by respondents were T Ohno, M Imai, Y Kondo, J Harvey-Jones, RM Kanter, P Senge, J Oakland, and M Hammer. This suggests that people who are keen on learning about quality and quality issues may spend time and effort on researching the subject matter. ('Gurus' of quality and quality management consultants employed by the case study organisations are discussed in Chapters 6 and 7.)

People are becoming aware of management and quality related techniques, via training programmes, which also introduce people to the many different quality gurus. One respondent wrote, "*It seems to me that the longer I remain involved with TQ, the more I am tempted to go back and reread some of the work of Deming etc. (originators of TQ). It is too easy to keep picking up the latest idea and to demonstrate we are moving forward, when we should be cascading on the basics*" (BS respondent).

### **Proposition 5: That training is key to cascade TQPs through the organisation.**

Literature suggests training people in the TQPs is required (Boaden and Dale, 1993; Anderson et. al, 1996). Wash (1991) states the importance of training the top team in diagnostic and change agent skills, and that, leadership behaviours are a key part of the total quality management culture. Whilst recognising the importance of training, some also provide reasons why TQPs can go wrong in relation to organisations' training programmes. Laza and Wheaton (1990) list as one of their reasons that organisations are conducting mass training before establishing support systems.

There is much emphasis placed on training, and it is deemed to be a key part of any new programme of change to ensure everyone understands what is required and their involvement. Training is viewed as necessary and acts as a re-enforcement agent that does not conflict with any existing plans and development schemes. The survey sought to find out how much quality related training had people received, who had delivered the training, and had it been relevant.

**How much training had people received?** Results indicated that the majority of respondents received training when TQPs were introduced within their organisations, e.g.:

- 51% stated they had received more than 1 week of training
- 17% stated they had received 1 week training
- 12% stated they received training on a regular basis
- 12% stated they had received 1 day on quality related training
- 8% indicated they had not received any training. There was no evidence supporting this from the respondents. However one respondent did write, “*we are told there is no budget so no courses can be attended!*” (Anon).

A total of 39% the respondents indicated that the introduction of TQP in their organisation meant employee development. With all the training the organisations have provided their people, it was interesting to see that 45% indicated TQP had helped them to do their job well.

One respondent wrote, “*several specific workshops for various tasks and techniques have been held following the TQ awareness training*” (BS respondent), and another wrote, “*technical training: job shadowing, official training, etc. are essential for any major change programmes being introduced*” (Thames Water respondent)

**Who delivered the training?** As the majority of respondents (92%) had received some form of training, the next question asked, from whom had the training been received? Results showed that the training had been conducted by external consultants, internal trainers, or a mixture of both (7%, 28%, and 57% respectively). Of the 8% remaining, 7% did not respond, and 1% stated that they had completed their training through personal learning.

**Was the training relevant?** Once training has been completed, the question posed to respondents was to see how useful it had been. The results were encouraging and showed that the training received had been: reasonable - 49%, adequate - 18%, excellent - 14%, relevant - 7%, inadequate - 7%, and no response - 5%.

Overall 88% expressed the training they had received had been sufficient. Comments received were, “*as a result of the training we are now moving towards speaking the same language*” (BP respondent), and that quality champions are still required to “*bring quality into more ‘Business as usual’ with the adage of bringing in customer requirements and service delivery. To a large extent quality champions have been isolated from operational change processes and the value of the initiative investment not reached their potential*” and “*TQM is just a tool, People are motivated by people*” (BT respondent). This suggests that people are looking to others (e.g. senior managers) to promote the cause for quality.

However, feedback also indicated that the training precluded any financial training for those managers who are also budget holders (or involved in budgetary decisions). Views expressed endorsed the need for managers to be given some form of training on understanding financial/expenditure reports, together with defined guidelines on line managers' financial responsibilities. This is an important factor as many managers are involved in budget allocations but have little understanding in the mechanisms and concepts surrounding financial aspects.

As a result of the training programmes the communication channels had been improved through: training (84% agreed, 1% disagreed), employee newsletter (64% agreed, 3% disagreed), and quality seminars (59% agreed, 8% disagreed).

Overall feedback indicates that the training is a key feature of TQPs across all of the organisations.

**Proposition 6: That TQPs have been used as a key tool within an organisation towards achieving continuous improvement.**

Garvin (1993) comments that "continuous improvement programmes are sprouting up all over as organisations strive to better themselves and gain an edge". Hunt (1993) states that "continuous improvement depends on both innovative and small incremental changes". Others analyse 'continuous improvement' in terms of process improvement of operations in manufacturing (Reed et al., op cit.), and continuous process improvement (Chang, 1993). Literature also suggests the importance of continuous improvement towards achieving customer satisfaction (Anderson et. al., op cit.).

Once TQP have been implemented, a useful measure of their effectiveness is to see how they have helped people in focussing on key issues. The survey sought to find out how TQPs had helped people focus on key areas such as 'customer focus', 'total participation', and achieving 'continuous improvement', and how individuals are applying the techniques on a daily basis.

**How important are these key criteria:** Before any programme can be seen as successful, it is important to understand if people are aware of the importance the TQPs have on their organisations. The survey asked respondents to indicate how important they thought the following key features were within their section/division within the Business Environment. Results showed:

- Continuous Improvement - 95% important, 5% about the same
- Customer Focus - 95% important, 5% about the same
- Process Management - 80% important, 20% about the same

- Total Participation - 76% important, 20% about the same, 3% not important, 1% no response
- Planning Process - 79% important, 21% about the same

**How have TQPs helped in achieving continuous improvement:** Once TQPs have been implemented, a useful measure of their effectiveness is to see how they have helped people in focussing on key areas to bring about the organisations' desired outcomes. Results showed that majority of the respondents felt TQP had been beneficial, e.g.:

- Customer Focus - 84% better, 16% about the same
- Continuous Improvement - 82% better, 16% about the same, 2% worse
- Process Management - 72% better, 26% about the same, 1% worse
- Total Participation - 63% better, 36% about the same, 1% worse
- Planning Process - 51% better, 47% about the same, 2% worse

Results also showed that the majority of individuals were actively applying TQP knowledge to a varying degree. Whilst some were applying TQP for the first time, feedback indicated for each of the key features tested, that many had regular process in place and were constantly working on improving the systems. Some respondents (5%) indicated their TQP application was 'the best known system', particularly in relation to 'total participation' (Table 5.1).

TABLE 5.1 APPLICATION OF TQP

	No knowledge	Some knowledge	TQM 1st time	Regular process	Improving systems	Best known system	No response
Customer Focus	3%	5%	13%	32%	34%	4%	9%
Continuous Improvement	3%	8%	13%	26%	37%	4%	9%
Planning Process	3%	20%	17%	28%	12%	4%	17%
Process Management	7%	18%	18%	18%	29%	4%	5%
Total Participation	16%	16%	25%	22%	13%	5%	3%

One respondent wrote, *"You can not afford to improve the quality of your product, process or service, you must do it to stay competitive. Pay back in terms of measurable benefits, e.g. quality improvement and activity, has been 5-times (and increasing) the cost of introducing this programme"* (BS respondent), and another stated *"payback in first 2 years"* (BS respondent). These suggest people do recognise the success that is brought about by the introduction of TQP.

**How to ensure continuous improvement:** To ensure continuous improvement, a number of quality improvement initiatives are regularly used to gauge success. There are a number of ways by which the success of TQP can be measured, e.g. happy customers, maintaining high standards, encouraging more customers to do business you, and many more (some of these have been mentioned under proposition 3 -

customer focus). Results highlighted other areas where continuous improvement related measurements featured highly within the sample organisations - meet audit requirements - 45%, and other reasons - 14%. One respondent stated that to ensure continuous improvement, it had to be a, “*Company wide philosophy based on a culture of continuous improvement in meeting customer requirements as efficiently with a teamwork approach*” (Jaguar Cars respondent).

Feedback also indicated that TQP had meant continual process improvement (66%), whilst 51% stated it was efficiency improvement.

Eliciting customer feedback is deemed to be significant if organisations are to understand their customers needs and then to meet those needs if they are to succeed.

### **Proposition 7: That TQPs promote change in management styles.**

Leadership behaviours are deemed to be a key part of the total quality culture (Wash 1991; Anderson et al., 1994). The Delphi Panel referred to by Anderson et al., (1994) indicates the importance of a coaching management style supporting participative change as opposed to an internal management control role. A particular feature of the surveyed organisations was that the quality programmes were developed soon after most of the organisations had become privatised. It was important to gain respondent feedback on the extent to which new styles of management had been introduced over the period under investigation and whether it was a direct result of Privatisation and/or the introduction of TQPs.

**Style of Management influenced by introduction of TQPs:** Respondents rated the influence of TQPs on the style of management as:

- Democratic style - 68% higher, 25% same, 7% lower
- Laissez-faire style - 32% higher, 47% same, 19% lower
- Autocratic style - 18% higher, 43% same, 38% lower
- Paternalistic style - 16% higher, 49% same, 24% lower

It was interesting to note that results for the democratic style was high. This provides a useful insight in that since the programmes have been introduced management is beginning to give more freedom to their people. Of those that responded, 50% stated that the TQPs had provided a new and better model of management activities, and 83% stated that as a result of TQPs they could use their line managers to help them achieve their goals. A total of 79% indicated that they were motivated by line management to do their job well.

**Style of Management influenced by Privatisation:** The extent to how much the style of management was influenced as a result of privatisation was:

- Democratic style - 45% higher, 30% same, 16% lower, 11% no response
- Autocratic style - 32% higher, 37% same, 21% lower, 11% no response
- Laissez-faire style - 21% higher, 42% same, 26% lower, 11% no response
- Paternalistic style 18% higher, 47% same, 24% lower, 11% no response

The following comments provided by two different respondents from the same organisation illustrate both positive and negative experiences relating to their experience of how management styles have changed since Privatisation: “*Management style had to change and did! Helped initiate many improvement activities like Investors in People and team briefing*” (BS respondent), and “*I am disgusted at the lack of commitment shown by our senior managers, in the commitment they show and the lack of initiative in taking risks. We are certainly not risk takers, but still look for ways of improving, this ends up being as ‘find a hole and fill it’, and not plan to identify what is really required*” (BS respondent).

There is an interesting disparity between how people perceive the impact of TQPs and that of privatisation on the style of management. Particularly interesting is the different rating of the democratic style. This issue is not pursued within the context of this research. But it does imply contradictory forces impacting upon the organisation.

### **Proposition 8: That employees have been exhausted by TQPs.**

There was anecdotal evidence that participants in the organisations had been experiencing an initiative overload. This was supported by the concept of Excessive Activity Syndrome (EAS) (Yang, 1993) which emerged from the literature review, and therefore, this accounts for the final hunch. Beer et. al., (1990) comment upon the wave after wave of programmes, suggesting that too many programmes have little impact. Yang (1993) indicates too much being done too fast, whilst Walsh (1995) suggest there is chronic TQM fatigue.

The survey sought to find out whether there was evidence of EAS. To do this it was important to find out if people were aware of the TQPs within their organisation, and their perception of how successful the programmes had been.

**Evidence of EAS (Excessive Activity Syndrome):** There was little feedback to suggest that TQPs had been exhausted. A BT.manager commented that “*there are too many quality programmes being*

*introduced ... it is hard to keep track of what is introduced*". But this was an isolated comment. Only 8% of respondents indicated that TQPs should stay as they are and cannot go any further. Results showed majority of the respondents were in support of future TQP activity. It was interesting to note that 43% indicated there was a need for a new quality programme. Over half indicated that their TQP should continue the path it has taken (54% agreed, 21% disagreed). The emphasis and focus for new initiatives was to:

- Provide more comprehensive training in service training - 78% agreed, 1% disagreed
- Implemented more service quality to enhance standards - 78% agreed, 4% disagreed
- Provide more employee participation (e.g. work groups) - 75% agreed, 4% disagreed

However, a number of people also felt that future programmes needed: improvements in providing better training, communication, top level commitment, greater senior management commitment, senior management involvement, improve visibility of senior management, developing a closer vision of company direction, make it for people to find out all relevant standards, procedures, increase personal responsibility, objectives performance monitoring for all, and a focus on performance measurement (internal processes in service areas).

Feedback suggested although there were a large number of programmes that had been developed, there was still a need for further initiatives to enhance standards. One manager wrote, "*we have cynics amongst us. We have advocates amongst us. The sheer complexity of what we're trying to do all the time with complex, vulnerable systems amongst other organisational changes, there is a need for QIPs ... without QIPs we're done for ... the competition will finish us off*" (BT respondent).

**Awareness of the number of initiatives introduced:** The survey also tested whether this absence of EAS could be attributed to the number initiatives introduced. Respondents were asked if they were aware of the total number of TQP initiatives introduced within their organisation for a five-year period. Results showed respondents were aware of:

- more than 5 initiatives introduced - 41%
- 5 initiatives introduced - 4%
- 4 initiatives introduced - 4%
- 3 initiatives introduced - 12%
- 2 initiatives introduced - 5%
- 1 initiative introduced 5%
- do not know - 28%
- no response - 1%

This indicates that 71% of the respondents are aware of the TQP activity within their organisation, and that a large number are also aware of the number of initiatives introduced.

**Awareness of the number of initiatives perceived to be successful:** The survey sought to find out peoples' perception of the successfulness of the TQPs, because if people see them to be worthwhile then they are more likely to be positive towards them. Results showed:

- 18% stated more than 5 initiatives had been successful
- 5% stated 5 initiatives had been successful
- 3% stated 4 initiatives had been successful
- 3% stated 3 initiatives had been successful
- 3% stated 2 initiatives had been successful
- 14% stated 1 initiative had been successful
- 43% stated they did not know how many of the TQP had been successful
- 8% stated none of the initiatives had been successful
- 3% gave no response

Although 43% of respondents stated they were unaware of how successful the programmes had been, a number provided supportive explanatory comments. One respondent wrote about the benefits of TQPs, *"we are only half way through our programme, but all the feedback from staff is that they are finding it extremely beneficial"* (British Gas respondent). Another wrote, *"different programmes have been launched in different parts of the business at different times. Some have been very successful and some have not. I am generally satisfied with my organisation and its approach to quality"* (BA respondent).

However, some were less positive, one manager recognising the efforts made within his organisation commented, *"we are pedalling hard but getting nowhere, we don't know our success so may be doing a good job but it's not visible to anyone"* (Powergen respondent). This suggests that improvements in internal communication may be required.

Others attributed communication towards the failure of programmes saying, *"The success of the TQP depends on the communication to all and the explanation of its introduction. This has not always been considered or implemented very well therefore not everybody has commitment to making it a success"* (Rover respondent).

It was interesting to note that before the TQPs had been introduced, 54% were optimistic that the programmes may be beneficial, and after the TQP implementation, 68% stated the programmes had been beneficial and that improvements were noticeable. This is a definite shift in people's mindset, one which is in favour of the programmes.



Irrespective of the number of individual programmes introduced, overall feedback indicated people were satisfied with the TQPs within their organisation; satisfied (72%), dissatisfied (5%), neither satisfied or dissatisfied (18%), and 5% did not respond.

### **5.4 Other interesting outcomes**

As already mentioned in the introduction, (Chapter 1), this research is looking at TQP in privatised companies. It was, therefore, important to gauge people's perception in relation to privatisation and factors influencing their organisations to introduce TQP.

Areas tested were to see if there was any connection between the programmes and privatisation, and how being privatised affected the organisation's ability to provide quality of service and/or products. Also it was interesting to find out if it was necessary to have the same name for TQPs. This was based on a 'hunch' that some people may equate the introduction of quality programmes with Privatisation.

**Awareness of why TQPs were introduced:** Literature suggests there is a link between privatisation and competition, improvements in productivity, and new management performance related contracts (Parker and Hartley, 1991; Parker, 1992). One of the questions asked was to gauge people's opinion on why TQPs were introduced in the first place in their organisation. Feedback showed respondents believed that the most influential factors contributing to the introduction of TQPs within their organisation was competition as shown below:

- Competition : 71% - agree; 12% - neither; 8% - disagree; 9% - no response
- External pressure: 70% - agree; 12% - neither; 9% - disagree; 9% - no response
- Privatisation: 61% - agree; 20% - neither; 13% - disagree; 9% - no response
- Internal pressure: 50% - agree; 29% - neither; 12% - disagree; 9% - no response
- Change of Chairman/Board: 43% - agree; 33% - neither; 17% - disagree; 7% - no response

One manager wrote, "*the only thing worse than having a quality system is not having one. Today there is no credibility without a quality system*" (BT respondent).

**Has being privatised affected the organisation quality of service and products?** Literature suggests privatisation can lead to improvement of efficiency and quality (Goodman and Loveman, 1991). It was important to find out people's perception as to whether being privatised had impacted upon their organisation's ability to provide quality of service/product. Based on a hunch that 'people may equate the introduction of quality programmes with privatisation', the survey asked: if privatisation had

influenced their organisation to introduce TQPs, affected the quality of service/product, and whether it was a key factor towards the success of their organisation.

Results showed, majority felt that privatisation had had a direct affect on:

- the quality of service - yes 78%, no 24%, don't know 1%
- the quality of product - yes 76%, no 21%, don't know 3%
- become a key factor towards the success of your organisation - yes 74%, no 14%, don't know 12%
- influenced your organisation to introduce TQP - yes 66%, no 24%, don't know 11%

Feedback suggests privatisation process has impacted all areas tested.

This response is high and highlights the common perception that Privatisation and TQP are linked together. One manager wrote, “*since privatisation we have become more commercially aware and customer focussed*” (BT respondent).

**Is it necessary to have the same name for a TQP?** “There is so much written about quality under an increasing variety of names - Quality Control, Quality Assurance, Total Quality Control, Quality Function Deployment ... that any critical observer has to wonder whether quality improvement is a new fad or a genuine necessity” writes Vansina (1990). Literature review (Chapter 2) revealed a number of quality oriented strategies developed to introduce best practices, such as quality assurance, quality control, total quality control, total quality management, continuous improvement, each promoted by various bodies (e.g. ‘gurus’, government, academics, practitioners, etc.).

As there are many different names by which quality improvement initiatives can be introduced. The survey sought to ascertain if it was necessary for the names for these initiatives to be the same. Results showed TQM and QMS were the popular and most recognised names given to TQP in the sample study were - TQM (36%), QMS (29%), TQ (9%) no name but ‘business as usual’ (8%), and ‘Other’ localised names (38%).

Organisations have introduced initiatives that were most appropriate for their line of business. The responses highlighted there were many different names used for TQP initiatives within the survey sample. Below is a list of the localised names of the TQP and the organisations in which they occur:

- *Advanced Quality Planning* (Jaguar Cars)
- *Breakthrough* (Thames Water)
- *Business Efficiency programme* (BA)
- *Business Process Re-engineering* (BA; Railtrack; Rolls Royce)
- *C-Change* (Railtrack)

- *Continuous Improvement Programme* (BAA)
- *Customer First* (BA)
- *Enterprise* (BAA)
- *Freedom to Manage* (BAA)
- *Performance Improvement* (BP)
- *Quality Function Deployment* (Jaguar Cars; Rolls Royce)
- *Quality Performance Improvement Programme* (BS)
- *Service Quality* (Anon)
- *Statistical Process Control* (Jaguar Cars; Rolls Royce)
- *Strive for Perfection* (Rolls Royce)
- *The Quality Framework* (BA)
- *TQ Performance* (British Steel)
- *You make the Difference* (British Gas)

One respondent simply wrote, “*it has many names. The process continues to evolve*” (BAA respondent) and another just simply wrote “*Lots*”.

**Other Useful feedback:** The survey generated a lot of energy from respondents and some very broad ranging views, that are not specifically related to the propositions but provide invaluable insight to how respondents perceived TQ. Some of these are illustrated here: One manager wrote, “*It is fine actions by the workforce, which makes quality, not fine words by senior management to outside world. People do now understand how difficult it is to survive in the present economic climate. They understand global economics. The shop floor is prepared to work to do their best for the company despite continual pressures of less jobs and increased responsibilities. The TQP programme has had a lot to do with their acceptance of reality*” (BS respondent). Another manager from the same organisation wrote, “*our programme has picked out the critical success factors and key business processes. Clear objectives for the business have been published, cascaded down to personal level. Involvement of people in quality improvement activities has been permanent. The focus has been on providing value add - if you cannot demonstrate how you add value to the product or service to the external customer, you do not have a job*”. It is worth noting the last few words, which highlight the need for some employees to focus on external customers because it is the customers who pay for the product/service, thus leading to the individual getting paid.

One respondent wrote “*A highly 'mechanised process of TQM was introduced which did not have senior management commitment or support - it 'withered & died on the vine'*” (Rover respondent), “*the TQM process did not encourage or support the 'softer' or human aspects of quality*” (Rover respondent).

Another stated, “*TQP tends to be presented as an ideal, which is hard to balance against day to day pressures of getting the job done faster and faster. Hence it can seem that we are paying lip service to*

*Total Quality - merely seeking to get 'the tick in the box' on quality registration when we don't actually make any day to day use of this documented procedure” (BT respondent).*

One manager stated, “*TQP has had a different scale of impact over the organisation as a whole - some areas have significantly changed the culture, others hardly moved - but in general the programme remains intact and is the only business wide initiative that has survived longer than 5 years” (BS respondent).*

One manager indicated that, “*major improvements are noticeable in internal communications, Internal departmental teamwork, and fault and complaint handling. Significant improvements have been seen in: Fault prevention; Complaint prevention; Customer friendliness” (BA respondent).* Another from the same organisation indicated that the “*programmes concentrated on a feel good factor and re-enforcement for both managers and employees. The first programme in 1983 was to prepare people for privatisation and to get them to look at what was to come in terms of customers and dealing with customers, and now people still remember the first programme. Suddenly people felt good about working for BA. When people met each other on these programmes the quality of working life improved because there was a name to a face, you realise they are people too just doing a job” (BA respondent).*

## **5.5 conclusion**

It is difficult to suggest any one specific situation or criteria, which solely affects an organisation to embark on a journey of change to introduce and implement TQP. The factors are varied and very much dependant on the organisation, its relationship to its customers, suppliers and not forgetting the realistic economic and political factors, that may influence the decision making process. TQP has been a common thread that all the organisations seem to have deployed within their organisations to identify ‘gaps’, and then to focus attention on where the organisation needs to concentrate future efforts.

Table 5.2 charts whether the propositions outlined in Section 5.1 have been addressed.

TABLE 5.2 ANALYSIS CROSS MAPPED AGAINST THE PROPOSITIONS

	Proposition	Response
<b>Proposition 1:</b>	That TQPs have an objective to create a greater employee knowledge and awareness of organisation process	Overall feedback provides support for the proposition that TQP have been instrumental in improving and promoting knowledge, understanding and awareness of organisation functions.
<b>Proposition 2:</b>	That TQPs are designed to encourage greater employee participation in organisation activities and involvement in decision making at all levels.	Overall feedback provides support for the proposition that TQPs have encouraged a greater involvement and participation of employees in the decision making process at all levels.
<b>Proposition 3:</b>	That TQPs are designed to encourage a customer focus approach (internal and external).	The feedback supports the view that TQP do promote customer focus creating a greater emphasis on meeting customer requirements.
<b>Proposition 4:</b>	That TQPs are underpinned by theoretical contributions of management gurus.	The feedback supports the view that TQP are underpinned by theoretical contributions of management gurus.
<b>Proposition 5:</b>	That training is key to cascade TQPs through the organisation.	Feedback provides support for the proposition that training is key in the introduction of any TQP.
<b>Proposition 6:</b>	That TQP have been used as a key tool within an organisation towards achieving continuous improvement	Feedback supports the proposition that TQP success can be measured through different ways, and each organisation has its own depending on the nature of the business.
<b>Proposition 7:</b>	That TQPs promote change in management styles.	Feedback provides support for the proposition that TQP do promote a change in management styles.
<b>Proposition 8:</b>	Proposition 8: That employees have been exhausted by TQPs.	Feedback indicates there have been a number of initiatives introduced, and that some respondents have experienced the EAS syndrome. However, feedback also suggested the need for further initiatives.

These themes from the propositions (e.g. management style, customer focus, training, employee involvement, participation, etc.) are discussed further in subsequent chapters.

## **Chapter 6**

### **mini case studies**

## 6.1 introduction

Following the survey feedback analysis, it was decided to conduct further research by way of case studies of a sample of these organisations. So, in this chapter case studies are presented for eight organisations from different industrial sectors (4 -service, 4- production/manufacturing), each taking the form of chronological narrative. The first seven are presented in order of their privatisation date, and the eighth, Royal Mail, is included because it represents an organisation which is following very similar processes to those of the privatised organisations, and over the period of investigation discussions have been taking place on its privatisation.

- 1984 British Telecom (BT)
- 1985 British Aerospace (BAe)
- 1986 Rover
- 1987 British Airways (BA)
- 1987 British Airports Authority (BAA)
- 1987 British Petroleum (BP)
- 1988 British Steel (BS)
- Royal Mail (RM).

The case studies aim to show that irrespective of industry type, TQP is a key component introduced into the organisation culture and infrastructure. These case studies are built from a variety of sources, which came in the form of: interviews with key staff, seminars, desk research, company literature and documentation, journal articles, and survey feedback.

Each case study is presented in a chronological narrative covering the years 1983-97. During the development and compilation of the case studies, key themes emerged which were common amongst the companies in the sample: e.g. mission and vision, focus on keywords, TQ initiatives, key business issues for introducing TQ, employment of consultants/agencies, etc. For each case study a tabular chart was constructed using these common themes between 1983-97. These are presented as Appendices 6.1 to 6.8 and provide background information to the case studies (e.g. Appendix 6.1 - BT; Appendix 6.2 - BAe; Appendix 6.3 - Rover, Appendix 6.4 BA, Appendix 6.5 BAA, Appendix 6.6 BP, Appendix 6.7 BS, and Appendix 6.8 Royal Mail).

## 6.2 BT

BT (as known today) commenced in 1896 when the private trunk sector was taken over by the Post Office and by 1912 British Telecommunications was the UK's monopoly supplier. Telecommunications was removed from the Post Office's control in 1969, when it ceased to be a government department. In 1981, the name 'British Telecom' was adopted by the State Corporation covering telecommunications, at the same time taking the first steps to introduce competition. The pace of change in the company has been drastic. As a part of the public sector organisation and combined as part of the Post Office, BT was functionally organised with strong emphasis on systems and engineering. There was limited marketing capability and no real understanding of the customers' needs. The British Telecommunications Act of 1981 split BT from the Post Office, and paved the way for a more customer-focussed orientation. In November 1982, a bill was introduced in parliament to convert British Telecom into a public limited company, as part of the Conservative Government's plan to dismantle the monopoly to create a competitive market.

Early in 1984, whilst Sir George Jefferson was Chairman, BT saw what was to become the first of many restructuring initiatives. The company was reorganised into five Divisions in an effort to serve the customer more effectively:

- Local Communication Services (local telephone services)
- National Networks (specialised services for business users)
- BTI (International telephone services)
- BT Enterprises (radio and broadcast services)
- Development and Procurement (research and development)

Soon after the privatisation process Jefferson resigned and passed the reigns of Chairmanship to Iain Vallance.

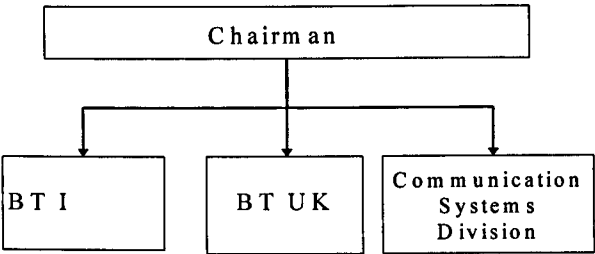
In 1985, Vallance, purely by coincidence, during a flight to America, picked up a book that discussed total quality and total quality management. He became eager to introduce the quality concept into mainstream BT. Some of the reasons for doing so were:

- complaints from customers of long delays
- complaints of unreliable service, and
- complaints related to payphones not working.



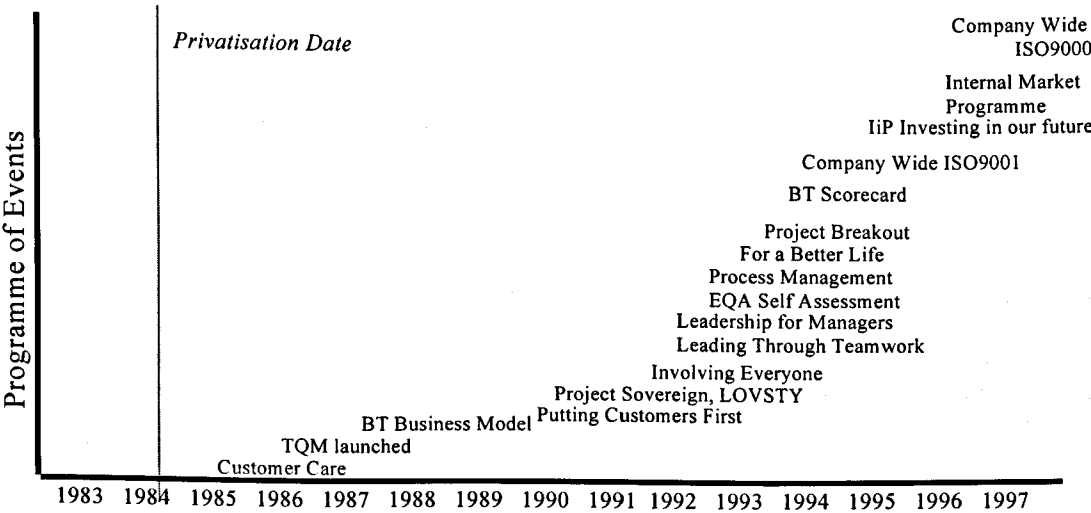
Soon after privatisation, in 1985, the company was restructured into 27 districts and a HQ unit. This removed the Regional HQ unit and 60 Telephone Areas. The organisation was:

Pre - April 1991 BT Organisation chart



BT senior management felt there was a need for a management structure which would enable the company to become more flexible, and better able to cope with the dynamic macro environment in which it operated. The commercial reality was that the systems, values and the organisation itself from its pre-privatised status were not suited for the new commercial environment in which BT was seeking to operate. The culture too was different, the people were not used to privatisation, and competition that had been introduced. And so this meant a need to change the way things would need to be done. The first priority was to establish a common language that would enable people to focus on common business objectives. And so the journey for quality improvement began. The aim was to win the hearts and minds initially of the employees, and then the external customers. This can be described as a generic internal strategy, dealing with quality enhancements and cost reduction. So there followed a long line of quality related initiatives, some of which are illustrated below:

FIG 6.1 BT QUALITY JOURNEY



One of the early initiatives was 'Customer Care' which was to later become an integral part of TQM programme. First introduced in May 1985 and developed in conjunction with Customer Service Systems division and external consultants, Development Dimensions International (DDI).

The years between 1986-90 saw a wealth of TQ associated activity within the company. A few are highlighted here. Throughout this period the underpinning BT values for its customers/suppliers and employees were defined as:

### BT Values

#### Customers & Suppliers

- Understand customer needs
- Give increasing value for money
- Improve quality and capability
- Compete strongly but fairly
- Look after the customer
- Meet requirements first time, every time
- Understand and improve effectiveness of suppliers

#### People/Employees

- Meet needs of colleagues and work as a team
- Know what is expected and why
- Express views openly and honestly
- Everyone is able to contribute
- People treated with respect and rewarded justly
- Pride, integrity and trust

During the early period Quality Service Managers (QSM) posts were created. For four months QSMs worked alongside consultants to analyse the UK divisions to, identify cost of poor quality, customer perception, and how to encourage employee participation. Following this, senior managers formulated Quality Improvement Projects (QIPs) for their teams, which included:

- roles and responsibilities
- setting priorities, identifying key opportunities, and barriers
- identify current and planned 'vital few' (see Fig 6.4)
- Departmental Purpose Analysis
- Communication and motivational strategy.

In 1986 the first TQM programme was launched. One of the key factors of this TQM initiative was to establish a set of 'Critical Success Factors (CSF)'. BT personnel worked alongside PA Consulting Group to devise a suitable programme for BT. TQM was launched in a four phased approach:

- Phase 1: Diagnosis and Preparation - gather customer views and perceptions, identify opportunities for improvement, set priorities for action, and an indication of costs incurred in Failure, Appraisal, and Prevention activities
- Phase 2: Management commitment and Focus - understand where we are now and where we are going, agree the need for improvement, build a deeper understanding of TQM, understand the QMS tool for making Quality Improvement happen, and plan and act upon opportunities to demonstrate leadership and commitment

- Phase 3: Intensive involvement - the involvement of the whole management team in workshops and training, increase in the number of Quality Improvement Projects, and build quality into everything we do. This requires active leadership, management and involvement by senior managers is critical
- Phase 4: Review and Re-launch - look at how far have we got, what has been learned that we could apply in the future, and what should be the priorities for improvement now

Within one Division, Group Computing Services, it was identified that a Quality Management System (QMS) was needed because:

- Development and Procurement units had different approaches to customers
- Few structured procedures for doing the job
- Limited communications, and
- Few routes for improvements.

BT used elements from a variety of business models to devise its own Business model to improve its TQ improvement process. One of the models adapted was the Gerrard Egan Model B (Egan, 1982), which is really based on three questions. The table below shows how the questions link in with the BT strategy, and the tools and techniques deployed within BT:

TABLE 6.1 BT STRATEGY LINKED TO BUSINESS STRATEGY

Egan's question based model	Link to BT strategy	Tools deployed within BT:
Where do you want to get to?	- Vision	Brainstorming for encouraging creative thinking and generation of ideas
Where are you starting from?	- Mission	Cost of Poor Quality/Reduction of failure - identify cost of different categories
How will you get there?	- Quality Plan	Force Field Analysis - for identifying the forces that help or hinder any proposed changes. Cost/Benefit Analysis - for comparing the cost of any proposed action with the benefits achievable from the outcome

The Vision was “to become the most successful worldwide telecommunications group”.

The Mission statement read:

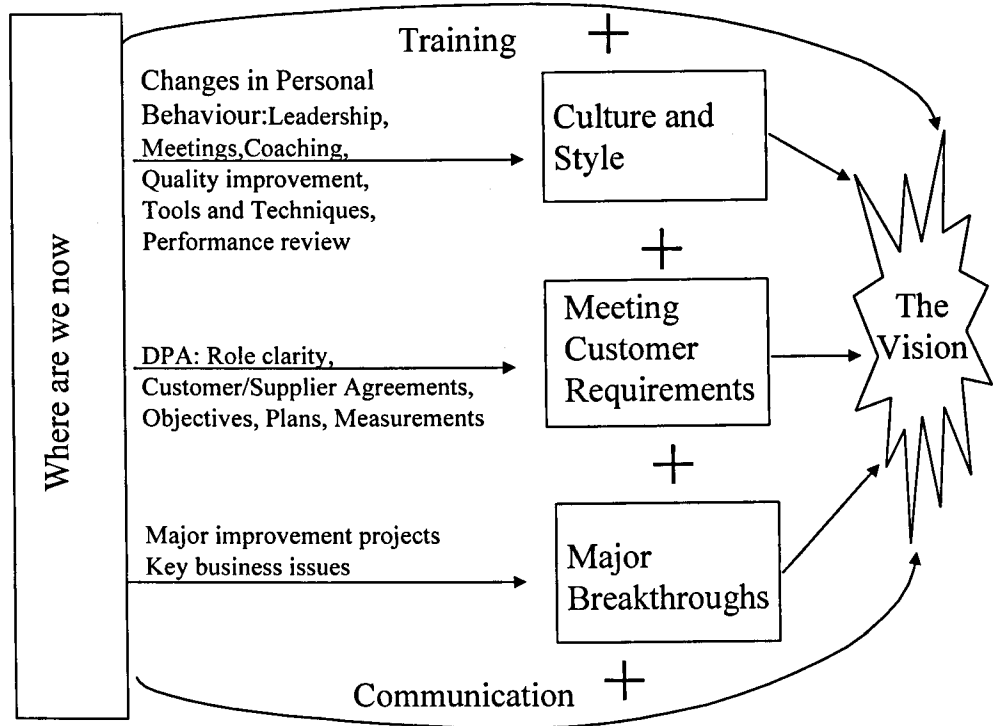
“Central purpose is to: Provide world-class telecommunications information products and services;  
develop and exploit its networks at home and overseas;

so that it can:

meet the requirements of its customers;  
sustain growth in the earnings of the group on behalf of its shareholders  
Make a fitting contribution to the communities in which it conducts its business.”

By 1987, a quality strategy was devised which comprised five key strands of Quality Improvements Plan (Fig 6.2). These would help the vision to be achieved.

FIG 6.2 FIVE STRANDS OF QIP



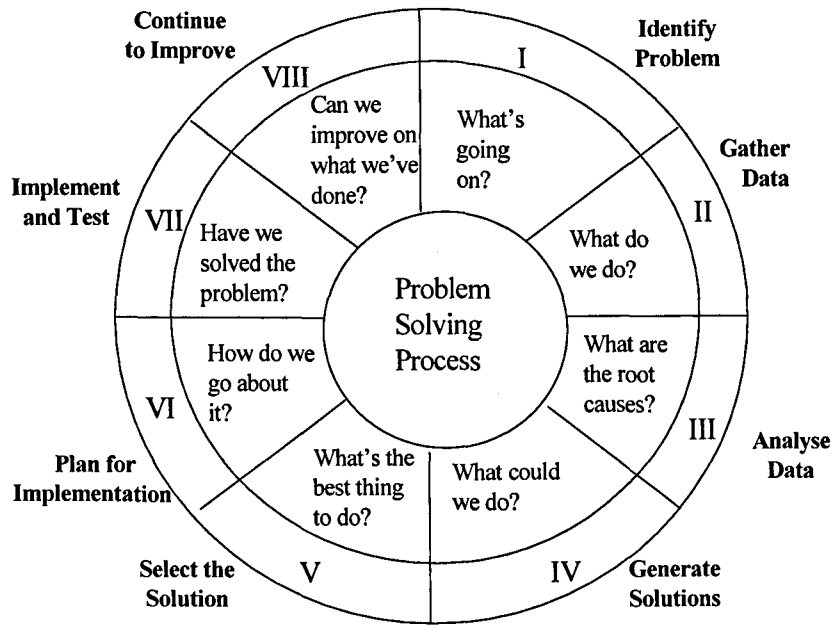
Source: *TQM Leaders Guide to making it happen* (BT 1988)

Also at this time, during 1987, the first of the key phrases describing BT definition of Quality was identified as, "meeting the customer's (agreed) requirements at lowest cost ... first time every time".

The company's aim was "to provide its customers with a quality service at a competitive price" and used phrases like, "every BT employee is an ambassador for the company", to raise people's commitment to the company (BT, 1988).

The Problem Solving Process (aka the 'Problem Solving Wheel') was a structured way of approaching the task and directed people to a range of tools and techniques. By starting at identifying the problem, it provided a step by step approach to solving the problem, and then what was needed to provide continuous improvement.

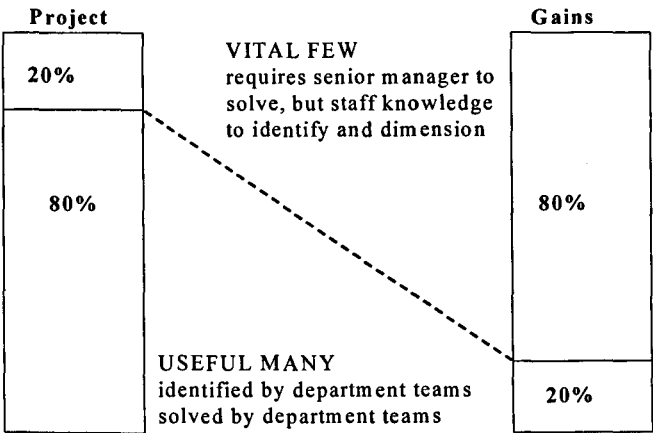
FIG 6.3 PROBLEM SOLVING PROCESS - WHEEL



In an effort to identify and eliminate waste and improve standards of performance, BT decided to increase the number of Quality Improvement Projects (QIP). The idea was based on Juran's concept of tackling problems, handling waste and cost of poor quality, on a project by project basis. Juran states that the best internal measures of a quality company is based on the number of managers involved in Quality Improvement activity, setting a figure of 80% as the minimum number. Each Unit QIP was involved in identifying its own 'vital few and useful many'. The distinction was by differentiating the most serious problems from the less serious ones. It is claimed in the company literature that over 5,000 improvement projects had completed or were in progress. From 1988-89 each division/function planned to get a large number of its managers involved in Quality Improvement Projects that would be measurable.

Also 80 TQM Implementation Support Managers were appointed as well as 400 facilitators/local trainers. Firstly these people were trained in TQM principles, tools, techniques and practices. The facilitators received additional training in coaching, counselling and group dynamics.

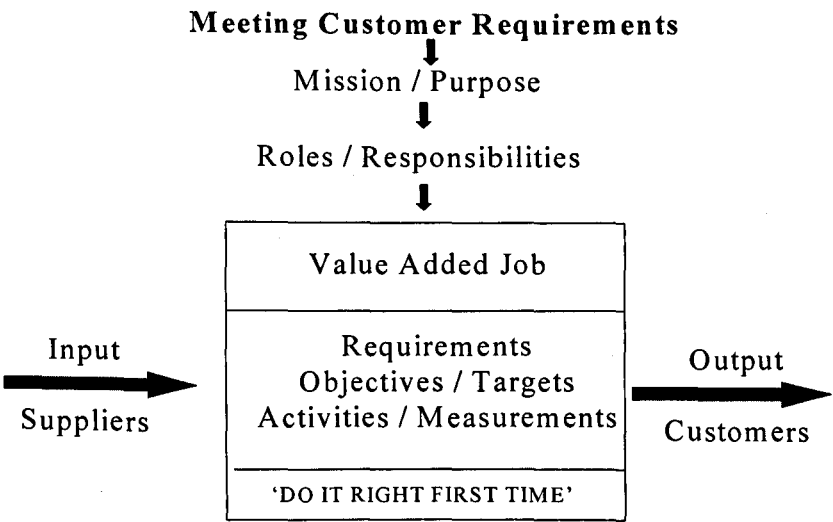
FIG 6.4 THE VITAL FEW AND THE USEFUL MANY



Source: TQM Leaders Guide (BT 1988)

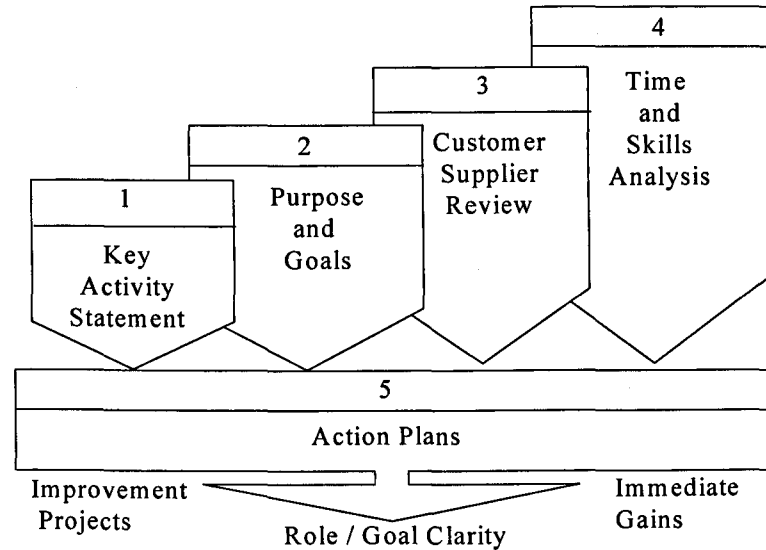
In order to perform a value-added job, which meets customer requirements, a number of dependencies had to be met. BT people needed a clear and agreed definition of their purpose (mission), role and needed to know who their customers and suppliers were, and then how to agree their requirements. Then they would be able to measure performance against the agreed standards. The process of meeting customer requirements was defined as:

FIG 6.5 BT - VALUE ADD MODEL



BT incorporated a methodology called Departmental Purpose Analysis (DPA) into core processes. The DPA 5 step process, enabled a team to agree aspects and to make improvements, as illustrated below:

FIG 6.6 BT DPA MODEL



The main focus of the DPA was to enable employees to maximise their 'added value' to the organisation.

For example, for managers this meant:

- Investing time and resource in developing their people
- Eliminating failure to improving achievement of customer requirement and reduce costs
- Improve local business processes

These were translated as:

<b>Value-Added work</b>	<b>= Basic Work + prevention</b>
<b>Cost of Poor Quality</b>	<b>= Failure + Appraisal</b>
<b>Total Work</b>	<b>= Value-Added + Cost of Poor Quality</b>

In order to keep track and monitor activity progress locally, Quality Councils were formed to manage TQP implementation through Quality Improvement Plans, and to stimulate the drive for Continuous Improvement. The process of cascade continued with each senior manager first attending a workshop and then leading his or her team. Within some Units, it became difficult to continue with a separate quality culture and so Quality Councils and Management Boards were combined so that TQM and 'Business As Usual' became integrated.

Vallance chaired the high level BT Quality Council. Its purpose was to:

- Champion improvement
- Recognise and reward achievement
- Management education and training
- Review/agree policies
- Co-ordinate support, allocate resource
- Focus on measurement
- Remove/reduce inhibitors (BT, 1988).

It took over 4 years to cascade the process through the management chain. During these years, TQM was a way of focussing on the customer, encouraging teamwork, creating a positive attitude towards problem solving, and a commitment to Continuous Improvement. TQM awareness was conducted through a series of workshops involving at first the managers then everyone in the company. TQM was supplemented by BT values that defined the culture of BT and set the standards to which the company aspired emphasising the focus on the customer. The original BT values were based on the following foundations:

**“Our Customers:**

We will make sure we understand our customers’ requirements and give increasing value for money.

**Continuous Improvement:**

We will constantly improve the quality and capability of our products and services.

**The Market Place:**

We will compete strongly but fairly in the marketplace; we will keep our business by looking after our customers in an expert and helpful way and by meeting their requirements first time, every time.

**Teamwork:**

We will make sure we understand and meet the requirements of our colleagues, to enable us to operate as an effective team.

**Our People:**

We will ensure that each person who works for British Telecom knows what is expected of him or her and why.

We will encourage each other to express views openly and honestly; we will give everyone the means to make a real contribution to British Telecom’s success; all staff will be treated with respect and rewarded justly.

We will foster pride and integrity in the organisation and trust amongst each other.

**Our Suppliers:**

We will make sure we understand and improve the effectiveness of our suppliers so that they can meet our Requirement’s first time” (BT, 1988).

By September 1990, claims are made that the total investment in the Quality Improvement Project was £6.6m, and that savings from this project were £47m and extra revenue generated an additional £8m. Quality of Service (QoS) to customers rose between 1987-90, in particular the QoS of the 80,000 public payphones.

Another reorganisation created a separate customer facing divisions to serve the business and personal communications markets replaced the three main operating divisions (from 1<sup>st</sup> April 1991). These focussed more clearly on markets and delivered quality solutions to specific market needs. BT used a number of initiatives to improve the quality of service to its customers, which resulted in modernisation



of computing and the implementation of the quality programme focussing on customer's needs, and also used to induce a more customer focussed culture into the organisation. At a practical level, the 1990 re-organisation created a customer-focussed operation in which quality became of paramount importance.

On 22 November 1990, Vallance gave a speech at the 1990 Chairman's Conference setting out the framework on how quality was to be achieved, beginning with the words, "This morning I am going to talk about Quality, Total Quality Management and about putting customers first". He then described his view of the company strengths and weaknesses reaffirmed the vision, mission and values. In line with this strategy, which focussed on both people and systems, he identified four quality imperatives that overarched the quality strategy. They were:

- to drive quality from the top
- to pursue excellence in customer service
- to support BT people in achieving TQ, and
- to set and achieve world best standards of management.

A range of systems, not least Quality Management Systems (QMS), which provided the framework and controls to achieve BTs goal of excellence, supports them. QMS provided a platform for the day-to-day management and operations of all processes. By 1991 it was felt that the original definition of Quality regarding customers was outdated, "It's no longer enough to satisfy, we must DELIGHT and THRILL", (BT Quality Manual, 1992). To 'delight the customer', is a concept devised by Binney (1992).

Also the original value statements were deemed to be too long, so in 1991 they were revised and re-phrased. BT people at all level and across all functions now had responsibility to ensure quality was built into everything they do, guided by the company's values. The revised BT values were:

"we put our customers first;  
we are professional;  
we respect each other;  
we work as one team; and  
we are committed to continuous improvement".

Following these values another initiative was launched called 'Putting Customers First'. Between September 1990-March 1991 top 600 executives were trained as part of the 'Putting Customers First' initiative. This was a 2.5-day training workshop designed as a prelude to Project Sovereign, led by senior managers, starting with the Executive team. This programme introduced the concept of 'personal feedback', and the workshops concentrated on:

- understanding the desired customer focus culture
- obtain direct feedback from customer and front line staff
- feedback on personal behaviour and style
- problem solving of root causes, and
- personal action learning.

Vallance said the training presents the values, what Putting Customers First means, the aspirations, “the way we try to manage” and to instil the values as “an on-going programme”, and that every such course embodies TQM, for “quality is business as usual”.

A series of ‘Putting Customers First - Roadshow’ were held at which the key customer service goal was set, that “we will achieve 90% reduction in customer service failures by 1995”.

In an effort to highlight commitment to customers, BT devised a customer strategy, which read:

“We are committed to providing our customers with a helpful, polite and world-class service.

We aim to give:

- value for money
- excellent performance backed by guarantee
- compensation if we fall short
- continuously improving levels of service
- an easy way to deal with us, by phone or face-to-face
- choice and control over how our services are used
- options on prices and payments
- attention to special needs

By the end of 1993, we shall aim to provide service on demand - within one day, seven days a week - and to clear all faults within one day as well, or pay compensation” (BT Customers First, 1992).

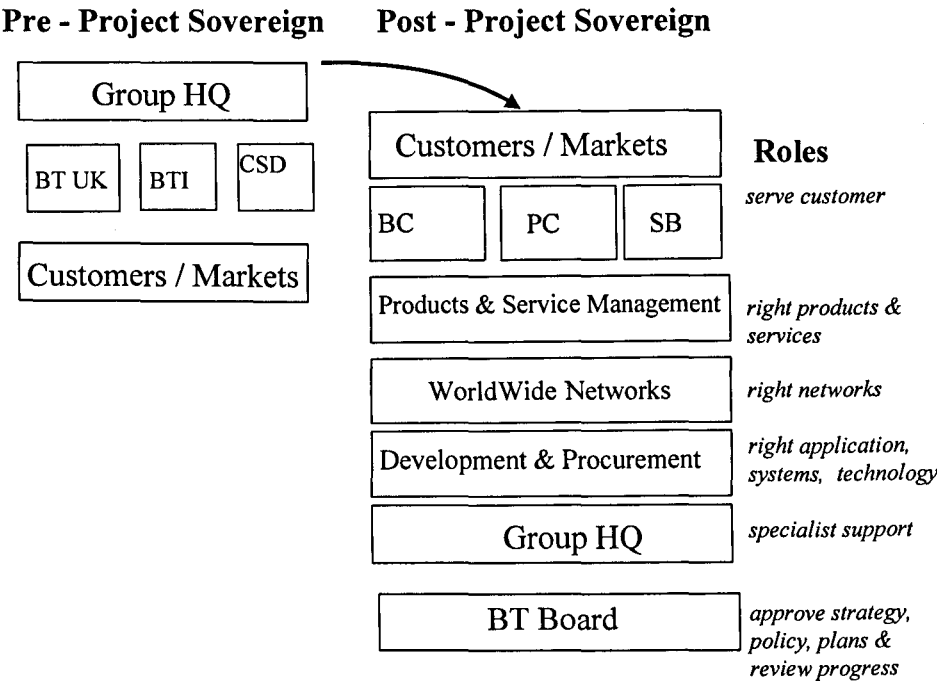
By the end of 1991, in an effort to become truly customer oriented, BT underwent a major re-structuring programme. ‘Project Sovereign’ was launched to change culture, focus on the customer, and emphasised the need for quality and the global/competitive market. At the same time driving out unnecessary costs.

Culture change is argued by some to be difficult (Deal and Kennedy, 1982; Huse and Cummings, 1985; and Hollway, 1991), and Iain Vallance realised that the year long project could only put in place what it intended to do. “Project Sovereign is predominantly about culture change. The structural change is only part of it. We need to quicken the pace in culture change over the next few years, but it will take longer than twelve months to change a culture. Organisations can’t be changed that quickly” Iain Vallance (BT, 1990). The programme was completed within one year, and resulted in:

- 27 districts reduced to 9 operating units
- 12 layer management reduced to 7 layers
- 35,000 managers re-appointed, and
- 17,000 voluntary redundancies.

The overall structure of the organisation is illustrated in Fig 6.7.

FIG 6.7 BT ORGANISATION STRCUTURE - PRE AND POST PROJECT SOVEREIGN



This was also the re-launch of BT as ‘BT’, and with the influx of TQ activity people’s efforts needed to be recognised. So the ‘Living Our Values Saying Thank You (LOVSTY)’ scheme was begun in 1991 to recognise and acknowledge individual’s efforts for a *job well done*. It accentuates the praise by allowing nominations from colleagues and peers. The individual is then rewarded by means of specially agreed gifts. However, the scheme was not well received and was, according to sources, perceived *to have been abused by a few*: e.g. prizes were nominated between people where there was little evidence of people working beyond their normal duty.

Mike Grabiner, Quality Director of BT in 1991 said, “in too many organisations TQ has become marginalised. We have to understand more about how behaviours change so that TQM is integrated into the culture of companies. We also have to increase the credibility of TQ by demonstrating the results that flow from it”, (as cited in Binney 1992).

At the 1992 Chairman’s Conference, Vallance, pointed out that the competitive threat is now a matter of urgency and needed to be taken very seriously by all BT people. He told managers, “... If we get it wrong, we will lose market share faster than the market will grow. This would be a vicious circle, because our fixed network costs in the UK mean that we will become increasingly uncompetitive. Our

workforce will be much smaller, and will have low morale, and even lower motivation. That, in turn would contribute with, the success of our competitors, to a lower reputation than we have today, which in turn would encourage any government or regulator to want to do our business for us, ... the result for our shareholders would be disastrous - the inevitable result of a vicious circle...but there is, of course, a virtuous circle ... When we defend our market share in the UK and grow that market, which will require a considerable honing of our marketing skills ... Where we expand aggressively and profitably overseas ... When we drive out the costs of failure and our workforce stabilises and thrives on clearly-demonstrated success ... When our reputation both in the UK and overseas is enhanced ... Where regulatory pressures and interference in the UK were eased ... And the result, of course, for our shareholders will be excellent.” (BT The Manager, 1992).

At the same conference Michael Hephher, Group Managing Director, told managers, “... times are tough. Competition is not just a bogeyman for us to frighten our people in ... It is very real, and it is hurting”. He added, “... So far 10 cable companies have launched telephone services, but nearly all of the UK’s 135 cable companies have plans to offer telephony”. This was backed up by figures such as Mercury having 7% of the UK telephony market and earning more revenue than BT from the top 100 city customers. He added, “our commitment to continuous self assessment enables us to respond effectively and creatively to the changing needs of our customers. This is driven by continuous assessment against the European Quality Award framework” (BT Quality Manual, 1992).

This was endorsed by Dr Alan Rudge, Managing Director, Development and Procurement, who said, “to me, the situation is close to crisis. Competition is really biting us, as competitors are hungry for BT share of the market” (BT The Manager, 1992).

As can be seen senior management support for TQP was high.

At this time BT also introduced a ‘Change Management Forum’. Its objective was to increase employee participation. It was designed to change the culture from a traditional public sector to a dynamic entrepreneurial approach while allowing divisions to create their own programmes for their own markets.

In 1992 Self-Assessment was conducted against the EFQM model for Business Excellence. This was to become one of the drivers for company wide improvements. “Self assessment using the Business

Excellence Model provides a tangible means of helping us achieve our vision to become the most successful worldwide telecommunication group,” said Sir Peter Bonfield, CEO.

Also during 1992, ‘The Leadership for Managers’ workshops concentrated on leadership styles, continuous improvement, and role modelling. During the training sessions, elements of the EQA model were also taught at the workshops. The services of PA Consulting group were sought to deliver the content of the programmes.

Following the Leadership for Managers workshops, a series of workshops entitled, ‘Involving Everyone’ were also introduced for non-managers, which were aligned to the company values. Managers were trained on how to conduct these workshops. During these events junior managers were given the opportunity to actively participate in the programmes by becoming ‘table/event leaders’. This programme cascaded TQM message through the management chain to all employees focussing on the principles of continuous involvement in improvement activity. Claims are made that over 5,000 project teams had been set up pan-BT.

In March 1993, the New York Times reported that, “few companies have remade themselves so completely as BT plc, the state owned phone company that was privatised in 1984. Since privatisation it has cut costs, shed its slow moving bureaucratic methods and claimed a place as a dominant force in the world-wide telecommunications industry”.

In 1993, ‘Process Management’ was launched. One of the reasons for this was that prior to Sovereign, in 1989, BT held £600m worth of stock in warehouses, but still could not meet customer orders. Process re-design enabled the reductions in the total stocks held by at least 50% whilst improving the quality of service.

The Continuous Improvement quality path led to the launch of ‘Project Breakout’ in 1993. BT employed the Gemini Group to facilitate this programme and the formulation of the BT Scorecard (The Balanced Scorecard was developed by Kaplan and Norton in 1992 (Kaplan and Norton, 1992)). This programme carried out a review of business operations. Part of Breakout was the introduction of the BT Scorecard, at both corporate and divisional levels, translating the strategy into objectives, targets and measures. The ‘Breakout’ programme was initiated to fundamentally change the way in which the company operated in

order to meet the competitive threat, generate new revenue opportunities, and substantially cut costs and drive for efficiency. The review resulted in over 70 separate change programmes. This was intended to span a period of twenty-two months. Further staff redundancies continued as part of the strategic aim to support services with a 100,000 workforce by end of the decade. Breakout helped to move BT towards achieving the vision, a highly responsive customer driven company, enhanced reviews and reduced costs, world class re-launch and service platform, improved leadership and motivational workforce delivering customer excellence, and efficient and cost effective support services. John Jarvis, Director of Quality and Organisation championed this programme (BT The Manager, 1994).

This caused some unrest within the company, and so during 1993, another initiative called, '... for a better life' was launched to boost staff morale. Stafford Taylor, Division Managing Director, encouraged employees to:

- learn instinctively how to contribute to the success of BT
- take personal accountability for customers requirements
- take desired actions on behalf of customers
- take considered risks to delight the customers (op cit.).

Between December 1991-September 1993, managers took part in another leadership programme called, 'Leading Through Teamwork'. The objectives were to:

- understand the commercial environment
- growing market and delighting customers
- '*living the values*' was deemed imperative for success
- working as cross functional teams
- recognise the importance of learning
- personal feedback on style and values.

This was a 2.5 day workshop designed to support culture change led by managers and not trainers. A total of 35,000 managers participated. TQ in BT was involving everyone at every level, and a management responsibility to portray clear and visible leadership. From a people viewpoint a more participative and empowering approach to people management was necessary. Videos, disks, and literature were sent to staff to re-enforce the quality message.

Mike Bett, Deputy Chairman BT, said, "Quality and teamwork and individual commitment to improve what we do in BT is the key to our success as a global player". With this in mind, the company introduced programmes such as 'Winning Matters' so that everyone in the company had an opportunity to contribute and share in the success. In August 1993 Bett stated that the company had spent £8m during

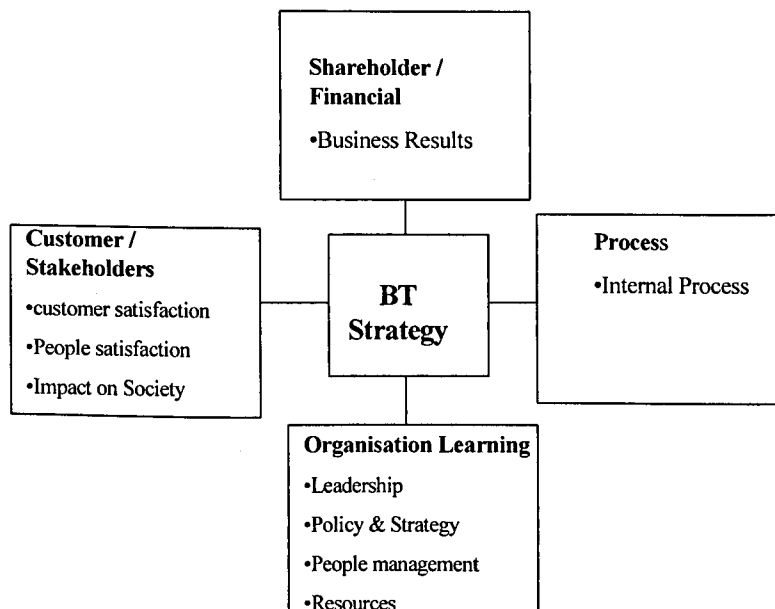
the first three years on Quality Programmes between 1987-90 during. Results were seen in terms of increased savings/income of £50m, which supports the view that the TQPs were good for the business (Bett, 1993).

The QMS approach begun in the mid-1980s culminated in a corporate wide certificate in 1994. The first company to do so. QMS provided the platform for day-to-day management and operation of all processes which included Health and Safety, Security, and Environmental Management, all integrated with management systems. The approach taken was along the lines of simplicity, 'Say what you do, Do what you say, Do it, Improve it' (BT GCS, 1992). Quality Councils reviewed QMS to ensure conformity and monitored any non-compliances, and where non-compliances were identified, they were addressed through corrective actions procedures.

Patrick O'Ferrall, Chairman of LRQA said, "very few organisations have company-wide registration, and none is at all close to its size" (BT News Release, 1994).

During 1994-95 the BT Scorecard was introduced which created a customer focus approach within the organisation with Divisions then devising their own Scorecards aligned with overall BT aims.

FIG 6.8 BT SCORECARD



Source: BT literature

The Scorecard served to relay the strategy into *do-able* actions via measures and targets. Balanced also meant that each of the four quadrants were to be given equal importance. All four quadrants feed off each other to form a '*virtuous circle*' of continuous improvement so that:

- “delighting our customers helps generate revenue and satisfactory returns for our investors.
- increased revenues helps fund investment in processes and learning
- better processes and learning help our people to delight our customers” (Excellence is our Business BT).

Since its introduction, the BT scorecard has become central to the way in which the Units set their objectives, and a natural complement to the use of the Business Excellence Model.

In 1996, BT launched another initiative, 'Introduction of the Internal Market Programme'. This initiative also involved some re-organising to allow and encourage every unit to trade with each other. Here the customer/supplier model was encouraged throughout BT for people to treat each other as customers/suppliers internally. The Internal Market Programme's aim to continue its' people focussed strategy, saw the introduction of 'Investors in People' programme during 1996. Sir Peter Bonfield, Chief Executive, set out a target date of March 1998, by which the whole company was to reach a recognised standard for assessment/registration. Like other corporate programme, local divisional programmes were created, e.g. 'For a better life' in PC, 'Investing in Our Future' in Network and Systems (N&S), and 'Horizons' in the Secretary's area.

The Investors in People was based on four key principles:

- Commitment - from top to develop employees to achieve its business objectives
- Planning - regular review of the needs, and plans the development of all employees
- Action - take action to train and develop individuals on recruitment and throughout their employment
- Evaluation - evaluate investment in training and development to assess achievement and inspire future effectiveness.

The Investors in People agenda was to:

- Demonstrate to BT people, shareholders, competitors and customers that BT is committed to recruit, develop, and retain the best people
- Ensure training and development support the real business needs and objectives
- Increase in employee competence, knowledge and job satisfaction
- Develop the welfare of participants and ensure BT develops a culture of vision, leadership, and innovation with a strong customer and market focus.

Within one division, Networks and Systems (N&S), Investing in our Future meant:

“A clear understanding of where we (N&S) are going;  
Coaching each other to contribute beyond which we think we can achieve



Behaving in ways which give our people the power to contribute to BT's future and take us to new levels of performance" (Chris Earnshaw MD N&S, 1997).

During 1996 an investment in new technology of £22bn saw improved QoS with e.g.

- 85% customers connected to digital exchanges
- call figures per 1000 calls reduced from 50 to 1
- increased number of public payphones from 77,000 to 125,000.

During the mid-to late 1990s the organisation was restructured so that every part either served the customer directly or served other departments who served the external customer. Within one Unit, Computing Service Operations (CSO), workshops were held for managers, called, 'Creating Customer Confidence (also called the 3Cs)' looking at customer care. Barry Cook, Director CSO, in April 1996, said, "I consider these events the start of a new Customer Service Culture within CSO ... Achieving a Customer Service culture is one of our critical success factors and this training is only the beginning". The aim of the 3Cs programme was, "to be able to handle all enquiries in a professional, courteous and caring manner". An ongoing process of improving customer service was to:

- know who your customers are
- understand your own role
- always use customers language when talking with them and not ours (BT)
- be helpful
- be positive
- keep positive
- seek to delight them
- be an ambassador always look at service from the customer perspective
- always remember: customers succeeding = us succeeding.

As already stated BT's quality journey began two years after privatisation. Over the years quality has become a company wide ethos. In summary the key themes for BT are:

- moved from State owned monopoly to one in competition with over 150 competitors
- focussed on cost reduction and value for money
- analogue technology modernised to digital technology
- Civil Service culture changed to one of working and understanding working with regulatory restraints and competition;
- culture change towards customer orientation
- streamlining the business in becoming customer responsive
- heavy investment in training
- management training focussed on key people management skills
- initially heavy investment in TQ process and systems
- focussed on customer requirements and service delivery
- managing Ofel issues (e.g. imposed price caps)

A quote from a speech made by Sir Vallance, in December 1994, is appropriate in summing up the BT standing, “the unwieldy telephonic dinosaur that came blinking into the light 10 years ago has evolved into a streamlined world class player”.

The following table summarises in broad terms the trends in TQP approach taken within BT, using the components established in Fig 2.3.

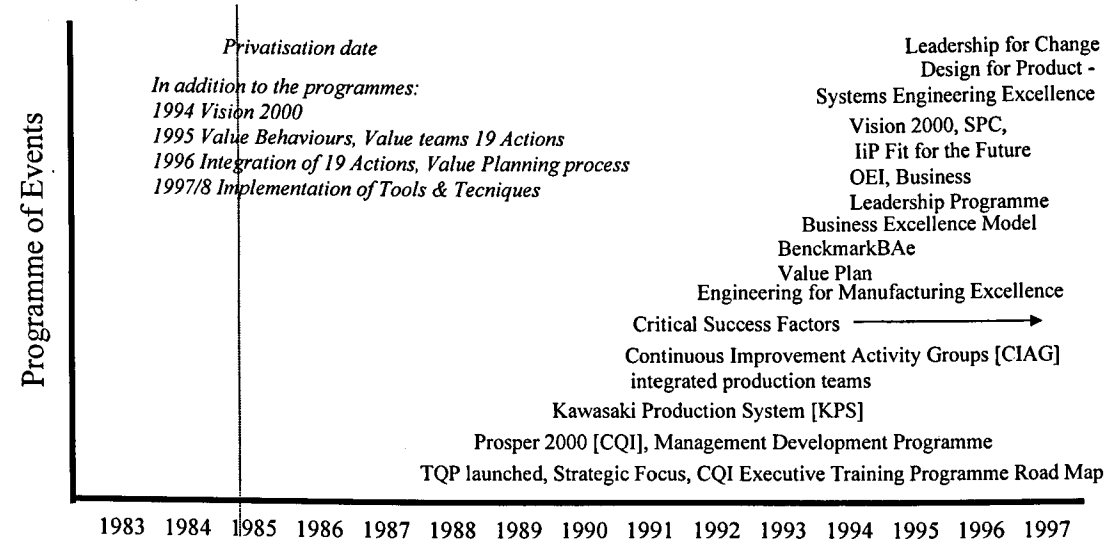
TABLE 6.2 BT SUMMARY

Component	Broad Focus	Date
Visionary leadership	Mission, Vision, and Goals created	1987
	Drive quality from the top	1991
	Definition of quality re-defined	1992
	Improve leadership styles	1992
	Scorecard established	1993
Customer orientation	Customer focus - understand customer views/perceptions	1986
	Pursue excellence	1990
	Delight the customer	1992
Culture shift	Develop change in personal behaviours - leadership/coaching	1987
	We are one team	1988
	Understand the desired customer focus culture	1991
	Living our values saying thank you	1991
	Culture shift from 'public' to a 'dynamic' approach	1991
	Create a customer service culture	1994
Operations orientation	Restructuring / Reorganising	1985
	Critical success factors	1986
	Quality improvement projects	1988
	Investment in modernisation of computing	1990
	Restructuring - Sovereign	1991
	Process management / Management of stock	1993
	Review business operations	1993
	Restructuring - focus on customer/supplier relationship	1996
Learning through training	Use of tools and technology	1987
	Management workshops	1992
	Role modelling	1992
Employee involvement	Management commitment and focus, everyone to contribute	1986
	Intensive involvement	1986
	Increase employee participation	1991
Continuous improvement	Quality improvement projects	1988
	Focus on cost of quality	1988
	Focus on continuous improvement	1991
	Set and achieve world best standards	1991
Increased revenue	Defend market share	1992
	Expand aggressively and profitably	1992
	Generate new business	1993
Reduce costs	Identify costs incurred in failure, Appraisals and prevention	1986
	Drive out unnecessary costs	1991

6.3 BAe

BAe came into state ownership during 1977-78 as a result of nationalisation of British Aircraft Corporation, Hawker Sidley and Scottish Aviation. The first phase of privatisation began in 1981 with the Government selling off 50% to the public (remainder sold in 1985). BAe began its divestment programme by acquiring Royal Ordnance (1987 for £190M), Rover (1988 for £150m) and Arlington Securities (1988 for £278m) in an attempt to increase its stake in the market, during the late 1980s following the market crash, of October 1987. BAe was hit hard and it was during this time that senior management realised they had to take action for long term survival. The company looked towards quality to meet its objectives, and the quality journey, which they embarked upon, with specific examples drawn from the different Business Units, is illustrated below:

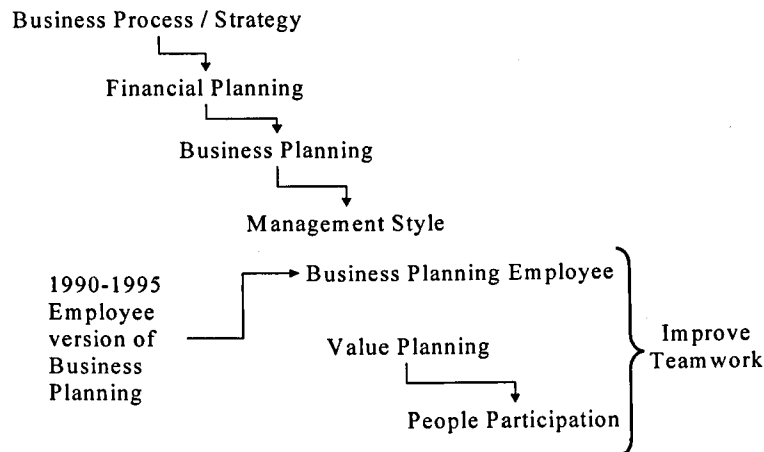
FIG 6.9 BAE QUALITY JOURNEY



During the early 1980s senior management realised the business had problems and having come to terms with it was a key starting point, and as each business unit handled its own activity in different ways this was taken to be a high risk element pan BAe. So a fundamental way of delivering the business process and strategy had to be devised. Before Rover was owned by BAe in 1988, it had already embarked upon TQM. This meant that BAe was taking on people who had some experience already in TQM activities.

During the late 1980s BAe senior management needed to improve the business, and as one respondent indicated, “to make a fundamental change in the organisation in the way it delivered the business”. The process that followed is illustrated as:

FIG 6.10 ILLUSTRATION OF BAE BUSINESS PROCESS



Source: BAe internal literature

Before embarking upon any programme Evans, CEO BAe, stated BAe looked at how 40 other companies had approached and launched TQP. Evans (FT Lecture, 1998) began by talking with US consultant, Warner Burke, who was experienced in this field within the UK. The question Evans posed to Burke was, “how long would it take to deliver change for 50,000?”. Evans indicated that his first meeting with Burke lasted 3 hours. The next meeting took place some 3 months later, when Burke indicated that the change programme could take 10 years or more to achieve the desired results. Evans stated that the programme needed to include senior and middle management staff, realising that the first and most important members who had to be persuaded were the top senior executives. It took him 3 months to convince 5 board members and 30 other senior executives. Evans felt it was crucial that senior members were persuaded because it directly affected the attitude on the rest of staff. He believed quality needed to be part of the overall strategy and this was encompassed by, “do what we say, and say what we mean”. To create the programme strategy, 5 values were devised which underpinned BAe’s philosophy:

- Innovation and Technology: we will encourage a hunger for new ideas, new technology, and new ways of working to secure sustained competitive advantage for our Company
- Customers: we will delight all our customers, both internal and external, by understanding and exceeding their expectations
- People: all British Aerospace people will be encouraged to realise their full potential as valued members of the British Aerospace team

- Performance: we will set targets to be the best, continually challenging and improving the way we do things, both as individuals and members of our teams
- Partnerships: we will strive constantly to be our customers' preferred supplier; our suppliers' preferred customer; a respected partner in our industrial alliances; and a source of pride to our Government and our local communities

These goals (similar to BTs 5 values) were delivered to the top 170 people via a number of workshops lasting 3 days each. Senior management's ownership of a goal was also crucial to keep momentum. To ensure this, Evans allocated one goal to each of the board members, whose task then was to recruit internally to create groups, which would then identify ways of improving the organisation. Evans indicated that Peer Group Assessment for 170 members created a new form of feedback. Here an open report structure was introduced and psychologists were brought in for counselling. The teams became 'Natural Work Teams' and people went away learning more about themselves and others.

Approximately 1,500 workshops were conducted and 3,000 people became involved in Peer Group Assessment - led to people learning, also as a result matrix management was encouraged.

Evans was proud to state, of the 12,500 workforce, 5,000 were qualified engineers, and so this provided a wealth of expertise from which to build from. He said BAe recognised the different skill sets of its people, in particular acknowledging that *"today's engineers are also entrepreneurs"*, and that they are not *"men in oily rags"*. Innovation was seen to be the starting point and as the element of change has a different effect on people, different ways have to be found to ensure their interest. BAe senior members recognised that one way in which to encourage motivation and make it commercially viable was by using 'excellence' as a unique product differentiation. BAe was keen on design amid building aircraft and did not pay a great deal of importance on profits. The cultural change was therefore being channelled into products and services. At the FT Lecture in 1998, Evans mentioned, "Our People Value underpins all that we do in our change programme", and managing change within BAe is about:

- Developing effective behaviours,
- Deploying common processes and enablers (from EFQM)
- Establishing effective measures (BAe: Benchmark the New Agenda).

Steering groups and Continuous Quality Improvement (CQI) Management Committee were set up in Military Aircraft & Aerostructures (MAA), and in 1988 quality review recommendations highlighted that there were a number of working parties formed (e.g. 7 Technical, 11 Production, 6 Procurement) in

different Business units. The common theme of CQI was to review all interface procedures and harmonise working methods. The recommendations suggested a need for, methods for measuring quality, interface procedures, supplier quality, customer requirements amongst others, using 'value score card' for measurement. All these to be achieved through training in quality awareness and use of methods and tools, focussing on the 5 Rights to do the Right job, which were:

- Right Drawings
- Right Process sheets
- Right Tools and Materials
- Right Training
- Right Supervision (BAe MAA, 1990).

The range of elements mentioned above all deal with improving production in a quality manner.

In 1988 the Total Quality programme initiated within Military Aircraft Limited (MAL) by its Director, John Weston. The programme concentrated efforts on: Delivering standards, Future competitiveness, Product Liability, and focussing on cost of quality. CQI was based on the concept of 'right first time' and 'zero defects' operations in process, specification tools used and supplier quality. A review was undertaken across the whole company concentrating on Technical Quality, Supplier Quality, and Product Quality, as well as looking at the overall costs of Quality.

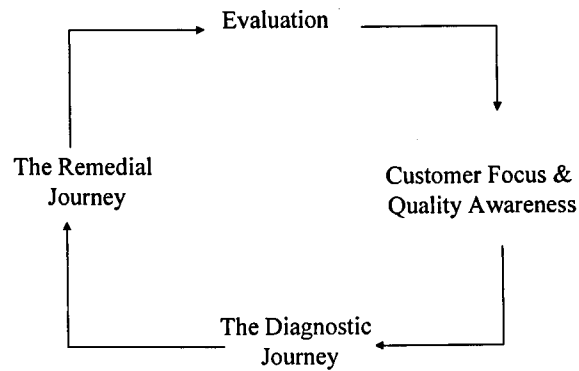
The TQM programme was introduced early 1989 pan-BAe in an effort to tackle operating costs and to improve efficiency and effectiveness. Some of the programmes highlighted in Fig 6.9 are discussed below. BAe began an improvement programme in management quality, financial accountability, and improving operating efficiency through competitive tendering. By mid 1990s the company had implemented a company-wide improvement programme.

Between 1988-91 BAe Dynamics reduced its total number of employees from 18,700 to 6,900 and by 1995 Dynamics Unit had only 3,000 employees left.

In January 1990 Richard Evans succeeded Sir Raymond Lygo as CEO, and in September 1991, Sir Graham Day succeeded Professor Roland Smith as Chairman. BAe reorganised from a functional to a product/project driven structure and replaced the functional directors with 3 business divisions: Air Defence, Air Weapons, and Anti-Armour and Naval. This functional reorganisation was to allow a greater focus on customers.

Within MAA the facilitators' role was to be a catalyst of change and assist with the processes encouraging people to share, generate and to create a greater awareness of the TQPs within the Unit. Their process cycle is illustrated as:

FIG 6.11 QUALITY IMPROVEMENT PROCESS IN BAe MAA



In 1990, according to one respondent, BAe “*was not in a very good shape*”, experiencing the effects of downsizing, cost cutting and rationalisation. This led to the launch of a change programme towards creating a new organisation. For BAe members, this meant maximising the innovation in technology, identifying innovative products into the market place.

Training programmes were developed by staff from BAe Dynamics and Price Waterhouse consultants. The programme looked at manufacturing strategy, material systems, and human resource integration amongst other things, focussing on changing working practices. Training modules were introduced to support people with internal trainers carrying out much of this form of training. People were encouraged to look at those actions immediately outside their work areas. Colin Price, Head of Change Management at Price Waterhouse, who worked with BAe’s change programme, said the Chief Executive, Richard Evans, spent 1 day per week for 18 months developing a one page mission statements with the top 150 people in the company before he said anything (Murdoch, 1998).

By mid-1990 Company Wide Improvement programme was launched in BAe Dynamics. Their strategy incorporated objectives such as: clear business focus, eliminate waste, reduce vertical integration, and match Dynamics resources to the market needs. The Quality Council was responsible for effectiveness of Dynamics Quality Strategy (DQS) via monitoring customer, supplier and employee attitudes. Assessment

was against the EFQM model for Business Excellence to improve business in key areas such as: effective and satisfied people, financial returns, order at the right price, and customer satisfaction.

Within Dynamics in 1990 another initiative called - 'Kawasaki Production System (KPS)' was introduced into the manufacturing sections. Claims are made that the KPS pilot scheme yielded improvements such as 50% increase in productivity. In addition to this, they also state that production cycle time was reduced by 50%, batch size reduced between 50% - 75%, work in progress reduced by 60%, increased operator satisfaction, and increased operational control and responsiveness.

The culture programme came into effect with TQM programmes, with changes in working practices resulting saving of £1m a week. "Concentrating on one narrow aspect was insufficient. We needed a more holistic approach than TQM", said Ross Bradley, Project Director of Operational Efficiency initiative (Computing, 1997). This culture change began during 1993 with 'Benchmark' journey, and it was said that all the 500 HR practitioners undertake skills training against a company-wide personnel benchmark.

Culture change also created a new Supervisors grade which replaced 4 grades (senior supervisor, supervisor, senior foreman, foreman). These newly appointed supervisors took added responsibility for motivating employees in an attempt to meet quality standards and targets. They also became involved in many HR management responsibilities, from training and developing to recruiting staff. Annual appraisals also include reviews of personal attributes and performance against objectives (BAe, 1989).

Unlike other organisations in the case study, BAe employees are broadly categorised as project or functional based, responsible for providing 'capability' (process, software tools, and trained personnel) to the projects.

In one of its Business Units, MAL, CQI focussed on; fitness for intended purpose, meeting the agreed specifications, and ensuring that product or service was fully acceptable to the customers. MAL senior executives emphasised the importance to root out any mistakes and then to correct them, and secondly to prevent mistakes in the first place. By looking at the cost of quality from, 'get it right' to 'check it is right', they were able to learn from the costs incurred of 'getting it wrong'. When the CQI programme



was devised the objectives were set in 1990 to achieve 50% reduction in the total cost of failure by 1995.

There is insufficient information available to confirm whether this objective was actually achieved.

Continuous Improvement Activity Groups and Integrated Production Teams were then introduced to encourage teamworking practices.

By 1992, the initiative 'Engineering for Manufacturing Excellence' had been introduced to review the design and manufacturing links. The objective was to design and introduce new production systems, which were complementary to the production methods and techniques that had been adopted in one plant, Lobstock. BAe Dynamics staff together with and Price Waterhouse consultants worked on developing this programme. Price Waterhouse delivered a total of 150 training courses during the year, which covered material systems, human resources integration, life cycle management, product design specifications, etc.

During 1992, the share price dived, and the Board members felt a new strategic direction was required. They created what became known as the 'Critical Success Factors (CSF)'. (BT had a similar set of CSFs. These CSFs follow similar criteria identified by Chang (1993) as illustrated in Chapter2.)

The Chairman, Evans, believed that inspiration has to come from the "*the heart of its people*", and he provided evidence to this by naming two key employees who were instrumental in developing and designing engineering excellence, Mitchell and Chadwick. As a result over 500 entries are assessed each year, covering areas such as simulation in 3-D design. "*Innovation is common sense*", said Evans, "*it is all about social engineering issues creating factors in bringing about change*".

In 1992 BAe achieved ISO9000 registration.

As a direct result of the TQP, and according to Pike and Barnes (1994) BAe Dynamics manufacturing costs were 11% of cost of production with almost half of those costs being failure cost and less than a quarter in prevention.

By 1993, 'The Business Excellence Model' was being used pan-BAe to get common structure across for consistency in the form of an internal assessment document. Senior management states that after using this model for 2 years throughout the organisation it has proved to be useful. According to one manager, "*the TQPs have brought about a change from negative attitudes to positive ones ... and there have been*

*an increase in the number of improvement ideas generated*". Like BP, BAe also had a Chairman's Award for Innovation introduced in 1996 to encourage new ideas and teamwork.

During 1993, BAe senior management took the decision to focus on a long-term strategy based on core business - Defence and Aerospace activities, and between 1993-94 they sold Corporate Jet, Ballast Nedam, Space, and Rover. This also led to the outsourcing its IT services to CSC for £915m in a 10 year deal (Computing, 1997). This led to further job losses of IT staff by 1,200. This outsourcing to CSC created a greater customer/supplier relationship that aimed at achieving communication throughout the product lifecycle from its design phase to disposal. Full re-engineering of the process involved were revisited in order to bring them up-to-date. This in turn led to yet another initiative being introduced the following year.

Between 1992-93 BAe invested heavily in machinery and employed the Japanese style methods of continuous improvement - 'Kaizen'. One respondent stated that the Value Plan (referring to the annual 'Employee Value Plan' introduced since 1991- a booklet explaining the company mission, objectives, strategies, successes and challenges) had encouraged the notion of commonality of purpose. People began to understand their role and develop Personal Development Plans (PDP). This Value Plan was very closely linked with the CSF introduced earlier in 1992. The Value Plan was published on an annual basis and included: corporate aspects of how objectives were being met against the fiscal budget. On an individual basis, each year people were given 1 appraisal, and 2 discussion meetings, which discussed workload, performance, and aspirations.

In order to ascertain the internal climate, a series of 'Roadshows' were held during 1994, which gave senior management the opportunity to see what was happening within the organisation. They identified that over 100 separate improvement programmes had evolved pan BAe, with each programme running independently. As there was no overall control or focus from the top, the general perception was that there was a "*programme overload*" (according to one manager). Following these Roadshows, a Quality Strategy was launched in 1995 within BAe Dynamics which read, "To maintain exceptional customer satisfaction through continuous improvement whilst maintaining national and international Quality Systems Standards Approvals", and concentrated TQP efforts so that there were:

- 10 strategic programmes (covering all business areas)

- 6 tactical programmes (for Areas of Excellence) and
- 8 operational programmes (for localised improvements).

Part of the process of trying to understand the workforce, Chief Executive workshops were held every 3 months to share local findings, known as 'Letters to Dick', personal and confidential feedback to Evans (Networking the Company through Teamwork). According to one manager, "*the business would have done this cultural change*" even if the programmes had not been introduced. This is because it is felt that this form of change would at some point have been '*natural evolution*'.

In 1994, the 'Design for Product Excellence' initiative was introduced in Dynamics to develop an interface between manufacturing design and create a learning organisation. Also in this year a programme called, 'Fit for the Future' was introduced within BAe Dynamics. This strategy was to bring about company-wide change; in particular right sizing (redundancies - as already stated to 3,000), Dynamics Quality Strategy, and Business focussed organisation (giving people greater autonomy and increase customer orientation).

In 1994 the strategic direction had changed to "prime contracting and system integration, international teaming, low cost aerostructure manufacturing, and with a clear role for property of realising cash from surplus land assets" (BAe, 1994). Chairman Bob Bauman, 1995, said efforts would continue reducing costs, improving quality and customer satisfaction. As well as this, he saw a need to involve the employees as key if the company goals and plans were to be realised.

Between 1994-95 BAe used the EFQM document for 'inter-assessment'. As a result of the preceding initiatives and quality drives, BAe achieved ISO9001 registration in 1994.

It was in 1995 that BAe devised its vision, "At British Aerospace we are dedicated to working together, and with our partners, to become the Benchmark for our industry, setting the standard for customer satisfaction, technology, financial performance and quality in all that we do" (BAe, 1995).

'The Case for Change' was a report written in 1995, by Weston for Evans which according to one respondent, did get BAe managers to become aware, and learn to recognise the concept of Benchmark. The report provided detailed information on competitive strategy and the environment in which BAe found itself. Team Based Value Planning process looked at tools, techniques, and processes to help teams make good plans.

In 1995, the 'Systems Engineering Excellence' initiative was launched within Dynamics. This looked at functionally bound areas of improvement activity, running these 'Concurrent Engineering Programmes' got people involved at the design phase. These were driven by teams to strengthen relationships between departments and to encourage Continuous Improvements. Employee participation was encouraged, and it is claimed that suggestion schemes increased throughout this period. It was not possible to obtain detailed information of the total number of schemes (at the time of writing this document).

In 1995, the 'Operational Efficiency Improvement (OEI)' programme was launched. It looked to improve performance, focus on people, customer partnerships and innovation. The key driver was involving customers and suppliers over a 5-year plan to create 100% adherence to shareholder, 50% improvement to Quality and 30% resource costs. Bradley, Project Director of OEI, associated OEI as an engine that drives and demands values of a very high order specially relating to performance, customers, partnerships, and innovation. The OEI led to the launch of BPR during 1996. This was in an effort to create confidence for BAe people.

By March 1995, the Brough site achieved McDonnell Douglas Accreditation – bronze level certificate (completed self-assessment, and Statistical Process Control (SPC) implementation plan); Silver Level certificate in November 1996 (evidence of process control); and the Gold Level Certificate (utilisation of SPC in manufacturing and business operations).

The launch of another initiative, 'Enterprise Resource Planning' adopted a top down approach focussing on: customer satisfaction, supply, finance, planning, quality, order fulfilment, engineering, and personnel.

Also in 1995, BAe developed a 'Business Leaders Programme (BLP)' in partnership with Price Waterhouse consultants. Based on the Kawasaki Production System this was a training programme for senior management focussing on understanding individual's own behaviour and how it can help to change others. A change team comprising Director of Aerostructure, site general manager, and a senior manager was set up to move the business toward being world class. The team's brief included: waste analysis reduction; review of factory layout to improve manufacturing throughput; develop a continuous improvement mentality; development of key performance measures; and to create a team structure moving away from the functional team approach. As well as these, the team was responsible for

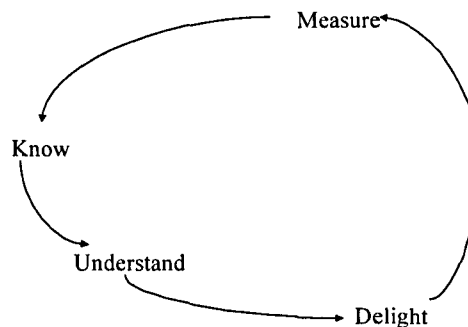
providing education and training and support for the implementation of best practice techniques (Kanban). All these included elements of change process and business process re-engineering approach.

MAA was keen to further the Company's vision to 'Become the Benchmark'. And so, MAA teams began to use the Customer Value self-assessment tool and EFQM to help define and create action plans. It is claimed that the whole unit began to use the 'Know, Understand, Delight and Measure (KUDM)' (Fig 6.12) principles in everyday operations and processes (BAe CVIT, 1998). This was all about delighting customers by exceeding their expectations, and the KUDM model was a means of promoting this to workforce. The KUDM model comprised:

- Know: develop a contact map and plan
- Understand: what does the customer need?
- Delight: exceed the customer's expectations
- Measure: agree with the customer - what to measure (hard measures - task, soft measures - perception/behaviour) and review performance

These were all linked to the company Business Scorecard under 'Achieving Customer Excellence (ACE)'. This was an internal Customer Satisfaction Teamboard application. CSI (Customer Satisfaction Index) was agreed with customers.

FIG 6.12 BAE KUDM MODEL



Source: BAe CVIT 1998

Other procedures, which were used, were checklists and guidelines for teams to work from. Over 200 'assessors' were trained in EFQM and the company used the Business Excellence Review methodology to implement EFQM self-assessment model.

During 1996, a psychologist, Mark Hamlin (who had worked with MAA previously), attended a group meeting of 130 senior managers to gauge ideas on leadership, and behavioural psychology.

By the end of 1997, a new organisation structure for MAA was announced, known as 'Project Axis', which addressed the demands of the changing market. Project AXIS looked at the day to day direction and leadership, common goals, clear objectives, teamwork, and success through performing for the customer.

BAe MAL were very much working along the lines developed by Deming and Baldrige. Key personnel in the quality departments attended conferences on Quality, and worked in close liaison with PA consultants. The need for self-assessment was a key driver for MAL going this route. For MAL "good quality is achieving customer satisfaction" (BAe Handbook, MAL), and the costs of poor quality are excess inventory, lost sales, poor management, overtime and errors on shop floor.

BAe Benchmark enablers were via employee survey, Value plan, skills knowledge competence, 360 degree feedback, individual behavioural skills 'BEST (Business Executive Skills Training)' (delivered in partnership with Price Waterhouse), Team Leader Development, PDP, and common Training Development (BAe University). Bauman directed the integration of TQM at BAe. The Benchmark Success Board was created by Evans to measure success. The aim was to take a snapshot of how each business was performing against the plan. Evans and his senior team were able to gauge how well the five values were in terms of being successful and which ones were struggling. It took BAe 5 years for Benchmark to be fully integrated within the organisation, and during this time nearly 46,000 people were trained. The 'Leadership for Change' programme, launched in 1996 focussed on individual's personal development and understanding the reasons for change. This also looked at the barriers stopping people from achieving their full potential. This provided a useful tool to seek to address the issues and identify improvements. Other programmes included, 'Manager as a Developer' and 'Involvement and Communication'. These involved team member feedback to managers via a questionnaire. For many this was the first time they had actually given and or received 360-degree feedback.

BAe Customer Action Teams (CAT) surveyed BAe sites - visited customers and conducted telephone surveys, and included the 'mystery shopper' ('The Mystery Customer Programme') scenarios whereby CAT member visiting BAe sites. This was deemed useful in terms of identifying improvement areas (BAe CVIT, 1998). This scheme was similar to BAAs, 'The Mystery Customer' programme.

'BEST' was the biggest change programme carried out by BAe during 1997, at a total cost estimated to be £15m. It has according to one manager, brought about a change in behaviour and attitude, focussing energy through teamwork and listening. To communicate BEST practices a case study directory was published on the BAe Intranet site. According to one manager this was also to provide a useful means of monitoring progress and sharing knowledge. This programme was delivered by Gerry Miles of Price Waterhouse to 1,500 managers and linked the 5 values mentioned earlier. BEST practice led to 'Team Leader Workbooks' being used by managers as a means of a 'self checklist' and 'audits'. These books it was said could be found on most managers desks. The programme to drive Benchmark beyond BEST was 'Team Leader' training.

In 1997 British Quality Foundation document was submitted for consideration for award. The company was using Deming and Baldrige philosophy for Quality approach and practices. Senior managers and quality managers attended conferences on Programme Improvement and on return from the conference suggested the need for adopting change. The Group began consultations with PA Consultants to deliver the programmes. According to one respondent, the company was, in the early days, compared to "*being punch drunk*" and having too many problems and having no direction, which people did not understand. However over the years this perception changed and people began to understand why there is a need for change. During 1997, BAe MAL submitted a document for consideration for the BQF award, but their site was not visited. (The following year, 1998 MAL again submitted for the award and this time the site was visited and the organisation was recommended.)

In 1997 another employee survey was conducted to gauge peoples' opinion. This was a follow up on the previous survey conducted in 1995.

By late 1997, Customer Value Implementation Team was central to Reward and Recognition, Training and Development, Customer Care policy, ACE, Self assessment tool, which all formed the backbone to KUDM which was the model for delighting customers; i.e. by exceeding their expectations (BAe CVIT, 1998). During this time BAe also began to look at 'Value Based Management (VBM)' as a tool to emphasise the notion of performance and future financial appraisals.

At the FT Lecture given by Evans, he stated, that in the early to mid 1990s BAe had a *"just do it culture but today it is growing towards being one of a consultative style with people having a little more freedom to express their ideas"*.

One manager (circa 1998) indicated that overall the OEI programme produced 50% improvement to quality and 30% reduced costs. There is a 5-year plan, which is reviewed each year to check against key targets and measurements.

During the early 1980s Quality was not thought about in BAe but standards were imposed. During the late 1980s Quality became a buzzword and resulted in a Quality Directorate post being created for functional areas. By the 1990s there has been a holistic approach in doing the job. People culture has focussed on the business and people have become supportive of the fact that Quality is inherent.

As a result of the wide ranging initiatives introduced within BAe, the organisation has moved from a dominantly function-based organisation to one which is strongly focussed on quality of its products, customer satisfaction, and business oriented for maximum results. The company claims to be much more focussed on meeting its customer needs than had been previously, "Now, by integrating and optimising the chains, we can support customers from design to disposal. We support more than 2000 aircraft world-wide and we're harnessing supply chains to deliver parts wherever they're required" said Bradley (Computing, op cit.). According to one manager, *"the effective adoption of the TQP has embedded the language of quality and the culture change has been successful"*.

To summarise, the key themes emerging in BAe are a move towards:

- concentrating on core business,
- business focussed
- project driven via Integrated Production Teams
- teamwork – developing links with different functions
- becoming more people focussed, consultative style of management
- increased customer supplier relationship
- developing along lines of 'Earned Value Management' project technique (especially late 90s), and
- from being a function based company to a customer focussed company.

To quote Richard Evans in summing up the change within BAe, "designing and implementing a rigorous approach changing the culture and performance of British Aerospace has been the most difficult and most rewarding challenge of my career" (Evans, 1996a).



The following table summarises in broad terms the trends in TQP approach taken within BAe, using the components established in Fig 2.3.

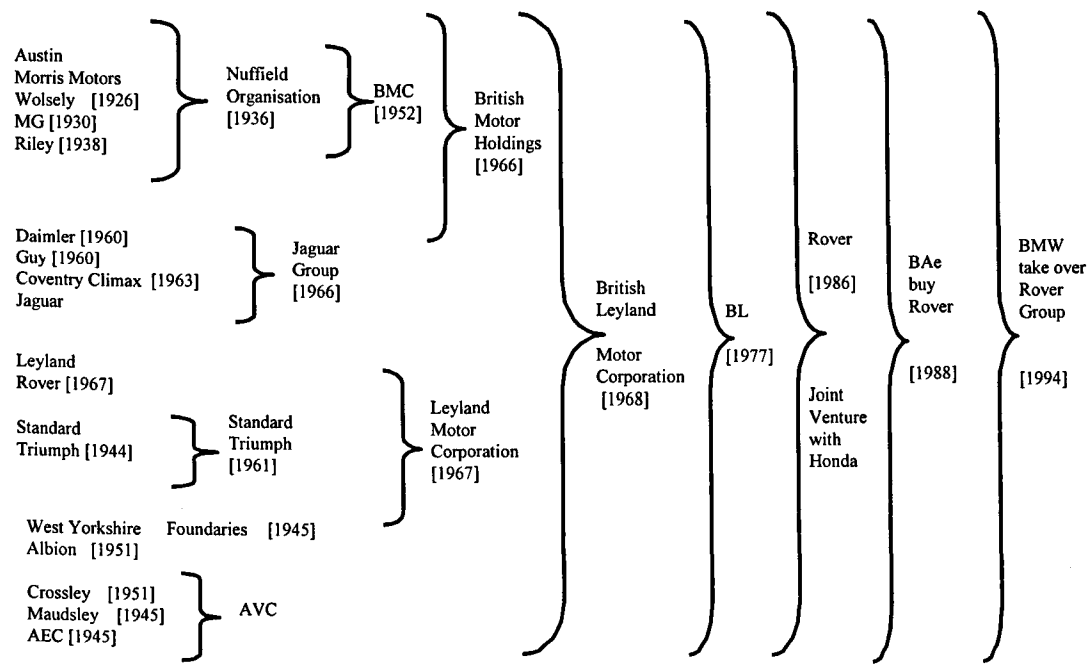
TABLE 6.3 BAE SUMMARY

Component	Broad Focus	Date
Visionary leadership	Refocus on core business	1990
	CSF - new strategic direction	1992
Customer orientation	Continuous quality improvement - CQI	1988
	Change work practices	1989
	Customer satisfaction focus	1994
	Improve quality	1994
Culture shift	Developing effective behaviours	1988
	Culture change	1993
	Focus on people	1995
Operations orientation	Enable measures	1988
	Improve operations efficiency	1989
	Restructuring	1989
	Investment in technology	1989
	Established 5 Rights	1990
	Reduce vertical integration	1990
	Investment in machinery	1992
	Manufacturing design and production	1992
Learning through training	Design for product excellence	1994
	Training focus	1989
	Create learning organisation	1994
	Business leaders programme - managers to focus on understanding individuals behaviour and how it can help change it	1995
Employee involvement	Working together with partners	1994
Continuous improvement	Continuous process improvement	1988
	Improve quality	1994
	Business process re-engineering	1996
Increased revenue	Eliminate waste	1990
	Improve financial performance	1994
Reduce costs	Focus on operating costs and improve efficiency/effectiveness	1989
	Cost of quality	1993
	Reduce costs	1994

6.4 Rover

Rover Group (as known today) originated from a series of joint ventures, mergers and acquisitions, as illustrated below:

FIG 6.13 HISTORY OF THE ROVER GROUP



Source: adapted from *Rise and Decline of British Motor Industry*, Roy Church, McMillan 1994

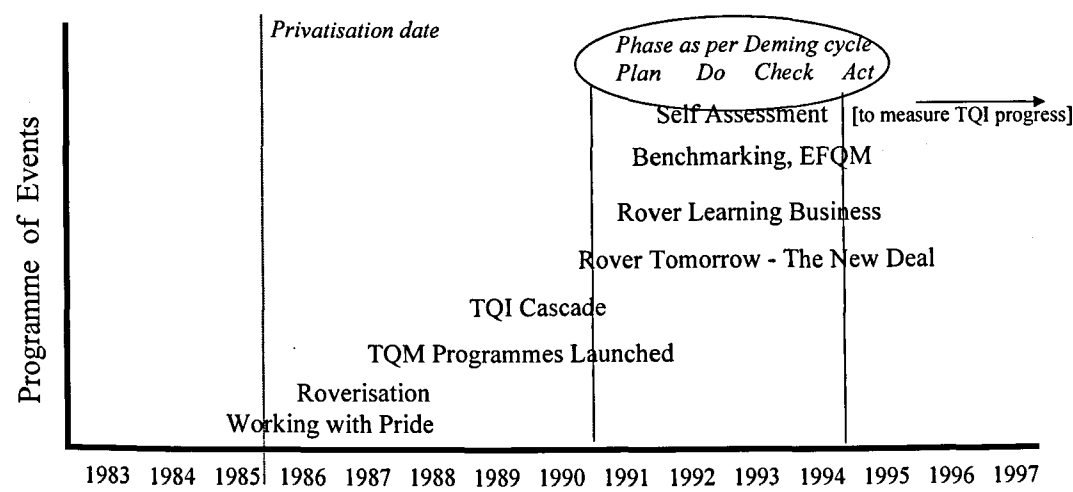
Following the introduction of the British Leyland Bill of 1975, British Leyland Ltd. (BL) was formed in 1977 as a nationalised company as a rescue operation for an organisation that was failing. It was returned to the private sector in 1986. Prior to nationalisation, the company had had a history of financial problems, which involved the UK Government investing heavily as part of the rescue mission.

The 1980s deepened existing problems, such as lack of customer satisfaction, decline of profitability in the motor industry, rising costs, and poor industrial relations (Brierly, 1996). Underpinning all these issues was the need to produce in volume in competition with the Japanese and American industries. The objective of the privatised Rover Group in 1986 was to reposition itself and form a single business with a new image.

In order to bring about the desired change, Graham Day, the Group Chairman began to rethink a strategy that would turn round the company status and image. Day emphasised the relationship between

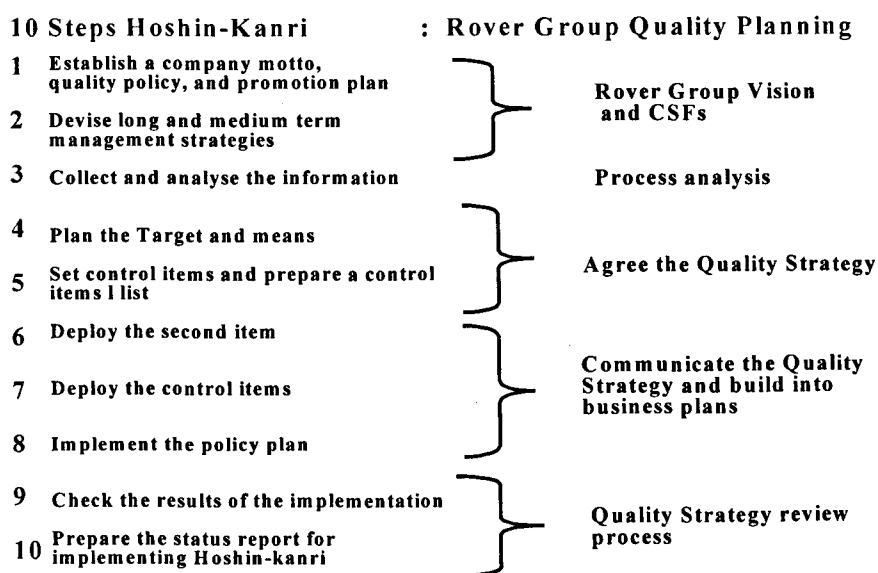
profitability, efficiency and customer satisfaction, which in turn led to a focus on holistic quality initiatives. The main ones are illustrated below:

FIG 6.14 ROVERS QUALITY PROGRAMMES



The association with Honda taught Rover management and employees new ways of thinking about quality control and car-making efficiency (The Economist, 1988). Rover senior management first looked at quality in a holistic way in 1985 following their visit to the Honda plant in Ohio, USA. The outcome was a series of initiatives known as ‘Working With Pride’ linked a customer-led approach to Total Quality Initiative (TQI), which concentrated on seeking areas of improvement across the different parts of the business, using techniques similar to quality circles. Senior management also learnt from the ‘Japanese model’ of Product Development (Smith, 1992; Mueller, 1993), and the approach known as ‘Policy Deployment’, developed by Hoshin-Kanri based on ideas of Professor Yogi Akao (see Fig 6.15). This model is characterised by market-driven multi functional teams, with “relational contracting relationships” (Williamson, 1985; Dore, 1986). This was a means by which overall control systems and TQM are deployed to ultimately cascade company-wide Quality Assurance (Coyne, 1993). Additionally factory floor personnel were encouraged to engage in self-improvement training programmes as part of an attempt to create a greater sense of identity with the company. The practice was also based on a model used by Honda. Rover’s senior management hoped that this programme would create motivation and encourage employee commitment to quality.

FIG 6.15 COMPARISON OF 10 STEPS OF HOSHIN-KANRI AND HOW ROVER ADAPTED THEM



*Source: RG internal document*

Following the 'Working With Pride' campaign an employee opinion survey was conducted in 1986 to gauge people's attitudes. Though results from the survey have never been made public, company literature indicates that maintaining quality was an issue, and suggests that people wanted an element of freedom toward improving their work.

Having received feedback from the employee attitude survey, the Rover Board drafted a quality policy statement in the same year embracing TQ principles. It sanctioned in excess of £1m towards employee training, and formed the Rover Group Quality Council (RGQC) consisting of top management.

Implementing TQ principles was considered so important that the group met every month for two years.

The Quality Policy read:

"Our success depends on satisfying our customers. We shall achieve it through TQ in every part of our Company.

Quality depends on the people in Rover Group. We all have customers: those who receive our products and services, and those inside the company who rely on the work we do.

We are all involved in TQ. Our policy is that we all understand and meet our responsibilities as part of an effective team, which includes our Dealer and Suppliers. Customer' expectation are continually changing. TQ requires continuous improvements in everything we do, using and investing our resources effectively at all times to minimise total costs".

The Council authorised in 1986 the launch of the 'Roverisation' programme. This began a strategy to move Rover products up market in direct response to competition (Towers, 1995). A range of customer surveys were also introduced to gauge customer perceptions on product and service quality. As a result of

these (and other initiatives) between 1988-95 new models (e.g. Discovery vehicle) were developed for new markets.

The ongoing feedback from employees, led to the launch of the 'TQM philosophy' between 1987-88. This later formed a base for the 'New Deal'. A feature of the TQM philosophy was Rover's TQ Leadership programme which Colin Price of Price Waterhouse was brought in to develop. The programme was first introduced to the Senior Executives and managers (3,000) in 1987. The Total Quality Initiative was underpinned by five conditions of success: quality leadership; management of the cost of quality; focus on customer satisfaction; continuous improvement; and the involvement of everyone. Senior Executives gave their commitment by not only attending the training sessions, but also opening and closing the courses. Upon completion of the course each manager went away with an improvement project that involved teamwork. The managers' leadership course also included information on supervisory and management needs for meeting business objectives. Managers carrying out the training were also trained by Price Waterhouse consultants on how to facilitate the training sessions. These courses lasted 3-4 days. The need for company wide awareness, understanding of total quality principles and teamworking at the local level was reflected in the course.

This training course was considered important enough to cascade it to include some 33,000 non-managers. During 1989, Local Steering Groups were created to manage what became known as the 'TQI Cascade' initiative. Again there followed another set of local opinion surveys. The aim of the surveys was to encourage people to raise concerns specifically related to their quality in the local workplace. The focus then turned to suppliers, by means of total quality internal awareness workshops and quality improvement groups.

Rover took another step towards customer care by means of special executive workshops, which looked at how to utilise employee skills to greater effectiveness. Senior management claims that the introduction of these discussion groups involving shop floor workers improved internal communication. In addition videos and other training/information media were distributed to employees to enhance communication.

1989 also saw the creation of the new Rover vision, to be "internationally renowned for extraordinary customer satisfaction" with five associated Critical Success Factors, i.e. Grow in Europe (export more), Move Upmarket, Reduce break-even (reduce costs), and Customer Satisfaction (delight the customer),

and success through people. In support of this high level plan, 13 separate actions, each owned by one of the board members were put in place. Of these the majority were addressed by multi-functional management groups, each led by the appropriate board member. Each Business Unit developed its own mission in alignment with the Group's Vision and was responsible for ensuring the implementation of the critical success factors. These were then cascaded throughout the Units. 'Key Thrusts' were developed by the Quality Council as a mechanism for translating the Rover Group vision into 9 key business processes. Fig 6.16 below shows how the organisation built the key processes into its overall quality strategy over the period 1991-95. The plan is implemented by milestones defined as actions or events.

FIG 6.16 ROVER'S QUALITY STRATEGY

9 Business Processes	1991	1992	1993	1994	1995	Checks V Critical Success Factors
• New product line	✓	✓		✓		<b>Rover Group Vision</b> Internationally renowned for Extraordinary Customer Satisfaction
• Manufacture	✓	✓	✓	✓		
• Logistic	✓	✓		✓		
• Maintenance	Milestones Improvement Goals					
• Sales & Service						<b>Critical Success Factors</b>  Grow in Europe More Upmarket Reduce break-even Customer Satisfaction Success through people
• Corporate Learning	✓	✓	✓	✓		
• Management of people		✓	✓	✓		
• Product Improvement	✓					
• Business Planning						

Source: RGQJ 1995 Note: Each activity undertaken via the Rover 5 year milestone plan to achieve world best-in-class standards of Rover's Key Business Processes is marked against the year in which it was actually progressed.

In 1990, 'Rover Tomorrow - New Deal' was launched which built upon previous initiatives. This programme developed the competitive strategy and provided a framework for employee participation in an environment, which supported further education and continuous learning for its people. The initiative emphasised teamwork, innovation, creative thinking, alongside the application of problem solving and idea generating tools and techniques. Employees were encouraged to generate ideas for cost efficiency improvements. To support this, incentive schemes became linked to bonus payments for product quality. The emphasis was on "let's all work to make sure we do well getting there"! A key outcome of the programme was that all employees became known as 'associates'. It is claimed in the company literature that the 'style of management' became more open and consultative.

At this time the Senior Executive also reviewed the organisational structure. The outcome was a downsizing programme, which led to a reduction in the number of employees (e.g. from 49,000 in 1989 to 37,000 in 1990). The new flatter organisation was intended to change culture, style and relationships. The company claimed that it worked through a 'cascade of responsibilities' and not through a 'cascade of documents' (RGQJ, 1995). Efforts were concentrated on a change in process and culture to become customer focussed. Key items for these were:

**Processes:**

- Add Value
- Minimum Interfaces
- Suitable Time Horizons
- Shorter Cycles
- Best Practice Related
- Factholder Involvement

**Culture:**

- Leaders Lead
- Open And Honest
- Teamworking
- Learning Environment
- People Orientation
- Business-Wide

In-house literature states that employee involvement increased at Rover such that the company received 14,000 suggestions annually from 40,000 staff, rate of 36% per annum (5% for the UK nationally) (Pike and Barnes, 1994). Rover claim, that it saved £3m as a result of suggestions schemes adopted in 1988. Over 4 years this amounted to £40m accumulated savings and a third of the workforce regularly sent ideas for improving production. Progress from these programmes was via internal total quality audits conducted during 1988-90. These concentrated on systems in use, the organisation itself, the people carrying out the work, product/product specification, purchasing, manufacturing, and customer service. By 1991, there were over 800 teams (Quality Action Teams, Discussion Groups, etc.) in operation. Also at this time Rover began to use the EQFM/BQF model as a base tool for corporate learning and improving its core business.

'Rover Learning Business' (RLB) was introduced during 1991 to develop people skills so that they could 'learn' and meet the needs of the competitive business. The emphasis here was on 'associates' taking responsibility for their own learning and development. Like other companies in the study sample, e.g. BT and RM, Rover managers were trained in people skills to become coaches, mentors, and facilitators, whilst encouraging and motivating associates to learn for themselves and take ownership for their actions. The objective of RLB were:

- Associate encouragement and contribution. To stimulate, encourage, and provide ease of access for all associates to 'climb the learning ladder' in order to develop themselves and enhance their contribution to team objectives.

- Learning process. To provide leading-edge learning processes, supported by innovative tools, techniques and materials for achieving major business changes.
- Corporate learning. To lead and facilitate the design, sharing and deployment of best-practice corporate learning based on internal and external benchmarking.
- Extended learning. To support the business objectives of dealers and suppliers with learning support and collaboration to facilitate world-class activities.
- World-class image. To achieve 'world-best-in-class learning company' by end of 1995, RLB must lead in the creation and support of this perception through internal and external communications and public relations (Walton, 1999).

Rover spent £35m per year on the RLB programme, an average of £1,000 per employee. Sir Graham Day, Chairman, said, "RLB provides everything from induction training through remedial education and continuous skills upgrading to support for masters and doctoral degree acquisition as selected and approved by the employer. In spend terms, Rover is the largest industrial educator and trainer in Britain and, I suspect in Europe. It would be simplistic and wrong to ascribe Rover's changing fortunes to the RLB alone. However it is true to say without Rover's commitment to education and training, Rover would not have recovered to the extent it has" (Day, 1993). He went on to say, "I firmly believe that Rover's determination to enhance competitiveness through improving employee's education and training is the indicated way forward for business in the 21<sup>st</sup> Century". At the RLB Open Conference 1993, Day said, "neither the corporate learning process nor the individual one is optional. If the individual, at a minimum, seeks to remain employed, let alone progress, learning is essential" (Burnes, 1996).

In 1992, the New Deal programme introduced measures to include "continuous improvement; total flexibility ... and participation in quality action teams". In return, employees were given to understand that they would obtain a number of benefits including, most importantly, job security (IRS Employment Trends 514, 534). The overall approach can be recognised as an example of *progressive practice*, when in 1992 Rover was presented with the British Quality Award for product quality, efficiency, and people involvement, mainly for the quality improvement initiative of 1990-91, and also the Queens Award for Technological Achievement.

At first Rover benchmarked against the processes conducted in Motorola, Hewlet Packard, and Rank Xerox, based on the Baldrige Enabler criteria. Later they devised their own model based on the EFQM model, and self-assessment against the EFQM criteria was introduced within Rover during 1992. This



provided a structured approach for measurement of TQI, and a means by which 'best practice' could be shared company wide.

Between 1990-94 the Deming Cycle (Plan, Do, Check Act) was specifically used to maintain focus on local improvement activities. The different phases of the cycle are indicated in Fig 6.14. Company literature states that Rover has moved away from quality being defined in detail from the corporate centre to a delegated system which relies totally on people wanting to do it right (Cullen, 1993). According to the then Rover Group Chief Executive, John Towers, "what has really changed at Rover as a result of our total quality programme is the company culture - the commitment to continuous improvement both as individuals and in the contribution we make to the success of the business. At Rover the essence of this lies in a recognition that everyone has two jobs - the one they are employed to do, and the additional task of improving their job" (Towers, 1995). These efforts towards improvement gained further public recognition in 1995, when Rover became joint inaugural winner of the UK Quality. This was for achieving sales increase by 23%, average revenue per employee up 46%, and people satisfaction rate up 33% (BQF, 1997). Commenting on the effectiveness of Rover's TQP initiatives Heller (1995) wrote, "In a Britain where anything over 55% employee satisfaction is thought good, Rover has achieved 85% - a result of TQM". In-house literature claims that as a result of the initiatives Rover has introduced over the years, whilst only 50% of the associates were happy to work for the Company in 1986, the percentage had increased to 92% in 1995, with people "proud to work for Rover" (RGQJ, 1995).

In 1994, after acquisition, BMW management endeavoured to learn as much as possible about Rover, so that it would be '*considered as a family*'. Rover personnel were also keen to learn the new cultural language having learnt from the mistakes made during their joint venture with Honda. There was much emphasis placed on 'bonding' in an effort to enhance the participatory process between the two companies and to learn about cultural differences between the Europeans. For both partners it was a great learning curve (BBC2, 1996).

Rover made great efforts in communicating information to all associates, especially those aspects relating to competition. Corporate Learning became a key process, and management believed an "organisation, which can learn", is regarded as "a fundamental principle of quality strategy" (RGQJ, 1995).

The quality strategy of 1991-95 was due to complete at 1995-year end. There were no records available at the time of writing. However, 1995 saw another 5-year strategy to cover the period between 1996-2000.

The focus here changed to 4 major processes:

- Develop new product. Process starts with the identification of a customer requirement and ends when the new product is established in volume production.
- Generate demand. Process starts with a potential customer who has no, or very little interest in the product and ends with a customer who has taken the purchase decision.
- Fulfil demand. Process starts with forecast and order entry, duplicate start points, and when the product is handed over to the customer and payment is received.
- Inspire lifetime relationships. Process starts with a demand from the customer for support after having purchased the product and ends when the demand for support is satisfied (RGQJ, 1995).

In addition to these, other support processes were also set up, such as management of people (Develop Peoples Contribution) in the business and the development of the business itself.

In summary the key themes for Rover are:

- a flatter organisation
- move from the hierarchical structure to more team based
- more open, consultative style of management
- more employee focussed organisation, whereby everyone is known as 'associates'
- more process driven
- more quality focussed
- heavy investment in training managers
- a real move to a customer focus/orientation
- initially investment in quality
- welter of inter-locking/over-lapping initiatives
- initial impetus provided by Japanese philosophy
- early focus on Quality Control techniques
- an attempt to create employee involvement/identification as a quality driver
- emphasis on process
- moves towards quality organisation and learning relations
- continuous improvement and learning
- become a benchmark company
- rhetoric continuous improvement attempt to create greater emphasis between product and organisation
- greater links to get suppliers on board
- willingness to change management style
- managers' getting to learning.

A quote from John Towers, Rover Group Chief Executive, after a visit to the Honda Plant sums it up, "get the design of your products and processes right to the smallest detail, empower your employees to run and continually improve those processes and profits will naturally flow".

The following table summarises in broad terms the trends in TQP approach taken within Rover, using the components established in Fig 2.3.

TABLE 6.4 ROVER SUMMARY

Component	Broad Focus	Date
Visionary leadership	Move product upmarket - New products	1986
	Critical Success Factors introduced	1989
Customer orientation	Quality of service	1986
	Customer management	1987
	Customer satisfaction	
Culture shift	Working with pride	1985
	Improve internal communications	1989
	Change culture	1990
	Inspire lifetime relationships	1995
Operations orientation	Focus on suppliers	1989
	Restructure organisation	1990
	Tools and techniques	1990
Learning through training	Quality leadership	1987
	Training	1987
	Continuous learning	1990
	Education	1990
	Rover learning business	1991
Employee involvement	Involve everyone	1987
	Teamworking	1987
	Employee participation	1990
Continuous improvement	Continuous improvement	1987
Increased revenue	Develop new product	1995
	Generate demand	1995
Reduce costs	Reduce costs	1989

## 6.5 BA

BA was formed in 1972 as a result of the merger of BOAC (British Overseas Airways Corporation) and BEA (British European Airways). The newly formed organisation had nearly 60,000 employees. Over the years preceding privatisation BA had run into heavy financial losses. The airline had substantial cash subsidies from the government (like Rover), and this contributed to the Thatcher government decision to take it out of public ownership. But the sale was deferred until the airline was profitable, which occurred by 1987. Profit before tax of £162m (1987) increased to £228 (1988) (BA, 1988).

By the late 1970s senior management within BA were recognising the need for change. Roy Watts, Director of Finance (1978-79), highlighted to staff the needs of the customer saying, "The 1980's will not be for the faint-hearted, for the lazy, for the uncommitted, for the inflexible of mind, for those insensitive to the needs of customers and colleagues. If they are such people, they have no place in our airline. We have growth. We have a challenge. Let's get on with it. Now." (Campbell et al., 1990).

In 1979, John King was appointed as Chairman of BA. He too recognised the need for change. In February 1981, he stated, "It is my intention that my principal contribution to British Airways shall be in planning, finance and the maintenance of the well-being of the airline and its customers, all of which are vitally necessary in these days when even the strongest companies are suffering considerable change".

By 1983 King described his role as, "My endeavours will be concentrated on doing all I can to see that British Airways has all the resources it requires to maintain and improve its standing as one of the greatest carriers in the world" (op cit.). He re-iterated his intentions to affect change through planning, finance, and service to customers. He also recognised he needed support to deliver the change and move the organisation forward. He brought in Colin Marshall as his new CEO to drive the process of change.

Colin Marshall at the time of his appointment in February 1983 as CEO, assumed that BA had no idea what the "market place wanted, what the customers wanted - that the organisation was totally lacking in marketing. ... I believe that the most critical thing for us to address is the issue of customer service". He had a strong belief in the importance of customer service quality based on his experience at Avis and Sears. According to Marshall (1983) "The real problem ... was basically quite easy to identify, the airline had forgotten it was a service industry". This had an impact on how the organisation marketed

itself externally. He identified three business imperatives for BA: 'Change our Image', 'Change our Culture', and 'Achieve profitability'.

It is reported that in 1983 BA withdrew the advertising campaign "we take more care of you" because it was felt the customer did not perceive this to be so, and that a large sum of money was being spent on such programmes (Walker, 1990).

Marshall's strategy was to place greater focus on customers and service quality. He stated, "It is our intention to be the best airline in the world; quality of service is paramount. This means 'Putting the Customer First' in everything we do" (ibid.). He endorsed self-accountability, and paid much attention to marketing the new philosophy. Marshall was a firm believer that 'People Came First'. The 'Putting the Customer First' campaign in 1983 was co-ordinated by Walker, whilst he was BA Customer Services Manager, and looked at Marshall's wish to provide training and refresher courses for all people.

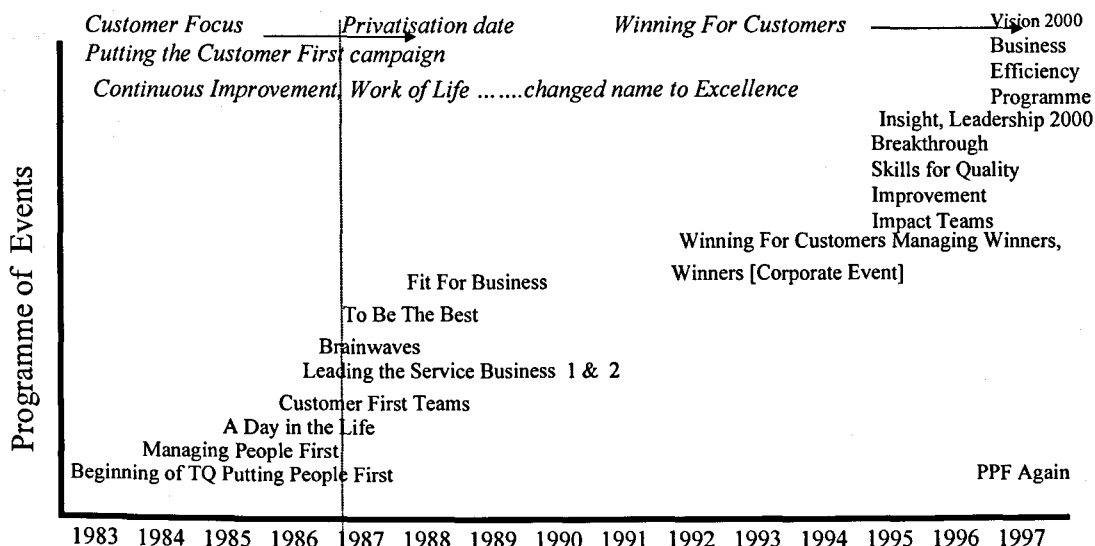
Market research in 1983 provided additional evidence to senior management that customer service could provide BA with the real competitive edge it needed to establish itself in the market force. A Marketing Policy Group with a Quality remit was created to identify broad areas where change was needed. They identified the importance of change in attitude and behaviour.

In 1984 Marshall brought on board Gordon Dunlop as Chief Financial Officer and Jim Harris as Marketing Operations Manager to turnaround the company and increase profits. He also employed Nicolas Georgiades, a psychologist and consultant as Head of Human Resources to develop the culture change programme (Warner Burke, 1994). The Human Resource Management department developed the theme, 'Caring for the Customer', focussing on front line employees and customers.

The new ideology was similar to that developed by Xerox in 1983, in their 'Leadership Through Quality' initiative; i.e. Quality is a basic business principle which in turn means providing external and internal customers with services that fully satisfy their requirements.

Unlike other companies in the study, BA had in 1983, already embarked on a customer focussed quality drive, long before its privatisation process. Their Quality journey is illustrated in Fig 6.17.

FIG 6.17 BA QUALITY JOURNEY



The first of the quality initiatives was launched in 1983 the programme 'Putting People First (PPF)', part of the 'Putting the Customer First' campaign which concentrated on the service to customers and customers expectations. It was designed for 12,000 customer contact staff to examine existing personal relationships with a holistic slant at improving their own relationships, i.e. encourage employees to view their peers as customers. The programme highlighted the existence of internal and external customers. It focussed on 4 themes: being a winner or loser; owning the problem; being attentive; and empowerment. Claus Moller's company called Time Manager International ran these interactive courses. By July 1985, 37,000 employees had undergone the programme. Some of the areas covered on the PPF course were:

- Key service examples
- What sort of person would you like to be?
  - Winners/losers
  - Owning the problem
- What do you want from life?
- How your brain functions?
- Strokes - giving and receiving thanks/recognition
- How you feel
  - How to prevent negative feelings
  - Coping with stress
  - Communication (e.g. body language)
- Assertiveness
- Positive attitudes.

By 1984 a number of Quality teams (e.g. Cabin Crew, Ground staff) had been established each conducting quality audits by means of the 'Plan Do Check Act' (Deming philosophy) approach.

According to one respondent, local results confirmed that three-quarters of the organisation implemented

procedures. For example, in Terminal 4 at Heathrow Airport, programmes introduced are claimed to have given ground staff more decision-making power. It is reported in company literature that this initiative was received positively by majority of staff.

The whole culture change was supported by the 'Managing People First (MPF)' initiative in 1984. A 1 week course was developed which covered the following themes: vision, urgency, taking responsibility, trust and motivation. The programme was aimed for 1,500 BA managers. It looked at managerial behaviours needed to bring about a cultural change focussing on an '*open and honest*' style of management. Behaviours that were identified were then communicated to all managers over a 5-year period beginning 1985 (through to 1990). Behaviours looked at were, listening skills, teamwork, trust, and recognising peoples' efforts. In addition to this, the Personnel department devised an appraisal form, which specified requirements of management behaviours. These included:

- strategic awareness
- business awareness
- establishing objectives
- planning and organising
- judgement and decision making
- commitment
- initiative/flexibility
- knowledge
- communication
- team management
- individual subordinate management.

A follow-up from this was the 'Individual Action Programmes' and 'Support Groups'. At the end of the training managers received feedback themselves on how they performed against the best practice skills.

By 1985 over 1,000 managers were trained in better management skills. To cascade the message of the importance of this programme, management's pay was then linked to performance based pay.

At this time, 1984-85, Britain was also involved in the Falklands war. The 'Service Materials And Resource Together (SMART)' programme became particularly prominent within the Engineering Unit. Though this was more a reactive approach, success was measured to the value of £8m, according to one manager in BAEngineering.

In 1985 a programme called, 'A Day in the Life' was launched focussing on teamwork. The programme was run entirely by BA staff. This generated an experience for people that had not existed before. People found out about areas of BA they did not know that existed. The event concentrated on themes such as:

- 'Great Expectations' - about catering and cabin crew
- 'Magic of Flight' - pilot presenting their world
- 'The Golden Touch' - ground operations in action
- 'Engineering Excellence'
- 'Money Matters' - the way money works in and for BA (Walker, 1990).

This initiative was aimed at encouraging cross-functional and interdepartmental understanding and co-operation by allowing staff to '*sit in*' on a cross section of BA functions for 1 day. At this time the 'Supercare' campaign was also initiated, under similar lines of 'Superheroes'.

In order to demonstrate how it was changing and preparing itself for privatisation, BA devised its first vision and mission statement in 1986. The vision read:

"The best and most successful in the field of air travel, tourism and transport. Known as the most efficient, the most customer-concerned as well as the safest at whatever it does. Ensure that the term 'British Airways Manager' is synonymous with people-concern, high achievement and general business capability. Maintaining constantly improving targets as a good employer as well as manifesting concerns for social and community opportunities and environmental standards wherever the company operates. Achieving a level of the return on investments so that any shareholder will value his/her involvement with British Airways, and see it as an important and sound investment" (BA News, 1988).

The mission statement read:

"BA will have a corporate charisma such that everyone working for it will take pride in the company and see themselves as representing a highly-successful world-wide organisation. BA will be a creative enterprise, caring about its people and its customers. We will develop the kind of business capability, which will make BA the envy of its competitors, to the enhancements of its stakeholders. BA will be a formidable contender in all the fields it enters, as well as demonstrating a resourceful and flexible ability to earn high profits wherever it chooses to focus. We will be seen as THE training ground for talented people in the field of service industries. Whether in transport or in any of the travel and tourism areas, the term 'British Airways' will be the ultimate symbol of creativity, value, service and quality." (Walker, 1990; BA News, 1988).

BA also devised Company goals, which included:

"To achieve the highest standard of safety and quality.  
To achieve lasting economic success for the benefit of Shareholders, Customer and Company Members.



To meet consistently our Customer requirements.

To maintain an environment which attracts, retains, and develops committed Company Members.

To be a good neighbour, concerned for the community and the environment.

To achieve these goals, the following guiding principles shall underpin everything we do in the running of the business:

A commitment to:

Total quality principles and practices.

An organisation climate that encourages open communication, teamwork, flexibility and close identification with the customers, suppliers, and the community.

A caring, open and consistent style which recognises individuals as trustworthy, responsible, valuable and deserving of respect, and which provides equal opportunities for everyone.

Training and education to achieve continuous improvement in quality, productivity and individual skills.

Minimise status differentials.

Meaningful involvement of Company Members in the activities and plans of the business" (BA News, 1988).

In 1986, following PPF, 'Customer First Teams' (part of the Putting the Customer First campaign) were set up which functioned similar to quality circles. Team Leaders were given appropriate training focussing on customer interface. Training incorporated techniques in Brainstorming, Problem Analysis, and Group Dynamics. Customer First teams looked at local initiatives where improvements could be made which would be noticeable and thus have greater impact. One manager indicated that nearly 200 teams had formed, with over 2,000 people participating.

Then came a series of programmes called 'Leading a Service Business' for managers during 1986 and 1987. These, 'Leading the Service Business 1', and 'Leading the Service Business 2', provided a 1 week training course for senior managers, and 2, 3 day sessions 6 weeks apart for majority of the managers respectively. The overall message during these courses was to lead the business internally.

Subsequent to PPF, an initiative called 'Brainwaves' was developed to encourage staff to generate ideas with rewards as payments. Prizes offered were anything between £10 and £10,000. According to sources this initiative was not as successful as had been envisaged. The reasons given were that rewards were only given where ideas generated large cost savings, and that it was mainly geared towards the Engineering sector.

In 1987 another initiative called 'To be the Best' was launched after British Caledonian staff were integrated into BA. The way in which this merger was completed fits Lewin's change process model

(change the individuals in the organisation, change the organisation structure, and change in management styles). 'To be the Best' was initially for 40,000 staff and looked at the competitive environment in which BA operated and asked people for ideas for improvement. The programme also covered teamwork, and dealt with issues arising from the merging of cultures of the two organisations. The statement, 'To be the Best', was set by Marshall as early as 1983. But it was not till 1987 that it formulated into one of the initiatives. The objectives were to:

- provide highest level of service to all customers
- preserve high professional and technical standards to achieve safety
- provide a uniform image world-wide
- respond quickly to changing customer needs
- seek to expand air routes
- market the airline efficiently
- create a people oriented service.

Building on PPF and a 'Day in the Life', a number of subsidiary programmes were introduced, such as 'It All Depends On Me (IADOM)'. This began in ticket reservations, with a performance slogan of 'we're setting the standards' for 6,500 ground operations staff in London (baggage handling, cleaning, passenger service, etc.). The slogan for check-in staff was 'Creating First Impression' and for cabin crew 'Serve to Win'. The theme for these programmes was to get people focussing on the competition facing the airline.

BAs implementation of 'Awards and Excellence' scheme began in 1987. This replaced an earlier customer service initiative for front line people only. According to one respondent, one of the drawbacks of this was that, "*it has to a greater degree remained that way*".

An initiative called 'Fit for Business', was launched in 1988, for all managers. However, it did not take off because it was felt that this would create a morale problem with staff.

By 1989 following on from the 'A Day in the Life' initiative, there was management training in, and implementation of, a new annual management 'Performance Related Pay Appraisal' and goal setting, 'Key Result Areas (KRA)' scheme, which included behaviours identified in the LSB1, 'Brainwaves' (ideas generation scheme), and 'Awards for Excellence' (reward programme).

It has been stated that by 1989, Marshall attended 300 of the 430 Customer First Quality seminars personally to address staff questions (Hampden-Turner, 1990; Pike and Barnes, 1994). Marshall indicated that the expense of running the programmes was justified to stay ahead of competition. This

was also a means of recognising the contribution of each staff, and that to achieve a successful future BA cannot afford not to do the programmes. He also mentioned at these events that BA success depended on service delivery internally and externally by “going that bit further”, and that “everyone makes a difference”.

Walker (1990) suggests that BAs success during the early years after privatisation was achieved via the following criteria:

- research on customer needs and performance and regular fresh research
- clear common purpose
- using customer to set service standards
- staff awareness programmes regularly
- set-up and maintain team
- set-up training programmes and link to performance appraisals and pay
- use service improvement as a marketing too
- keep service innovations and initiatives within a coherent strategic framework.

Walker who was the Customer Services Manager at the time, went on to highlight his own involvement in BA's success story, which was to:

- design the strategy underpinning the Customer First campaign and to generate senior management commitment
- oversee the design and implementation of all activities within the Customer First Framework
- run the Steering Group and participate in all the local management workshops
- manage the Customer Services Department responsible for setting standards and quality assurance, training for front-line ground staff and customer Relations activity
- work with the Advertising and Promotions group to ensure internal programmes were integrated with the Supercare campaign
- monitor outcomes, and provide regular reviews to the Executive team.

Like other organisations in the study, BA also conducted a number of Employee Opinion surveys (carried out by Fay Fransella of Centre for Personal Construct Psychology, using the repertory grid technique of construct analysis) to gauge how well the quality strategy was working between 1991-93. One of the outcomes of these was the launch of a new set of programmes.

The 'Winning for Customers' programme was launched in BA in early 1991 focussing on some of the ideas/beliefs developed by Heskett et al. (1990, 1994). They described how successful service organisations have applied their strategic vision and used an inward focus on employees to generate culture and motivation towards delivering the overall vision:

- 'zero defection' - i.e. retain existing customers through customer oriented approach to service,

- loyalty is important, as it is expensive to attract new customers,
- cost of quality is low when compared to the heavy cost of repairing damage to customer relationships,
- 'The Profitable Art of Service Recovery' i.e. viewing each problem as an opportunity to demonstrate commitment to customers satisfaction and to the organisation. (op cit.)

Many of these ideas have been well articulated in the corporate programme, 'WFC' in BA during the early 1990s.

The 'Winning For Customer (WFC)', was the fourth in the series of Putting the Customer First campaign. When it was launched, Marshall said, "the aim is that WFC should achieve for BA as much of a competitive edge in the 1990's as our original Putting the Customer First programme did in the 1980s" (opt cit.).

The key message of the WFC was the importance given to providing service to fellow employees as internal customers. This campaign created two key programmes - 'Winners' and 'Managing Winners'. The BA 'Winners' was a 1-day corporate event held in 1992 for all employees and focussed on a strategy to build and maintain customer loyalty and service recovery. The event covered issues on: Quality of Service delivery, Service Recovery, Customer retention and personal responsibility, and increase individual ownership. This campaign was about keeping passengers informed of reasons for unexpected waiting, e.g. extra security checks, air traffic congestion, and length of time expected for passenger delays on boarding (Armistead and Clark, 1992). The key message was to learn that they could not exceed *customer expectation* if they did not meet each other's expectations. The underlying theme that came across was the message to '*understand the customer*'.

'Managing Winners' was to be attended by all managers and supervisors. It was a 4-part programme:

- One day business seminar using case studies to highlight breakthrough services
- Managers work on Front line for 1 day to find out first hand challenges of customers contact
- 2 day workshop on quality principles into their work environment
- Portfolio of skills designed to meet manager's individual needs.

It is claimed that every member of BA staff attended the Winners event. Between 1992-94, 40,000 participated in this 'mandatory' programme. Marshall stated that, "integration of service quality into the quality approach is still the biggest challenge after eight years of the (customer service) programme. The most difficult part is to get people past the status quo and to get them to do things differently - to get them

to accept that in the increasingly global and competitive environment that they have got to respond to the challenge" (as cited in Horovitz and Panak, 1992).

During 1993 'Impact Teams' in Information Management became involved in 'Management Development' programmes which looked at techniques into: coaching and developing people, involving and delegating, and a revised performance appraisal and reward system which involved 360 degree feedback. Also in 1993, another initiative was launched called 'Operation Brainstorm'. This invited staff to make suggestions for generating additional revenue. It is claimed in employee newsletters that many of the suggestions were acted upon.

In 1994-95 a new programme called 'Skills for Quality Improvement (SQI)' was launched by Cumming, Director of BA Engineering, for aircraft maintenance personnel. This programme focussed on:

- Basic Situations Appraisal (sorting concerns)
- Problem Analysis (finding the cause)
- Decision Analysis (making a choice)
- Potential Problem Analysis (ensuring success of action or plan)
- Managing Involvement (ensuring commitment through involving the right people).

It is important to note that aircraft maintenance is using different language that is more aligned to problem solving - Deming philosophy.

The introduction of this TQP initiative focussed on the technical aspects of quality. According to one respondent Customer and Supplier relationships improved. He went on to say that in an effort to give 'Value for money', costs were high for the training courses carried out for 4,000 staff at 60 (2-day) sessions. Kepner Tregoe conducted these events, together with BA facilitators and internal training managers. One of the ways in which this (value for money) was executed was by customers being given free complimentary drinks and headsets on long haul flights.

Success was seen in terms of financial gains and increased productivity, examples were given that overall budget was set on a 5% reduction and labour productivity was nearly 10% increase. Kepner Tregoe's programme for BA Engineering was intended to be the foundations on which the rest of BA was to follow. One manager stated within BA Engineering relations between managers and staff improved greatly. Improvements were seen as being "*satisfied customers, job satisfaction and job security*". BAs overall strategy was to save costs and create a customer focussed organisation.

By 1995, the 'Winning for Customers (WFC)' strategy was executed by identifying 100 champion managers to lead 200 focus groups of 10 people per group. The overall aim was to emphasise that personalised customer care was increasingly important. BA's external environment was at the time directly related to changes happening globally, such as effects of liberalisation, globalisation, other low cost carriers, and impact of technology (BA, 1996).

WFC was a long-term company-wide commitment to Continuous Improvement to ensure BA achieved its vision. It concentrated on leadership, information, planning, people, processes, service partners, and results and customer satisfaction. BA took elements of Baldrige, EQA, and other corporate best practices to create their own Quality framework - BAQF.

The BA Quality Framework (BAQF) was introduced to BA in January 1993, derived from the Malcolm Baldrige National Quality Award, the EQA and Winning for Customers Best practice. The BAQF aimed to provide a common language throughout the organisation, to focus on aligning opportunities on the right things, and to become the framework for action (BAQF, 1993).

In 1995 there was a second version of the original Putting the Customer First. The reasons for this were:

- to change BA company image
- to change BA company culture, and
- to maximise BA's profits (BA Sep, 1996).

At this time, Charles Weiser, Head of Customer Relations began working on the future strategic corporate development programme called 'Leadership 2000'.

In the meantime, another initiative called 'Breakthrough' was launched in 1995, which looked at individual experience, style and attitude.

When Robert Ayling became CEO in 1995, he began to hold one-hour meetings with people from the different business units of BA. The outcome of these was that the number of hierarchy levels was reduced by 50%, in particular the number of people who reported to him direct. Ayling believed (like Marshall before him) that there was a need to persuade everyone in the company to become customer oriented, and that customer satisfaction was the only criterion that mattered. Linked with this customer satisfaction is the emphasis portrayed by the Brand name. He stated, "The quality of customer service we give and the

reputation we have for customer service must get better and better. What some people might think are dangers to our business could be stimulants to its growth” (Gilmore, 1997).

To cascade this message internally Ayling appointed Kevin Murray as Director of Communications. BA senior managers faced many pressures to achieve customer satisfaction and have created an element of monitoring how things are done. Some of the ways by which BA measured quality were:

- regularity
- punctuality
- engineering maintenance
- world-wide telephone sales
- airport handling
- in flight catering
- baggage and checking, and
- cargo.

Overall performance is monitored mostly by Marketplace Performance report which is handed to the Chief Executive from divisional directors.

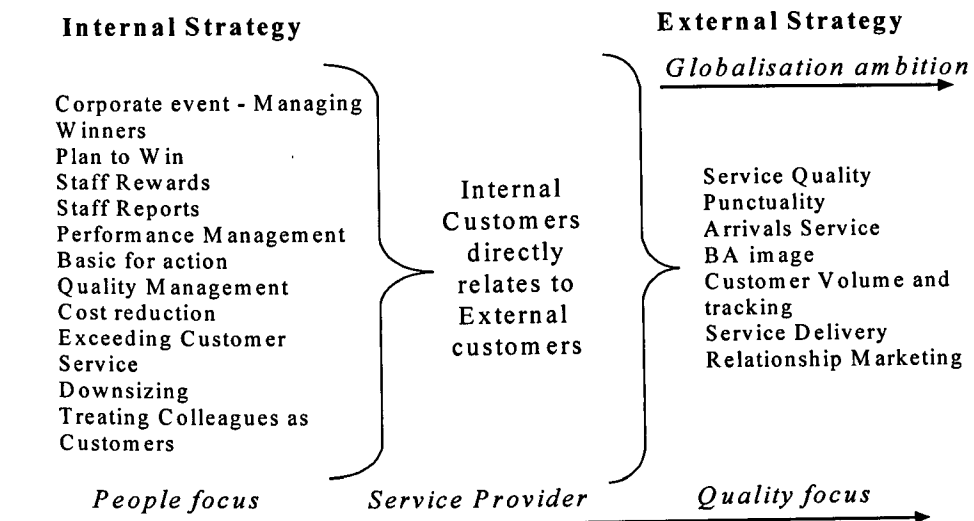
During the mid 1990s great emphasis was placed on leadership and people management, with leadership process, accountability, and capabilities being reviewed and development undertaken. About 2,000 managers attended a personal development leadership programme. Business processes were streamlined, and management performance measures became aligned to the business plan, resulting in a new management capability framework being designed.

Another programme launched in September 1995 was called, ‘Insight’ at a cost £500m. This was a 3-year plan to address BA shortcoming, which were highlighted through customer surveys regarding service delivery and style (Marketing Week, 1995).

In 1996, Ayling announced the start of another new initiative, The ‘Business Efficiency Programme (BEP)’ that aimed to meet new market and customer needs. Ayling urged people to change stating, “we should change to ensure substantial success into the next century. To be able to create jobs, and maintain and improve our reputation. That is what the Business Efficiency Programme is about” (BA Sep, 1996). To ensure its success, the workforce was to be restructured so that the right skills matched the right jobs. He also set an efficiency target of achieving £1bn savings by year 2000. At the time of writing this document it was not possible to obtain details on what had actually been achieved, or how close the

company was to the £1bn target. The strategy that encapsulated the movement of change at this time can be sub-divided further as internal and external:

FIG 6.18 BA INTERNAL - EXTERNAL STRATEGIC DIRECTION



*Note: compiled from various BA literature*

One manager explained that the Service Profit Chain was a model BA learned about from the Harvard Business School. It provided the rationale of BAs drive for quality during the mid-1990s. The model showed that in a service industry, there is a strong relationship that links with activity going on inside the organisation and the service received by the external customer. This effects customer loyalty and bottom line profitability.

In 1997, the 'Vision 2000' framework was published. The goal became "to provide overall superior service and good value for money in every market segment we operate". Within this framework the Service Delivery Function developed a mission, 'to ensure that BA is the customers' first choice through the delivery of an unbeatable travel experience'. For BA quality means, "striving to exceed our customers expectations. To deliver quality as a competitive advantage and for BA we need continuous improvement in our products, processes, and behaviours". BA's approach to improving its customer quality perception begins from the ground operations staff at airports to the customers reaching their destinations.

According to Marshall, "Successful teams are created by securing good leadership, providing clear-cut



objectives and expecting them to achieve the extraordinary. When people understand precisely what is expected of them, they will usually deliver” (Goldsmith and Clutterbuck, 1997).

In an effort to boost morale and the company image, Ayling revealed BA global intentions, which was to be via a change in BA identity. So in 1997 another initiative was launched with a new identity to reposition airline as a ‘citizen of the world’, with a new motto, ‘to fly to serve’. A new livery was introduced costing £60m to match the changing culture, in an effort to increase profits.

Videos and disks were sent to staff to re-enforce the quality message. They emphasised that realising the importance of internal customers is a direct reflection on quality to external customers. The business objectives focussed on an even wider spectrum to ‘understand the lifetime value of the customer’ with the overall aim to ‘deliver, recover, and retain’.

With the TQP ‘Continuous Improvement’ initiatives savings delivered were claimed to be in the region of £23m. As a result of the ‘Work of Life’ (WOL) programmes later termed ‘Excellence’, the organisation is said to have learnt from its mistakes on a continual basis. It is said that that business awareness increased with greater understanding on “why things are done the way they are done ... People are becoming hungry for knowledge and the more they know, the more they want to know ” (op cit.).

By adopting the approach ‘the customer is always right’, ‘the customer is king’, individuals began to deliver a service or product by understanding their role in the customer/supplier links. BA marketing concept became, ‘to fly to serve’, where customer care was expected to excel, and become second to none; an example of this was that BA offers its international travellers shower and sleeping compartment facilities. The change in culture with the need and desire to become a more customer oriented service led to the most famous television slogan, ‘the world’s favourite airline’.

Each Unit had a different approach to TQ and the number of people that were appointed to cascade the message throughout the Units. An approach taken by BA Engineering, according to one TQ Manager, began with problem solving and trouble shooting, TQ approach was secondary. The approach was that of skill based rather than culture based. The BA Engineering core quality team, comprised of a 2-man operation employed full time, responsible for driving the engineering part of the business.

The local quality team was given little or no official training, but external consultants were brought in house. The quality team worked with Price Waterhouse concentrating on a re-engineering approach using EQFM. The BS5750/ISO9000 were key parameters and treated separately by the Quality Assurance Division. Senior management felt that given sufficient time processes would become '*business as usual*', and therefore, momentum would pick up and the programmes be treated as continuous improvement. Quality became key and a continual reminder in the presence of measurements, planning, monthly report issues and reports cleared. Regular processes were reviewed and people began to question their '*workability and effectiveness*'. Representatives worked independently in the department within which the work was actually being done. One of the main problems highlighted was that of insufficient individual autonomy to make their job better. There existed a great deal of paper bureaucracy, which did not help matters. One respondent said, "*trust plays a major part especially where changes are recommended, progressed/actioned. A great deal of financial decision making autonomy is needed, e.g. dealing with £2.5m for engine replacements. Trust also because there is still a sense of lack of belief and that the system is paying lip service to quality programmes and matters*".

Throughout the 1990s excellence in customer service remained at the heart of the airline's mission and vision and there was a call from senior management for changes in stakeholders of the core business the airline provides.

BA is a story of long term changing culture from an operational led background to that of a customer oriented markets. Claims are made that the company has become an influential market leader creating an international reputation for the best in quality service. BA claims to have instilled in its employees, the fact that commitment and customer's matter. This has required well thought out plans, setting targets and measuring them, understanding what the customers want from the core services. During the last two decades BA has moved from revenue based to service delivery organisation. Based on the data gathered, an attempt is made to identify BA customer service driven strategy, as follows:

TABLE 6.5 BA STRATEGIC FOCUS

Pre 1982	1982 - 1988	1989-1994	1994-1997
Bureaucratic Hierarchical Operational and procedures driven Job for life attitude Government owned	Customer driven Privatised Competition driven Downsized Brand change Strategic alliances - internal growth People oriented Training is important Focus on Customer	Customer driven Cost driven Competitive Focus on Communication Leadership Employee Surveys People Development - Training	Customer Driven Emphasis on Service Competitive Business focussed Change in process and systems Management training Managing Change Restructuring Leadership 2000
Service Style ~~~~~→	Revenue focussed ~~~~~→	Cost management ~~~~~→	Integration of Process to add value Service Delivery ~~~~~→

Source: compiled from various BA literatures

In the early days the concept of quality was not fully institutionalised within BA. During the mid-1980s

BA underwent some major changes:

- new organisation structure was created
- new people brought on board filling senior key management posts
- new departments and responsibilities created
- training for all
- top level programmes were developed and cascaded
- new local initiatives evolved as separate programmes to suit the business functions
- TQP theme formed part of the core future strategy
- identifying easier ways to communicate to the people
- programmes had to be meaningful to the workforce.

Over the years with the introduction of the various programmes focussing on key issues and behaviours, according to one manager, BA employees have come to accept the need for change and that these quality initiatives have been used to spread the message.

In summary BA has moved from:

- a State owned monopoly to one in competition with over many other airlines
- a Civil Service culture to one of Customer Focussed
- a passenger carrier to an airline that wants to be perceived as caring for its customer
- an operationally focussed to a market led organisation
- process integration and service delivery
- organisation became market driven
- service based and profit oriented
- increased participative style of management in efforts to increase employee commitment.

The following table summarises in broad terms the trends in TQP approach taken within BA, using the components established in Fig 2.3.

TABLE 6.6 BA SUMMARY

Component	Broad Focus	Date
Visionary leadership	Change image	1983
	Vision, Mission, Goals defined	1986
	Change image	1995
	Improve reputation	1996
	Business efficiency programme	1996
Customer orientation	Caring for the customer	1983
	Customer service focus	1983
	Putting customers first	1983
	Improve customer relations	1989
	Customer retention	1991
Culture shift	Focus on customer loyalty	1991
	Change attitude and behaviour	1983
	Accountability/Responsibility	1993
Operations orientation	Change culture	1995
	Problem solving skills	1986
Learning through training	Change management behaviour - listening skills, teamwork, trust, people focussed, training	1985
	Management development - coaching, involving, delegating Leadership	1993
Employee involvement	Group working	1986
Continuous improvement	Business process streamlined	1993
	Save costs	1994
Increased revenue	Achieve profitability	1983
	Maximise profits	1995
	Meet new market and business needs	1996
Reduce costs	Cost of quality	1991

## 6.6 BAA

British Airports Authority (BAA) was privatised in 1987, having ownership of 7 UK airports (Heathrow, Gatwick, Stanstead, Glasgow, Edinburgh, Aberdeen, Prestwick). During the years following privatisation it began to diversify in the property market, buying Lynton Property and Reversionary plc (1988), Scottish Express Ltd (1989), Southampton Eastleigh Airport (1990), and sold Prestwick airport to British Aerospace (1992). Before privatisation BAA made a loss on airport charges, subsidising them from its 'commercial income' - from catering, car parking and its cut from duty-free shops. Since then it has reverted to its core business - providing ancillary services, which are its biggest revenue generator at Heathrow and Gatwick. Retail provides 44% of BAA total revenue (Lennane, 1997). BAA responsibilities also include the maintenance of the airport buildings to safety and security of passengers and their baggage, and managing IT systems.

BAA is the world's largest commercial operator of airports handling over 100 million passengers and £40bn worth of cargo every year, and handles more than 70% (of UK) passengers and cargo traffic. Like some of the other organisations in the study, BAA too is separated into units, namely by the airport sites, which run independently of each other.

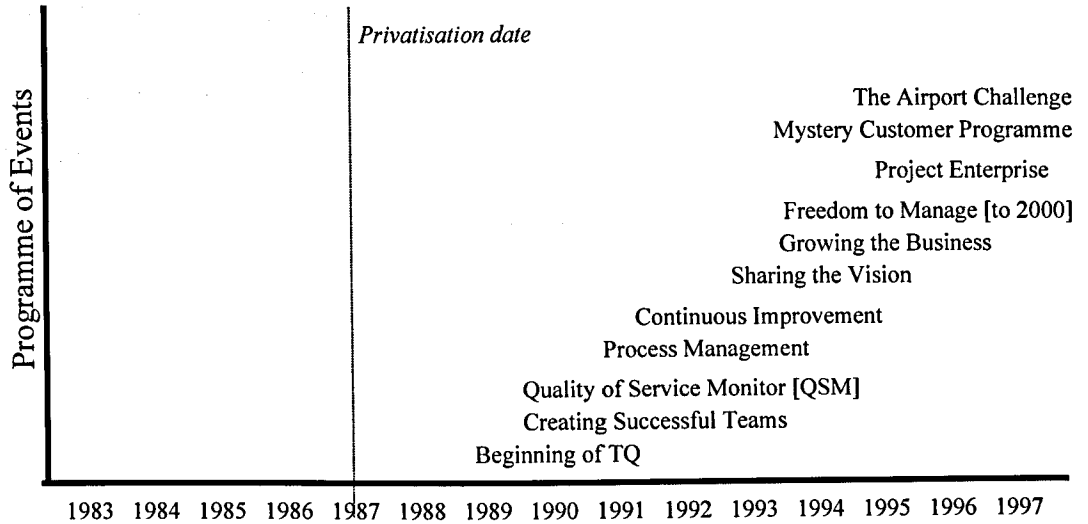
On taking up his appointment as CEO, John Egan, identified two key principles for BAA, which were Customer Service and Continuous Improvement, both of which came from his experience with the car industry.

Like other organisations in the study, BAA also wanted to improve its image and create a successful company after privatisation, and so it began to prepare for the business challenges of the future through quality initiatives and large scale change programmes. Senior Management recognised the value of quality and decided to introduce TQ within the company.

It was at least two years after privatisation that the first TQ initiative was introduced. Like other organisations in the study, the importance was on participation and getting employees to create ideas for improvement. John Egan believed that these were the keys to generating awareness to the company's mission and vision for its employees (BAA Take Off, 1996).

BAAs quality journey can be illustrated as follows:

FIG 6.19 BAA QUALITY JOURNEY



In 1990, BAA introduced its first key learning programme. 'Creating Successful Team's', was initiated to promote a new management style, to improve communication, to manage performance of better teams and to encourage empowerment. As the nature of the organisation is dealing with customers and travellers, this programme also introduced improvements in safety systems. Six 'open learning' workbooks and videos were used to focus the role of managers as coaches of their teams, as well as having personal responsibility of their own learning and development. Egan attended one of these workshops and encouraged other managers to do so by saying, "I found this an enjoyable and rewarding experience ... I am even more determined that managers take advantage of this new learning programme to the full" (BAA Take Off, 1996).

BAAs Quality of Service Monitoring (QoSM) launched in 1990, invested £4.4bn on a customer service programme which demonstrated a very high financial commitment.

Dr Brian Smith's (appointed Chairman in 1991), mission for BAA in 1992-93 was, "to make BAA the most successful airport company in the world". This was further broken down to mean:

- always focussing on customers' needs and safety
- achieving continuous improvements in the cost and quality of all process and services
- enabling employees to give their best (BAA, 1993).

To support this, Egan introduced 'Process Management' into BAA in 1991, saying, "Process Management involves constant fine tuning and the real instigators are the employees - you can't just impose targets".

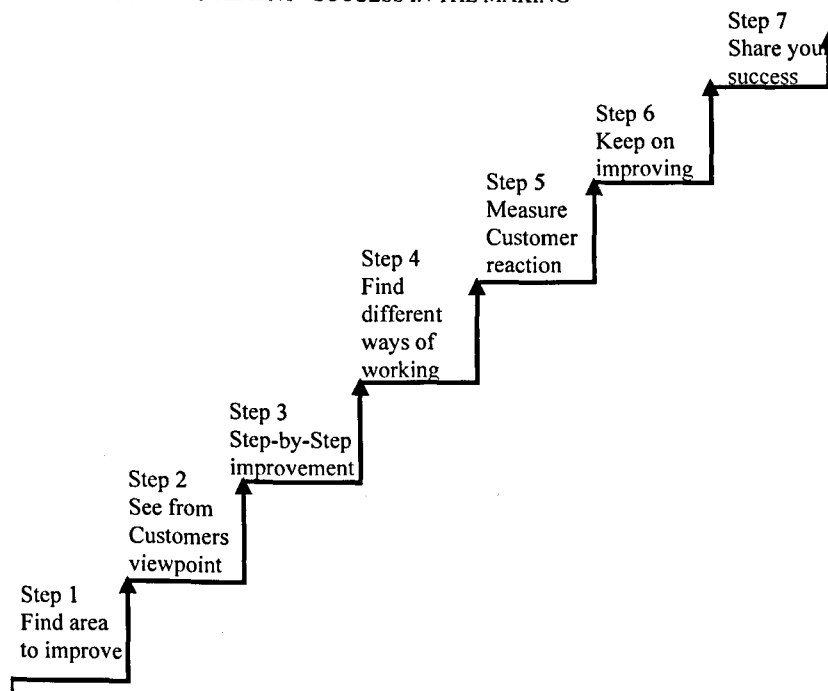
In 1991, the 'Continuous Improvement' programme was launched. This linked together Customers, Staff, and Processes with a quality focus drive, in order to create a strategic mindset to become a world class learning organisation. "To become the best airport in the world, we must have the best people in the industry, and equip them to compete effectively" (BAA Take Off, 1996).

The literature on CI made it clear that "CI isn't a buzzword- it's the way YOU can enjoy your work and help provide a better service for our customers". It went on to emphasise that the simplest ideas are best, and that:

"CI is all about customer service.  
CI needs staff involvement at every level.  
CI is a process of providing Improvement, continuously".

Fig 6.20 is a simplified version of CI model used within BAA.

FIG 6.20 CONTINUOUS IMPROVEMENT - SUCCESS IN THE MAKING



Source: adapted from BAA CI literature

Also at this time, BAA's approach to culture change was very much focussed on the need to meet customer needs and safety. It is one of the only organisations who really can say that it has customers

from all over the world dropping in (e.g. transit passengers). It is reported that hundreds of BAA staff have been working to improve operating methods, to boost productivity whilst maintaining customer service (op cit.). The company employed the services of The Decisions Group to review its use of telecommunications as part of a drive to improve customer service.

The Continuous Improvement programme changed from a problem solving process into a broader scheme linking projects to the needs of customers, business partners, suppliers and staff. Teamworking became important because BAA people have to work alongside people from other organisations on a daily basis. BAA conducted an employee survey to obtain feedback so that it could incorporate improvements in subsequent programmes. An Assistant Airport Director was appointed to champion and promote CI. By 1994 it is claimed that there were over 100 small CI groups in operation looking at, e.g. check-in procedures, managing trolleys, baggage handling, aircraft stand allocations, and maintenance of the gate bridges used by passengers when boarding aircraft.

BAAs corporate one week training programme, 'Sharing the Vision', launched in 1993, helped senior managers to understand the strategic direction and explore in depth the mission statement, and also focussed on leadership, business knowledge and customer focus. This was a one-week customer focussed course. Participants also gave their ideas on BAA future strategic direction and how they would improve the business. This event was later extended to a corporate programme for all managers. In 1994 another employee survey was carried out to seek staff feedback.

In 1995 the mission statements had been extended to include: "To achieve our mission we will:

- Safety and Security: give safety and security the highest priority all times by systematically assessing and managing our safety and security risks through audited, best practice management systems.
- Employees: provide a good and safe working environment, which attracts and retains committed employees. Through training and two-way communication allow them to fulfil their potential and contribute directly to the success of the company.
- Customers, suppliers and business partners: ensure our passengers and airlines receive excellence and good value for money in the services BAA provides and work together with our suppliers and business partners to create added value for all concerned.
- Strategy: concentrate on the core airport business, be prudently financed, continuously improve quality and cost effectiveness, become excellent in information technology, fully develop our property and retail potential, achieve world-class standards in capital investment and develop an international business which enhances the quality and growth prospects of the Group.



- Shareholder: encourage shareholders to believe in our company by giving them consistent growth in earnings and dividends.
- Environment: recognise the concerns of the local communities, set challenging environmental targets, and audit our performance against them” (BAA, 1995-96).

To improve staff development, during 1995-96 a network was setup to provide guidance, development opportunities, and training initiatives for all staff. BAA Group Training Director, Tony Ryan said, “we aim to improve our managers from competence to excellence, and we have engaged Ashridge Management College to develop management competencies for 600 managers above first line”. The competences covered: profoundly satisfying the customer, efficiently managing business processes, leading people, and managing self-development (Griffiths, 1994). Ryan said, “training is an essential enabler for the company’s vision. We try to ensure that programmes are relevant to outside factors and help executives look at the CSF they must meet”. Some of the staff were trained in facilitation and communication skills in order for the training to be integrated with business directions.

In 1996 the BAA Management Committee reviewed and endorsed a strategy for training and development. This was to help address key challenges facing the company, and was to be the start of a continuous assessment process on efficiency and effectiveness in learning.

During 1996-97 BAA launched the ‘Mystery Customer Programme’ and ‘The Airport Challenge’ (BAA Take Off, 1997). This formed part of the ‘Partnership Programme’ between BAA and its concessionaires, where, ‘continuous changes’ based on recommendations from participating retailers were applied to the programmes prior to rollout. The ‘Mystery Customer Programme’ involved outlets being awarded points in a variety of categories after a visit by anonymous members of the BDI Research Consultancy that was running the scheme.

The ‘Airport Challenge’ focussed on following the progress of passengers from the time they checked in to the time when they were inside the aircraft. This was said to be equivalent to the London taxi drivers - ‘The Knowledge’. This focussed on honing in on customer service skills. Retail staff from the terminal shops also took part in learning how the airport functions as a unit. The ‘Airport Challenge’ was BAA’s own induction course, which looked at all aspects of ‘airport life’.

BAA conducts Customer Perception Surveys, with over 150,000 passengers interviewed each year. The aim is to measure the quality of 'airport service' and passenger experience from the cleanliness of the building, to ATMs available: e.g. as a result of customers demand extra post boxes have been installed in the departure lounges (BAA Internet website). At Gatwick airport passenger complaints about not being able to take their luggage trolleys onto the rapid transit system resulted in the airport making modifications to the carriage design to allow this.

The one-day leadership courses, introduced during 1996, called 'Freedom to Manage', explored the leadership styles and people skills necessary to motivate other people, as well as focussing on teamwork. This programme also helped create a culture change in BAA so that the company was able to meet challenges of the future. It also included a review of the Information Technology systems and other associated processes. At this event speakers from the Henley Management College were brought in to address issues such as:

- Visibility (be seen, listen and respond),
- Empowerment (new ideas to introduce)
- Communication (open and honest culture).

This programme concentrated on new technology and working practices in support functions, 'management of people skills', i.e. visibility, empowerment, communication, admit when you are wrong, and being a role model. According to one manager, "*training is built by developing new techniques, practices and ideas generated from staff*". Following the 'Freedom to Manage' programme, managers also took part in another training event, 'Sharing the Vision' which was followed by additional training programmes entitled, 'Growing the Business' and 'Creating Successful teams', a coaching and self-study programme. Growing the Business was designed to develop senior managers to better understand the core business areas such as airfield operations. Other management programmes included initiatives on career development, and focussing on key business areas including Project Management, Retail and Property Management.

After the events, there followed another survey called, 'Your Views Count' (latter part of 1996). This continuous feedback (in addition to the feedback sought in 1992 and 1994) helped senior management focus BAA future strategy to improve relationships with colleagues, customers, and the community. During 1997, Egan also held 'Roadshows' to exchange views with staff. These were deemed to be

successful. The emphasis was on team leaders to lead and motivate their staff. Dr Smith, said, “managers should aim to create an environment, where working together could be fun and where business systems and processes worked effectively to deliver excellent customer service” (BAA Take Off, 1997).

In 1997, ‘Project Enterprise’, which was linked with ‘Freedom to Manage’, (1997-2000) integrating business systems across functional groups, e.g. engineering, procurement, personal and finance, and identify areas for improvement (BAA Take Off, 1997). At the centre of BAA change in culture programme is its people and the influence has been impacted by the QoSM findings.

Egan, states, “we seek to address the diverse interests of our stakeholders and, inevitably, this means balancing the benefits and impacts of our business”.

In 1997 BAA launched what they refer to as the World’s first Management MBA with the University of Surrey. Egan said, “ these courses are part of our overall management strategy to enable our employees to fulfil their potential, and to contribute directly to the success of the company ” (BAA News, 1997).

Training is key within BAA and here it is highlighted by the MBA programme.

By 1998 the Chairman, Dr Brian Smith, said, “all of BAAs airports reflect our drive for continuous improvement in facilities and services for our airlines and passengers. We strive to achieve 21<sup>st</sup> Century quality standards and to become the most successful Airport Company in the world”.

BAA (like BP) may not be focussed on attaining awards such as EFQM and Baldrige, but those that are attained are aligned to the industry in terms of passenger safety, ease of communication, and making the journey as smooth as possible. For example in 1998 BAA won the 1997 Gold Award for Safety Excellence.

To summarise, as a result of all the TQP and change related activities, BAA has:

- become more focussed and restructured the business to focus on core activities, and
- concentrated on creating a better internal image
- created a better customer image
- developed along the theme of quality and pride
- service driven.

BAA continues to face competition from overseas airports, and it is in competition with airports within the UK. According to John Egan, CEO, “one of the great scopes for improving company performance

lies in tackling this area ... we got rid of all our distracting diversification's and made construction a core business" (BAA Internet website).

A quote from Barry Gibson, BAA Retail Director, sums up the change experienced by BAA when he said, "the secret of success lies in the way privatisation has shaken up the corporate culture, and made public servants who had no incentive to serve their customers into effective managers willing to take risks in order to run their operations more efficiently or make a profit" (Gibson, 1997).

The following table summarises in broad terms the trends in TQP approach taken within BAA, using the components established in Fig 2.3.

TABLE 6.7 BAA SUMMARY

Component	Broad Focus	Date
Visionary leadership	Mission statement created	1992
	Reviewed mission - focus on customer/supplier/business/partners	1995
Customer orientation	Focus on customer needs and safety	1992
	Customer focus	1993
Culture shift	New style of management	1990
	Encourage empowerment	1990
	Focus on leadership	1993
	Leadership styles	1993
	Culture change	1993
Operations orientation	Process management	1992
	Audit performance	1995
Learning through training	Learning and development	1990
	Training	1995
Employee involvement	Focus on teamwork	1996
	Personal development	1997
Continuous improvement	Continuous improvement	1992
Increased revenue	develop international business - growth prospects	1995
Reduce costs	Cost effectiveness	1995

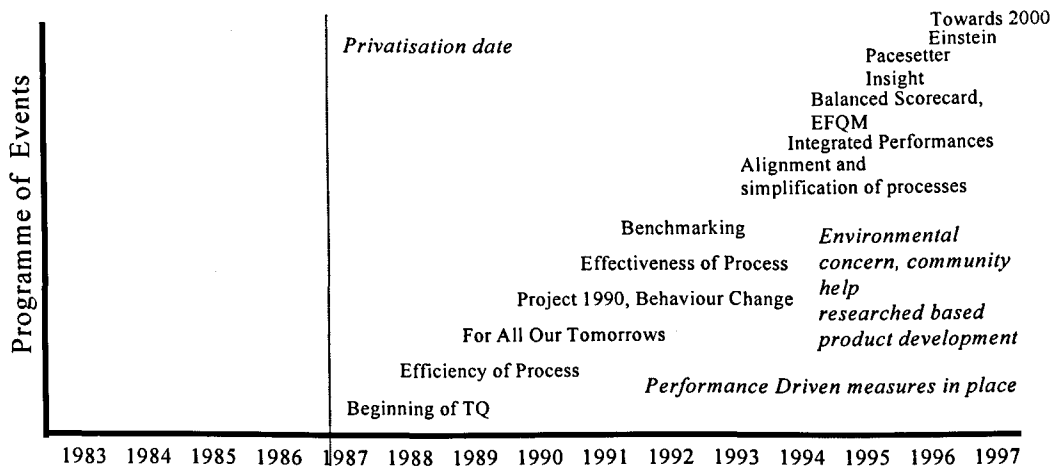
## 6.7 BP

British Petroleum (BP) has had a privatised status alongside part government ownership since 1914, up to full privatisation in 1987. It was formed in 1901 by William Knox D'Arcy, who made his fortune in Australian gold, and then found oil in the Persian (now Iran) desert which led to an oil mining excavation project led by an engineer called George Reynolds.

From its early days when D'Arcy sought financial assistance from external sources, (e.g. Burmah Oil Company in 1905), it has had a history of joint partnerships and undergone much change (e.g. name changed from Anglo-Persian Oil to Anglo-Iranian Oil, and finally to BP in 1954).

BP is an example of a partial sale (of stock) as well as being the first state firm to be privatised (as early as 1979). Like other organisations in the study BP also recognised the need for improvement, and it too used the TQ mechanism to drive forward the desired changes. BP's quality journey is illustrated as follows:

FIG 6.21 BP QUALITY JOURNEY



In the early days at the corporate group level the BP quality strategy focussed on quality of service and environmental responsibility. At operating unit level the divisions developed their own programmes for cultural change and quality. In this study specific examples will be drawn from some of the different Business Units to illustrate how TQP have been implemented. For example BP Chemicals began with an awareness of TQ for its 13,000 staff using Crosby Associates to deliver the initial training during 1989-90.

It is worth noting that a precursor to the UK programme was the 'Quiet Achiever' campaign in Australia, which involved upgrading petrol stations (Dowling, 1994).

In 1988, BP Chemicals conducted an exercise called the 'Price of Non-Conformance (PONC)' and identified that the work of not doing things right first time every time was £145m in Advanced Materials, Carborundum or Consumer Products. The same exercise in 1989 showed £236m. They decided to adopt a zero defect approach (Juran TQ philosophy) to PONC and look at the root cause of failure. This activity paved the way for improvement groups being formed.

BP's programme, 'For All Our Tomorrow's' in 1989 highlighted key areas on environmental concern, community help and research based product development. Programmes then moved from 'TQ' basics through to 'Effectiveness of our Process' (1991), to 'Benchmarking' (1992) to 'Alignment and Simplification of Process' (1993) to 'Integrated Performance' (1994).

As late as 1990 BP was still bogged down in heavy bureaucracy, and it was said that its structure, according to one respondent, "*impeded operational flexibility and collaboration between the different business units. BP behaved very much in line with the Civil Service attitude and culture - one of a command and control*". Horton, Chairman, 1990, set out to change this. He devised and despatched a 3 page 'mission (vision) and values' document to all employees. Though it has not been possible to get a copy of this document, it was said that its aim was to create a trusting internal environment; to encourage employees to strike a balance between home/work life; and striving to be an industry leader in safety and environmental matters. BP's vision was along the lines of continually developing a style and climate which liberates the talents, enthusiasm and commitment of all our people, should perhaps be extended by - those who remain that is'.

- The mission statement read:

"BP is a family of businesses principally in oil, gas and exploration and production, refining and marketing, chemicals and nutrition. In everything we do we are committed to creating wealth, always with integrity, to reward the stakeholders in BP - our shareholders, our employees, our customers and suppliers and the community.

We believe in continually developing a style and climate, which liberates the talents, enthusiasm and commitment of all our people. We can then respond positively to the increasing pace of change in a rapid and flexible way to achieve real competitive advantage. With our bold, innovative strategic agenda BP will be the world's most successful oil company in the 1990's and beyond" (Harrison, 1992).

BP quality programme, 'Project 1990' nicknamed 'Horticulture' paved the way to introduce major organisational changes into the company. The emphasis was the aim for improvement and efficiency specifically in the way work was approached. According to Horton, key strands of the strategy were, "to concentrate our efforts and investments on sections where BP enjoys competitive advantage", and "a company wide drive for enhanced productivity ... all parts of the company are involved in programmes to increase productivity by challenging all expenditure of both capital and revenue to ensure we are competitive" (Coulson-Thomas, 1997). The programmes were underpinned with the basic TQ principle of Crosby and Juran.

Horton's Project 1990 team stated that, "everything hinges on whether all of us - including top management - can walk as we talk". The purpose of the programme was to change management structure, process and culture. Horton said, "many people have asked how success in achieving the mission should be measured. Plainly, growth in share values and dividend performance is a key measure. But it is not the only measure. Nor do we see sheer size as having merit. BP must be the company that people want to join. It must be a highly regarded company in every local community in which we operate. Only if all three criteria are met can we claim that we have truly succeeded" (BP, 1990). He also stated, "what I'm trying to do is to simplify, refocus, make it clear that we don't need any longer to have hierarchies. We don't need any longer to have baronial head office departments. This is a fundamentally different way of looking at the way that you run the centre of the corporation". Horton went on to say, "this is not a reorganisation, and I'm not restructuring BP. After 20 years, organisations build up accretion of barnacles on their hull and need a jolly good scrape". He recognised that there would be some resistance and said, "the system will fight back because there are people who are comfortable with this. All their life has been trained for another sort of way of doing things" (Lorenz, 1990a). Horton's aim was to make BP a leaner, more motivated and faster moving corporation.

It was interesting to note that Horton got the BP Board (Chaired by Sir Peter Walters) to commission 'Project 1990' - a research and consultation process, in 1989, following a survey of the top 150 senior managers in BP that had been conducted earlier in 1989. The survey had indicated that managers were unclear of the BPs 5-year mission and strategy (op cit).

During 1990, John Browne, member of senior executive team of BP, had been working with an American consultant, who had been involved in management of change at Ford and General Electric using the Crosby method. He wanted to encourage an openness of communication within the company. It was said of Project 1990, “*Managers are there to support and empower their staff, not to monitor or control their activities*”. The need for a change in culture was backed by an internal employee survey during autumn 1990, with 500 face to face interviews with managers, 6,000 postal surveys despatched, and 4,000 completed returns received (67%). These highlighted internal pressure for top management to change. The results were used by senior management to set a benchmark of progress against future changes. Based on the survey and recommendations that came from the external consultants Project 1990 was developed. The overall change was summarised as:

Old Culture	Open Culture
• Hierarchies	• Teams
• Boundaries	• Connections
• Internal focus	• External focus
• Smothering	• Empowering
• Second guessing	• Trusting
• Controlling	• Supportive
• Analysis	• Actions
• Fear of mistakes	• Calculated risk taking

David Simon, a senior executive of BP said at a 1990 conference on the management of change, “I stand four-square with Bob Horton on triggering the change throughout BP ... we senior managers at BP want a nimble, new culture for our company. New culture - new behaviours and new motivation - are taking over the business world fast these days” (Lorenz, 1992). Simon’s slogan on arrival was “Profitability, Reputation, and Teamwork”. At the same conference, Russell Seal, Head of BP Oil, expressed a belief in introducing radical change in the way that people are managed. David Pascall, Head of BP’s culture review team 1989-90, warned the organisation to be wary of “if it moves, measure it” bandwagon, as this would lead to people being inhibited. “You shouldn’t evaluate every aspect of every team’s performance in every process”. He said BP should take the lead in removing all sorts of checks and balance and then “seeing if people deliver”.

To encourage the vision, John Orange, Chief Executive, BP Oil, stated that trust was the key factor. Employee’s views were sought before culture change programmes were launched, and efforts were directed towards having a holistic view with upward feedback playing an important part in BP Oil and BP Exploration (Lorenz, 1990b).



A subset of Project 1990 was the 'Behaviour Change' programme, which looked at Teamwork, Total Leadership, Coaching, and Quality Improvements. To ensure standards were reached, BP benchmarked against WW Chemicals on functional to process driven areas, and developed a standard package for BP senior management, who attended the Quality College to learn the 'Absolutes of Quality Management'. BPs internal trainers attended the 2-week course and later trained others in the organisation.

During the time when Project 1990 started, it is claimed that people felt there was more talk but little action taking form (Miller, 1992). As a measure of the uncertainty at the time, in April 1991 BP ran a one-page advertisement in national newspapers outlying its intentions and progress to date with efforts on its aims to improve its image (Coulson-Thomas, 1992). By December 1991 BP Review stated, "As we remove complexity in our organisation and reap the benefits of Project 1990 job security becomes an increasing concern" (i.e. downsizing). In addition to all this, BP networks were contracted out in an effort to concentrate on core business. As a result over 8,000 management jobs were cut, and 27 committees were abolished. Teams were established and disbanded once the task was complete. A 'network' approach was also introduced to integrate the organisation, and emphasis placed on people, teamwork, and empowerment.

Actions implemented as part of Project 1990 included:

- executive power of old managing directors being reduced
- corporate centre reduced in size
- the number of employees reduced
- greater empowerment of individuals within the organisation
- change of values, focussing on 'open, care, teamwork, and trust'.

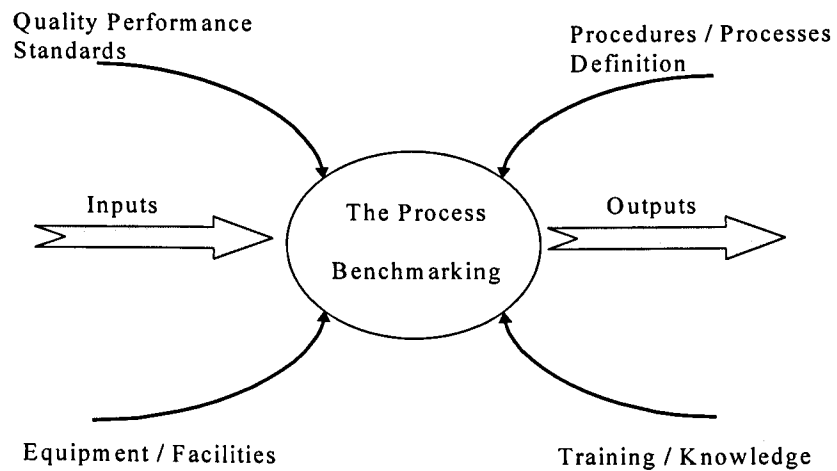
Writers such as Lynn and Ruddock (1992) stated that BPs commitment to corporate transformation would not result in commercial success if other policies and initiatives did not match the situation and circumstances of the company. As unrest grew (e.g. regarding the concentration of power in Horton's hands and his style of management which was seen as arrogant and abrasive), Horton became increasingly exposed, and with the company continuing to face financial pressures, and confronted by senior directors, a few months later he resigned in June 1992.

Structural change also resulted from Project 1990 with the formation of 4 key divisions: BP Chemicals, BP Exploration, BP Nutrition, and BP Oil. All aimed at creating a competitive responsive organisation (Siddall et al., 1992). In **BP Exploration**, there were a number of themes that emerged in response to

meeting customer demands. They were, people, openness, teamwork, simplicity, trust, and empowerment (The Economist, 1990a). In BP Exploration teams were identified as 150 people. They developed a tool called 'Gainsharing'. Gainsharing- the balance between costs and income. Gains over targets to be shared out; and the incentive was to reduce costs and to increase output. Gainsharing was used as tool for team involvement, team recognition, and team reward.

The 'Effectiveness of Processes' was launched for the whole of BP in 1991, and started by using the Crosby Package. The model is as follows:

FIG 6.22 BP MODEL - EFFECTIVENESS OF PROCESSES



Source: BP internal literature

Another change process 'International Management Project (IMP)' was launched which looked at downstream refining and marketing (costing £24bn), headed by Jorge Travares, Manager Planning and assisted by Siddall and Company. Its aim was to reduce costs and develop a framework for efficiency. The change and reorganisation also focussed on global competition, efficiency, flexibility and reducing overheads (Siddall et al., 1992). In August 1992, BP cut its dividends for the first time since the first world war, and staff by 11,500, and in December 1992 a further 9,000 job cuts were earmarked.

In BP Oil, IMP resulted from the knowledge that the role of head office needed to change to add real value devolved accountability, new strategic role for top team, to reduce paperwork, and quicker response for financial authorisations. IMP management process did see improvements, with management and company views became consistent, which led to greater staff commitment and flexibility. IMP was

itself consistent with outcome of 'Overhead Values Amalgamation Study (OVA)' conducted by Siddall and Company. The outcomes between 1990-92 were:

- operational autonomy to 4 key geographic divisions
- set-up direct line responsibility/accountability to the chief exec to division
- devolution of many head office functions to divisions
- strategic grievance from head office instead of operational involvement
- set-up Instrumental Strategy group to replace London Head Office.

Seal applied the 1990 concepts plus the OVA recommendations, with key activities of IMP in BP Oil concentrating on: investment planning, business plans, performance measurement, audit and internal control, health safety and environment. Through the introduction of IMP, the management process improved in that management/company views became consistent increased commitment with a flexible approach. Results of change of IMP at BP Oil led to new role for Head Office, devolved accountability, new strategic role for top team, reduction in paperwork; and a quicker response for financial signoffs.

**BP Chemicals** Managing Director Mike Buzzacott was trained by the Crosby organisation in the UK on TQM (Pike and Barnes 1994). So much was his commitment that he attended a course for CEO's and qualified as a classroom training instructor. Then he personally ran the in-house courses for his own management team (something which is normally done by Quality Manager/Co-ordinator or Personnel Training Manager). Buzzacott believed service was key strategy for customer satisfaction, and that to attract customers they must see a 'true value'. Increased customer service is one of Deming's steps.

For details see Table 6.8 BP-The Quality Revolution. Management education is a component of Crosby approach used within BP Chemicals.

During the early 1990s BP Chemicals also used the Deming Cycle to review its position and activities as part of an ongoing improvement plan. Elements of ISO9000 were introduced throughout BP Chemicals, paying particular attention to the 'supply chain' because of its customer driven approach. Their process of becoming a Quality company was structured in three phases, which were:

- Phase I - Getting Started: this was a top down approach which focussed on Education programme for all employees in TQ philosophy, and work group actions to drive quality process.
- Phase II - Taking Ownership: here SPC training was focussed on implementation projects. Develop new quality education package based on Phase I, and customised for local needs. A project-focussed phase was developed based on the Juran philosophy for building quality into the long-term business plan.

TABLE 6.8 BP - THE QUALITY REVOLUTION

**BP - The Quality Revolution**

STAGE	FOCUS	PRIORITY	TECHNIQUES	SYSTEMS	CULTURE	MANAGEMENT STYLE
1	PRODUCT	SORTING DEFECTIVE	INSPECTION TRADITIONAL Q.C.	MEASUREMENT OF DEFECTS - NO VALIDATION	COST & SCHEDULE WITH DEFECTS & VARIABILITY	FIRE FIGHTING HEROES ↓
2	PRODUCT / CUSTOMER	SORTING DEFECTIVES	S.Q.C TO IMPROVE INSPECTION MEASURE	SOME VALIDATION PRODUCT INSPECTION	COS, SCHEDULE & CUSTOMER AWARENESS	FIXERS ↓
3	PROCESS / CUSTOMER	CONTROLLING & MEASURING CAPABILITY	S.P.C. TO MEASURE CAPABILITY / ROOT CAUSES AND PRIORITIES FOR ACTION	PREVENTION BY ISO 9002 / BS 5750 E.C.R., C.A.S. INITIAL IMPROVEMENTS	CUSTOMER SATISFACTION (EXTERNAL/INTERNAL) REALISATION T.Q.M. IN PRACTICE	TEAM LEADERS ↓
4	PROCESS / CUSTOMER & SUPPLIER	IMPROVING TO ZERO DEFECT	S.P.C. TO IMPROVE CAPABILITY WITH CONTROL	CONTINUOUS PREVENTION BY PROCESS MEASUREMENT	T.Q.M ON EXISTING PROCESSES	TEAM FACILITATORS ↓
5	DESIGN OF PRODUCT INPUTS AND PROCESSES FOR CUSTOMERS	ZERO DEFECTS FIRST TIME	Q.F.D. - QUALITY FUNCTION DEPLOYMENT S.P.C. - FOR CONTROL AND IMPROVEMENT	AS WITH 4 WITH APPLICATION TO DESIGN ISO 9001 (BS 5750 - PART 1)	T.Q.M. ON ALL PROCESSES FORM DESIGN STAGE WITH CUSTOMER PARTNERSHIP	PREVENTION HEROES

Source: BP Chemicals

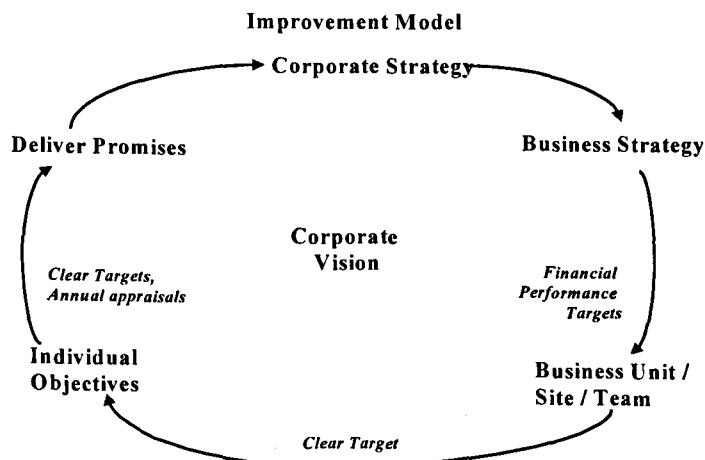
- Phase III - Integration into normal work: here the emphasis was placed on the 'value chain', and motivating teams to 'add value' to all processes. Leadership and behaviour attitudes also to consider strategy for the longer term.

The direction of movement for **BP Chemicals** during 1992-93, according to one manager, was a move from a "*functionally dominated organisation to a business led organisation*". In BP Chemicals, it was claimed that a change in culture had been successful through the employment of the TQ process. Sources within BP Chemicals indicated that "*the use of common language*", led to a common understanding of problems which in turn resulted in quicker gains and a speeding up of the process.

Over this period BP Chemicals saw a reduction in management hierarchy (result of Project 1990), and changing management style and behaviour to one of coaching, summarised as: "From tell to listen; From check to trust; From instruct to coach; From improve to involve; and, From blame to share" (Pitts, 1994).

The benefit of TQPs for BP Chemicals has been prevention, process thinking, measurement, common language, and work practices, as well as the concept of the customer-supplier relationship. The focus on teamworking for improved performance and to concentrate on objectives and measurement was key for BP Chemicals in 1994. BP Chemicals Director of Quality, Laurie Stark was directly involved in their SPC quality process since 1987. The BP Improvement Model is illustrated as:

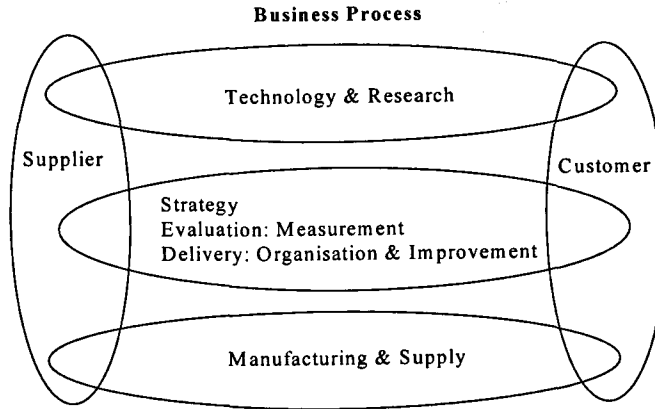
FIG 6.23 BP IMPROVEMENT MODEL



Source: BP internal literature (1996)

The Business Process (1996) shown below illustrates the feedback process, which connects all elements relating to customers, suppliers, as well as activity that takes places in between:

FIG 6.24 BP BUSINESS PROCESS MODEL



Source: BP Internal literature (1996)

In 1992 BP also developed a programme called 'Benchmarking'. The purpose of the Benchmarking process was:

- To achieve 'Best in Class' cost structure
- To ensure cost competitiveness to attract investment
- To provide competitive advantage for each product : i.e.
  - Customer satisfaction
  - Quality, Reliability, Delivery and Cost
- Continuous Improvement, and
- Survival.

By 1993, within BP, TQ became customer driven and not product driven as had been previously. Crosby associates were again involved in the training programme. Over 25,000 employees received training concentrating on the tools and techniques, and emphasised the need for people to "take ownership".

The 'Alignment and Simplification of Process' measured the output achieved and the contribution at each level towards them. All underpinned by techniques used to improve performance.

In 1994 the 'Integrated Performance (IP)' programme was introduced. This looked at measures to improve the organisation focus, setting priorities, and identifying any performance gaps. This activity created a greater involvement for all employees. The software used was known as 'Lucidus' which provided information on company performance against a set of pre defined levers and measures. IP also provided a framework for helping people with their day-to-day activities in terms of understanding top-level goals. These are listed below:

TABLE 6.9 BP - PREDEFINED LEVERS AND MEASURES

	Levers	Measures
Profit	Volume Margin Productivity	Utilisation & Reliability Margin/te Fixed cost/te Te/person & margin/person
Reputation and Teamwork	Employees Reputation HSE	Morale Index Customer Satisfaction Index Public Trust Index Emissions & LTAs
Capital and Growth	Efficiency Development/Growth	Deliver NPV WC/Sales Plant Capability Growth Capex/Sales

Source: internal company literature

Self-assessment was developed to help teams assess process along the whole of the business chain.

Key to continuous improvement has been the creation of global specialists and general networks, championed from the centre but owned and driven from within the organisation; e.g. Networks in the organisation to address issues on process and quality improvement.

From 1994, BP as a whole has been performance driven. It looked at both the Balanced Scorecard and EQFM, and then using elements of the EFQM, customised a process for local use for its 'People' programmes. This programme concentrated on, Appraisal system, Development, and Leadership styles. Focussing on performance was achieved by linking overall group results with objectives for every unit and team. An emphasis on personal development became key for career development, and sharing of responsibilities between people and the company, i.e. 'partnership'.

During 1995 Robert Hanig of Innovation Associates was developing another programme called 'Pacesetter Network'. The idea came from Humberto Vainieri, Vice President BP. The Pacesetter network was to be based on an infrastructure for sharing knowledge and information for performance improvement. It built on success from other division's success on change, learning, and quality initiatives. Pacesetter was concentrated within one specific area of BP - the refineries.

In 1996, the 'Einstein' project was launched. It provided training courses on-line via the BP Intranet website on networks, shadowing schemes, and other forms of learning taking place in the company. The aim was to get the benefits of a central function without going back to the central control (Thatcher, 1996). It is claimed that the culture by this time, was one of "get it right first and better the next time" and "better best practices and better best in class" (Lucidus 1996). Cox, Chief Executive of Air BP says,

“Air BP has a very entrepreneurial culture”, as she set about her task to grow the business by 15% by the year 2005 (BP The Shield Magazine, 1998).

Employee participation was encouraged, and it is claimed that suggestion schemes increased throughout this period, and that by 1996, the BP Chairman’s Awards for Innovation scheme (launched in 1991) attracted over 166 entries. At the time of writing this document, it was not possible to obtain detailed information of any savings generated from the suggestions that had been implemented.

In 1997 BP devised a new policy which stated, “We must build on our higher levels of customer satisfaction and create longer-term customer loyalty by focussing our efforts on other, less tangible elements of customer service” (BP SR, 1997).

Koch (1997) reports that BP senior management (alongside other big organisations senior managers) regarded the management role as providing value to their organisations.

Senior Management recognised the importance of rewarding achievements, and so internal achievements were highlighted by way of presenting the ‘Chairman Awards for Outstanding Achievements in Health, Safety and Environmental Care (1998)’. These are not national awards such as the EQA. The Company prides itself so high that it does not see the need to obtain externally recognised awards. According to one manager, BP has already delivered and maintained the level of culture and people attitude that is needed for maintaining change and quality. He said, BP structure, process, and culture changed in a proactive way to overcome the inertia inherent in a company of BPs global scale.

More recently BP Chemicals has employed consultants Pruss and Spencer to devise a quality strategy for them which will take the Unit ‘Towards 2000’ and beyond.

Over the years, BP has had both hard and soft objectives; e.g. Headquarters staff was cut to 400, with 70 committees abolished and some 35,000 job cuts also took place. In addition to this a £750m pa cost cutting programme was to be accompanied by a programme aimed at making the company more open and caring (Sadler, 1991; Wickens, 1998).

According to one manager (circa 1998), the programmes had an impact on accountability, responsibility and staff contribution, less hierarchical structure, increased delegation, autonomy, and decision making creating an open trust honest culture. Networks were introduced to encourage the above (in particular



autonomy) leading to greater sharing of information and emphasis on better communication and focussed on task.

To summarise, BP, as a result of all the TQP and change related activities, has:

- restructured the business to focus on core activities - oil, gas, and chemicals
- concentrated on creating a better internal image
- encouraged participation, teamworking, and networking
- focussed on partnership
- adopted an open style of management to increase people participation
- created a flatter organisation
- became more quality focussed
- became a more customer-oriented organisation.

A quote from David Simon is useful in summarising the results of the changes that occurred in BP, in that there was “a fundamental change in the organisation - the individuals run the assets”.

The following table summarises in broad terms the trends in TQP approach taken within BP, using the components established in Fig 2.3.

TABLE 6.10 BP SUMMARY

Component	Broad Focus	Date
Visionary leadership	Project 1990	1990
	Refocus o core activity	1990
Customer orientation	External focus	1990
	Customer satisfaction	1992
	Customer / supplier relations	1994
	Focus on delivery	1996
	Build on higher levels of customer satisfaction	1997
	Customer loyalty	1997
	Customer service	1997
Culture shift	Project 1990 - culture change, new behaviours	1990
	Leadership styles	1994
Operations orientation	PONC - root cause of failure	1988
	Effectiveness of processes	1988
	Restructuring	1990
	Process	1991
	Improve efficiency	1991
	Simplify processes	1993
	Measuring output	1994
	Volume production	1994
	Technology and research	1996
Learning through training	Training	1991
	Personal development	1991
Employee involvement	Teamwork	1990
	Employee participation	1996
	Learning	1996
Continuous improvement	Procedures	1991
	Sharing knowledge for performance improvement	1995
Increased revenue	Improve performance - finances	1994
Reduce costs	Reduce costs	1991

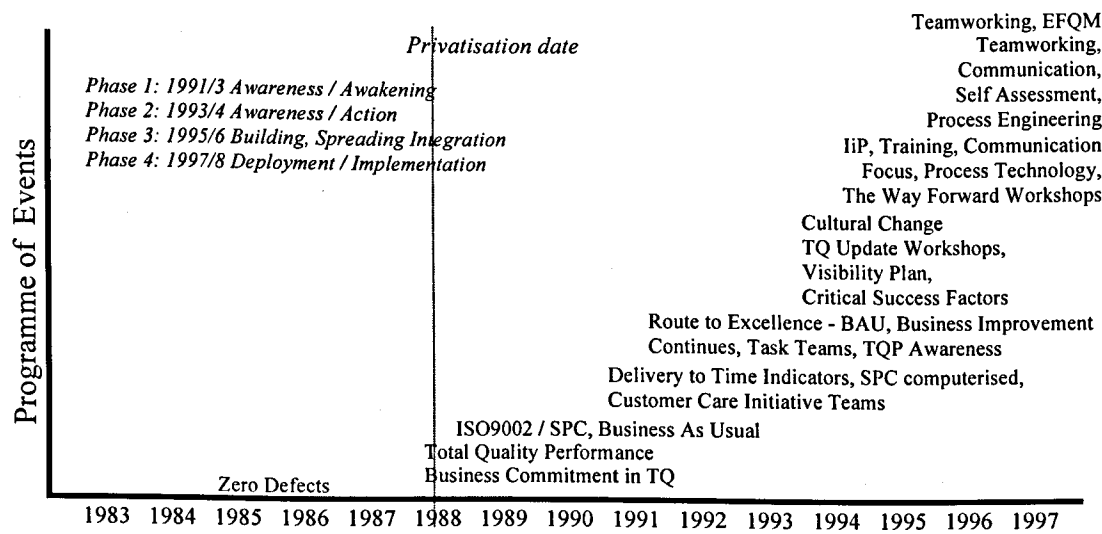
6.8 BS

The British Steel industry has undergone many phases of nationalisation and privatisation. British Steel (BS) was formed by the Iron and Steel Act on 28 July 1967, which transferred 14 steel producing companies to the public sector. It was later privatised in 1988.

During the late 1980s there was a general industrial downturn and intense overseas competition, which resulted in closure of steel works and job losses, despite heavy investment (Beauman, 1996). During the 1980s various factors resulted in BS management deciding it was time for a change if it was to meet market competition and achieve profitability. It began by reducing its manpower from 121,000 to 71,000 between 1981-94, and reducing total costs down by 6.5% over the same period. This contributed to improvement in profitability, productivity and performance. During 1984-85 BS saw a turnaround from a loss of £383m to a profit of £38m by 1985-86, leading to a statement by the Chairman, Brian Moffat, “we’re motivated by profit, not tonnes”. The company achieved its highest profits in 1987 and in December the government announced its intention to privatise the steel industry in Britain.

In an effort to concentrate on core activities it also engaged in a divestment strategy, e.g. BS sold a subsidiary steel company called Redpath Long to Trafalgar House, a private corporation. Redpath Long was not successful as the shipping market was in decline and unprofitable. Another strategy was to get involved in TQ programmes. The BS quality journey is illustrated in Fig 6.25.

FIG 6.25 BS QUALITY JOURNEY



Like other organisations in the study, Business Units within BS have had their own change programmes, but there is a lot of commonality in the fundamentals and general direction of the programmes. In this case study specific examples will be given relating to two Business Units in BS - Teeside and Tinplate.

**BS Teeside:** As early as 1985, a few years before privatisation, terminology such as 'TQ is No Accident' and 'Zero Defects = Zero Accidents' (Juran philosophy), was already being used.

Prior to any programme starting Teeside employed consultants, Daisley Associates, to conduct an internal study on quality. Some 400 people took part to ascertain where people perceived the problem areas to be. Following on from this, a number of 2-day 'Top Team Workshops' were held by Daisley to develop personal commitment for TQ success, and to allow people to understand their own roles and responsibilities and behaviours to support successful TQP.

TQP managers were also created who worked alongside consultants at the workshops. The outcome from the workshops was communicated to all the managers via TQP Awareness and Diagnostic feedback sessions. Managers then attended further Quality workshops where TQP initiatives took place under the banner, 'Education on TQP'. The aim of these was to involve people to identify areas for improvement. It was said that any manager who missed a days training had to complete it at a later date.

Guidance notes were issued to Team Leaders explaining the methodology of problem solving, how to define problems, and how to measure progress and success.

During 1986-87 Teeside contracted Professor David Canter of the University of Surrey, Department of Applied Psychology, to identify improvements in safety performance and to advise the Unit on a future strategy for TQ and Accident Prevention. This practice was to be found later within other companies who developed programmes in association with Universities. Canter developed a '10-point plan'. This comprised of: demonstrate commitment to positive safety; focus safety accountability; derive plant level initiatives; strengthen the role of safety committees; emphasise safe working procedures; improve the contribution of safety representatives; develop safety training; regularly monitoring safety attitudes; monitor and improve safety-related communications; and, emphasise and clarify the safety responsibilities inherent in all jobs. Teeside identified possible reduction manufacturing costs in the region of £37m in Diagnostic stage. By 1995 they had achieved £50m.

In 1988 the Teeside Committee decided to implement a TQ policy and stated that everyone would receive training in TQ philosophy and the use of tools and techniques.

At the Teeside Works, quality management became a key competitive strategy and in 1988 TQM was introduced as 'Total Quality Performance (TQPerformance)'. A department was set up with a TQ Manager to introduce this initiative and management objectives were defined as: improvement in yields, product conformance, stock levels, delivery, reliability and costs (BS, 1995). There were other softer HR and 'cultural' objectives underpinning TQPs introduction, with a key aim to secure employees commitment to management's strategic aims.

By 1989 BS as a whole had already taken steps to look at pay and quality. The Works Management Committee introduced TQ Performance, as a result of dealing with customer demands, competition and product improvement.

Between 1988-93 BS Teeside employed the services of PA Consulting Group to assist on the launch of the TQ programmes during the early stages and over the years the consultants have been called upon for assistance. During this time they devised what became known as the 'Shelton' model. This initiative included:

- "Steering group Development
- Supervisor/management Development
- Functional or multi-functional Quality Improvement Teams
- Objectives setting to support a local mission stated, and
- Face to face interviews" (BS TQS, 1992).

The training began in 1989 and by September 1990, over 1,087 managers and 5,400 non-managers had been trained in TQPerformance. The first management workshops were organised by PA Consulting Group and were held at the BS Management College at Ashorne Hill. At this time 'Statistical Process Control (SPC)' became mandatory within Teeside Works. A total of 162 managers were trained as TQPerformance facilitators, 26 facilitators covered all company functions and 16 became SPC facilitators. Facilitators received 7 days training on TQ and Facilitation skills, as well as designing the course for managers (4 days long). An advantage of all this was the personal development skill attained. Facilitators then trained over 520 supervisors in 1-day workshops in cross functional groups. SPC was seen as a key tool by BS management strategy in becoming a TQ supplier of goods and service. The

objective was to apply SPC to manufacturing and administration processes in areas such as waste and rework, and operational factors leading to customer satisfaction.

Facilitators also attended quality workshops. The Steering Group recommended that non-managers be given this TQP training, which resulted in the 'Total Quality Performance Workshops' being held.

Within Teeside Works, at the training workshops TQPerformance was introduced using the following model (1989):

- What is TQPerformance?
- Customer First
- Managing for TQP (Departmental Purpose Analysis)
- Teamworking for TQP (Brainstorming, C&E diagram)
- Tools & Techniques (Pareto Analysis, SPC, graphs, Histograms)
- People make Quality
- Barriers to TQP (Solutions Effectiveness)
- Making TQP a permanent part of our culture (failure prevention analysis) (BS TQS, 1990).

By 1990 Teeside claim that over 5,000 actions had been highlighted by managers, and over 2,600 by supervisors after the workshops. In July 1991, the Cleveland Iron Plant in Teeside received the Ford Q1 Quality Award for SPC activities undertaken at that plant.

Teeside Works developed their mission statement in 1992, which stated:

“we will be profitable, efficient, environmentally aware and an innovative leader in the international volume steel market. Our aim is to provide all customers, internal and external, with quality products and services and to strive for continuous improvement. This will be achieved through harnessing the capabilities of safety conscious, high calibre, technically aware and well trained employees”.

To improve communication a TQP newsletter was issued once the Top Team workshops had completed.

The newsletter provided information on action teams activities, and projects in progress. Teeside claim that as a direct result of the TQP activities improvements have been noticeable in:

- Improved communication between people from different areas
- Increased customer awareness and understanding of what is needed to achieve greater customer satisfaction
- Problems need to be owned if they are to be resolved
- Common language of quality is important and means people understand the quality issues.

By end of 1992, as a result of SPC activity, Teeside Work's management claimed that they had made savings in excess of £1m on a total expenditure of £75,000. Other improvements through SPC implementation are illustrated in Table 6.11:

TABLE 6.11 BENEFITS OF IMPLEMENTING SPC

Plant	Scheme	Benefits
Ore Terminal	Lime train doors failure to open	Time to unload train reduced from 3 Hours to 20 mins
Sinter Plant	Waste gas fan temperature	£52K pa in reduced usage of burnt lime
Redcar Coke Ovens	Charge weight	£100k pa saved on under firing costs with improvements on pollution control
	Ammonia in stripped liquid	£50k pa saved in reduced caustic soda usage
	Antifoam control	£4k pa on antifoam chemicals
South bank coke Ovens	Coke moisture	Reduction in fuel cost for driving off 1% moisture in £84k pa
	Cooler Water Temperature	Saving on steam of £57k pa
Blast Furnace	Ferrous Return Fines	Yield improvement of £200k pa
	Slag moisture	Reduction in drying costs £9k pa. Reduced reprocessing costs of \$46k pa.
OS	Forklift Truck Damage	Reduced damage by £11k pa
Steelmaking	Weighbridge Calibration	Accuracy now +40 to -20kg compared with +/- 78kg
Cleveland Iron	Control of credit / debit notes	60% reduction in notes issued resulting in £1,500 saved by reduced invoicing costs

Source: Asher and Proctor (1992)

By 1993, TQ was linked with Investors in People (IiP), and senior management stated, “the conerstone of the TQ Philosophy is ‘people are our most important asset’, the same philosophy is critical to the IiP standard”. An IiP action plan was drawn up which included:

- Personal training plan for everyone
- Department training plan to deliver training
- Review and update programme
- Introduction of formal briefing and review systems
- Team briefing across Teeside works
- Provide information to all employees on development opportunities (IiP BS).

Following on from this Teeside devised a 3 year strategy that would take them to 1996. The objectives included:

- Zero accidents
- 2 man hours per tonne of liquid steel produced
- \$40m cost reduction
- 80% employees to be involved in quality
- 95% delivery on time
- Improved Customer Services indices (result of survey, complaints response time, cost per tonne, delivery and Haulier performance, and complaints by reason) (BS TQS, 1996).

Teeside Steering Committee identified key areas in which to turn its attention if it was to achieve these objectives. These were:

- Process Improvement (Brainstorming, SPC, Cause & Effect diagram, Benchmarking)
- Customer Focus (Partnerships, Supply Chain workshops, Visits, Surveys)
- Attitude and Culture (Managerial style, Communication, Employee Involvement, Values and Behaviours).

By 1995 BS Teeside were using the EFQM for Business Excellence. The assessment stipulated that overall responsibility lay with the Management Committee and external assessors would conduct assessment verification. The Department Manager however would own departmental self-assessment.

The model they followed had a role for everyone:

- Senior Management - to promote and manage overall assessment as well as devising policy strategy
- Departmental Management - to devise business plans, and provide evidence of progress
- Every Employee - become involved in planning, designing and implementing plans for improvement.

**BS Tinplate:** Shortly after privatisation, Tinplate developed the following mission statement, which read:

“we are dedicated to being a profitable, efficient, competitive and innovative manufacturer and supplier of tin-mill and galvanised product to meet customers’ needs in the international market. In providing our customers quality products for the packaging, autobody and construction markets, we shall ensure the well being of our employees and the environment”.

Tinplate developed a 5 year strategy spanning the period from 1991–96 which incorporated a three phased approach: Phase I - Awareness/Awakening, Phase II - Awareness/Action, and Phase III – Building.

During 1991 Tinplate developed Phase I of its Quality System (QS) termed, ‘Awareness/Awakening’.

This programme was very much the learning phase, identifying what needed to be done, and discussing what was meant by TQ for the organisation. Diagnostic Evaluation workshops were also held for managers.

Following some Business Process Review (BPR) studies and in response to the economic business issues, which were affecting the organisation, Tinplate embarked upon a change programme, which centred on Teamworking. They employed ‘Practick’ as external consultants to assist.

In 1993 Tinplate developed Phase II of its QS termed ‘Awareness/Action’. This provided an update to TQ and outlined what managers needed to do to change. The training focussed on task teams using a ‘Problem Solving Discipline (PSD)’ and ‘Communication’ methodology. Task teams and PSD teams were organised following the Japanese approach, i.e. teams included plant personnel, specialists, and research personnel. BS Tinplate claims that their ‘Teamworking Project’ provided its employees with a mechanism for delivering cost reduction and increased levels of manufacturing performance as well as

customer satisfaction. Teamworking was seen as a tool for problem solving through its TQ programme. Tinplate management claims that this had been useful in recognising the abilities of its people. The Unit was based on Teams, realising this was a means to improve the quality of product through empowering employees in order to improve performance - 6 task teams were established in 1994-95 which focussed on customer quality issues.

Early 1995 internal documents claim that the Quality Improvement Programme was stagnating, so 'Reward and Recognition' was introduced to increase people's involvement. This led to the launch of 'The Way Forward' workshops which were held for 600 managers and supervisors. They focussed on Quality Improvement Process, PSD, Teamwork, Culture and Style, and Process Orientation. These were building on the Team training and TQ update workshops held in 1994. One of the tools introduced to the workforce during these workshops was 'Brainstorming'. Tinplate benchmarked against others in their 'Recognition and Reward' process both internally with Teeside Works and Shotton Works, and externally with Pedigree Petfoods and Calsonic. They used this to look at the types of recognition and evaluations processes, publicity and successes, and how to integrate TQ into the organisation culture.

During 1995, Teamworking was introduced at BS Strip Products Shotton Works under the acronym TOPICS (Team Oriented Programme for Improved Customer Services) using the 'right first time' approach. Results of an employee survey reported in 1995 that 89% of the population in Tinplate were involved as a team, and 85% involved individually in QI activity.

Tony Vickers, MD, Tinplate, said " I believe strongly that the growth of workforce participation in Team activities is vital to maintain our progress towards TQ aimed at delighting the customer and hence securing a viable business for the future " (BS QMT, 1996).

In 1995 Tinplate developed Phase III of its QS termed 'Building'. This provided senior management commitment to teams, actions needed to change the management style to adapt, and improving communication. This phase also looked at integration into business activities to change. By the end of 1995 Tinplate claim that 20% of the workforce were involved in quality improvement activity (BS QMT, 1996). This according to senior management was a low figure and so they decided that action was needed to boost the activity. Each employee took part in a 2-day team building event and then worked as a team member. The management wanted all employees to have participated in at least one team activity by the



end of year 2000. BS Tinplate (BS QMT, 1996) devised what became known as the 7 Principles, which were:

Principle	Activity Involves:
1 The Philosophy	Prevention not Detection
2 The Approach	Management Led
3 The Scale	Employee Responsible
4 The Measure	The Costs of Quality
5 The Standard	Right First Time
6 The Scope	Company Wide
7 The Theme	Continuous Improvement

Their Quality Improvement Cycle was based on the following continuous approach: (Fig 6.26 and Fig 6.27)

FIG 6.26 BS TINPLATE QUALITY IMPROVEMENT CYCLE

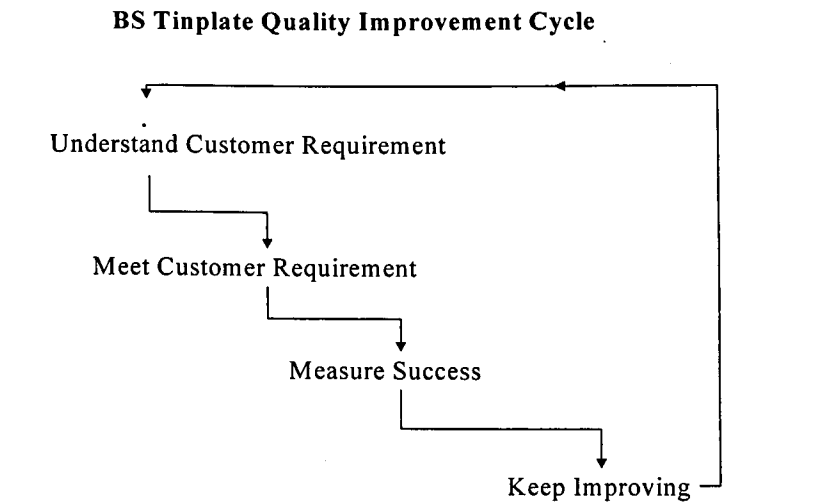
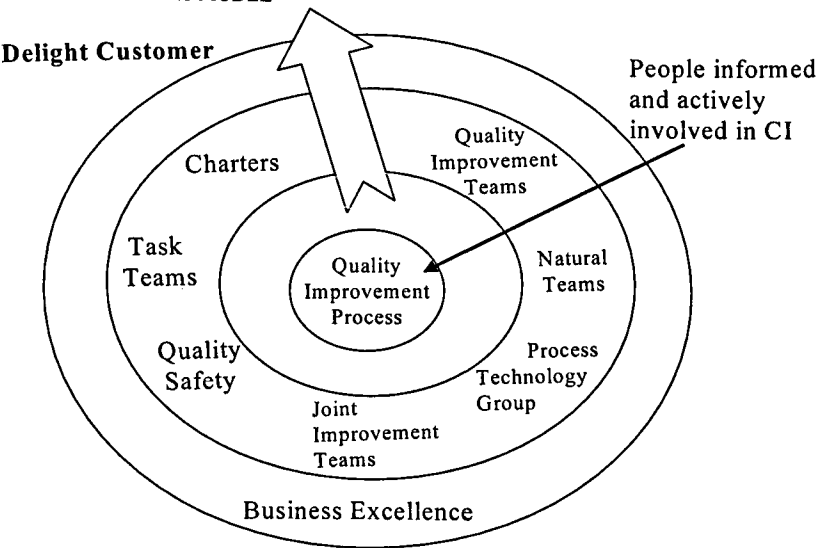


FIG 6.27 BS - DELIGHT CUSTOMERS MODEL



Source: BS Steel News May 1996

The tools and techniques used were Brainstorming, Cause and Effect model, check sheets, Scatter diagrams, Pareto analysis and Histograms.

The years preceding 1996, TQ had been seen as a separate initiative within Tinplate. Senior management realised that for Tinplate to be truly successful, TQ activities needed to be integrated within BS so that they became Business As Usual.

As a result of the TQP initiatives achievements within Tinplate were (BS News, 1997):

Key Performance Indicators	1991	1996
Health & Safety score	63%	70%
Customer complaints	1.5	0.55
	DRM/sita	DRM/sita
Delivery to time	77.73%	82.12%

By 1996 Tinplate's Phase III was extended to include, 'Building and Spreading (Integration)'. This focussed on people involvement, empowerment, recognise and reward success, mechanism for improved communication, stick to problem solving discipline, consistency of style, and self assessment (EFQM). During this time TQPerformance teams were setup which comprised middle management engineers, operators and craftsmen from all areas of work.

In 1997 Tinplate developed Phase IV of its QS termed 'Deployment/Implementation'. This concentrated on the fact that teamworking is TQ, communication, and that a manager is a coach and support provider. The motto (throughout Teeside and Tinplate) became, 'the way we do things', and 'the way we want to do things' (BS News, 1997). At this time, Tinplate began to look at the EFQM model (Fig 6.28) for use as a means of organising and evaluating its activities (BS is a member of the foundation). The model identifies strengths and areas for improvement. It has been adapted for contractors, and once an issue has been identified, it is given the highest priority for improvement and an action plan is generated to progress the business. It was reported that, " British Steel is set to revolutionise working practices in heavy industry by offering the same employment conditions to blue-collar and white-collar staff" (Overall, 1997).

FIG 6.28 BST EFQM MODEL

<b>Leadership</b> Communication	<b>People Management</b> Training NVQs Appraisals	<b>Processes</b> QA Quality	<b>People Satisfaction</b> R&R Employee Attitude Survey	<b>Business Results</b>
TQ Steering		Systems Teams		Financial Lead Times
Partnerships				Customer Complaints
EFQM membership	<b>Policy &amp; Strategy</b> Mission Business Objectives	IiP	<b>Customer Satisfaction</b>	Overtime
R&R		Task Teams	Surveys Visits	Business Plans Achievement
Management Development		BPR		
Team Sponsors/ Leaders	<b>Resources</b> Waste Rework Stocks	Quality Safety	<b>Impact on Society</b> Recycling Effluent Investment	
Quality Awards		Risk Assessment		

**pan-BS:** Before privatisation BS encouraged the development of TQ initiatives within the different business units. In the 1989-90 annual report TQPerformance programmes continued to be a fundamental part of the Company's manufacturing environment.

Prior to TQP introduction, BS conducted internal and external surveys through PA Consulting Group to identify where programmes should be targeted. Results showed internal communication problems existed which directly affected the service to customers.

During the early 1990s BS built its own quality-training suite which was used to start the first TQP events, which lasted on average 3 days. Within BS the term Total Quality Performance was used instead of TQM purely "*because TQM implies sole manager involvement*", and given BS labour relations history it was decided not to use the term TQM.

It was not until 1992 that BS formulated some form of a mission statement, which read:

"BS is a low cost and internationally respected steel producer, one of the most important in one of the world's key industries. Its strength and adaptability stem from constant attention to cost reduction, product quality and customer service at all times and through all market conditions. BS is the UK's sixth largest manufacturing exporter with overseas sales accounting for around half its total business" (BS, 1992-93).

In 1992, following on from these events a 'delivery-to-time' quality indicator was introduced. This was to ensure greater customer delivery was maintained and on time, and to keep ahead of competition. Other

factors, which were looked at, were those of maintaining staff interest, participation, and motivation. A TQ Awareness course was set up with cross functional groups.

In 1992-93 a corporate TQ Awareness campaign was launched. Quality Improvement Teams were created across the businesses and formed the backbone of the Quality Improvement Programme. These concentrated on 'Education on TQP', with importance on involvement and what was needed to make the project a success. TQP training for management was undertaken in-house by BS training officers.

A great deal of time and effort has been invested pan BS on introducing Teamworking to encourage free 2-way interchange at all levels. Following BPR studies and with business imperatives to respond to the worsening economic situation BS decided to embark on a radical change programmes, such as changes in the way the organisation was managed and organised. The total grading and remuneration package have been reviewed and changed towards being more modern to meet the challenge of the future.

In 1992, BS Strip products established multi-disciplined teams to "focus resources on achievements of a series of ambitious targets relating to quality, consistency, yields, delivery performance, etc". The methodology was based on Japanese practices of problem solving (Prescott, 1995). The outcomes from this were so good that the practices was cascaded into other areas of the business.

The 'Teamworking Project' was launched in 1993 pan BS. A full time project team was set-up, supported by external consultants, to identify a common strategy for roll out of the programme, together with costs, resource requirements and expected benefits. The key objectives of this project were to:

- identify team size
- identify roles and skills required to support the teams and carry out the necessary training programme
- redefine the pay structure and employment conditions, and any implication for the role, organisation of management, and
- understand the commitment needed to implement the design.

One of the implications of this initiative was that management was beginning to adopt a 'bottom up' approach to drive the organisation.

Management claim that the introduction of TQP at the Ayrton Godins plant in Newport during 1993-94, led to a culture shift from a "them and us" to "we are all in it together" approach, i.e. away from a functional organisation to one of working in teams. One manager indicated that nearly 200 people from

the Ayrton Godins plant had attended the workshops. Results showed an increasing number of task groups were set-up to review current processes and generate ideas for improvement (Bird, 1995).

In 1994 Moffat, was reported to say, "The whole management style has changed" (Heller, 1995c).

Moffat also outlined his intentions for BS in the year 2000, "we will be an internationally based steel company. There's no such thing in the world today. For us Europeans to put our house in order, cross border alliances, mergers and joint ventures must be part of the answer".

One manager stated, "*TQ is gradually disappearing. It was a useful vehicle but is now merging into the way we want to do things*".

During 1994-95 BS conducted 'customer surveys' employing Customer Services International (Cranfield) consultants to do the job. Due to the confidential nature of the results it was not possible to obtain a copy of the report. However, according to one manager, one of the conclusions from this feedback was that the TQPerformance encouraged people to use problem-solving techniques.

During 1994 corporate initiated training associated with the Teamworking project focussed on the following key areas:

- Cultural change courses and review workshops to improve teamworking,
- Individual training to promote interchange of skills between production and engineering,
- Programme to enhance the skills of team leaders (including leadership, teambuilding and City and Guilds safety, total quality, and external supervisory bonuses).

One element of the training also focussed on secondment so that people could learn from other parts of BS. The benefits of this scheme were claimed to be better utilisation of labour, and a change in the team's culture, and that with high profile commitment successful change in performance and attitudes can be made within brown-field sites.

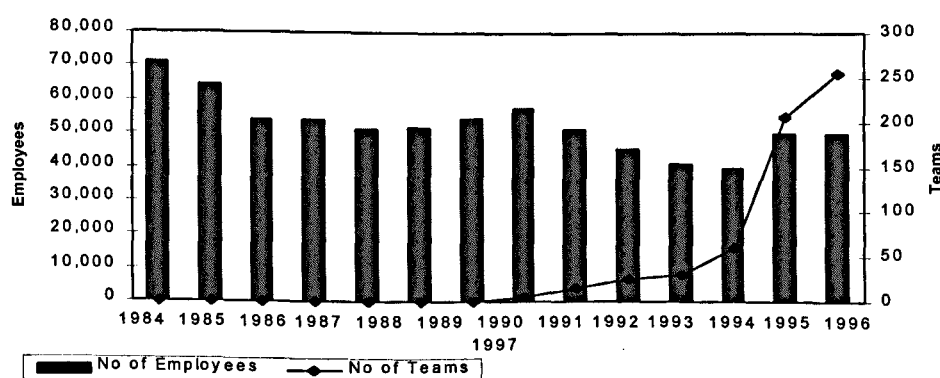
Generally the Teamworking project focussed on: gaining everyone's commitment to the new way of working, putting in place the organisation changes of the new management structure, selecting the right people forming the teams, and delivering the initial training. Following on from Teamworking, the 'Natural Team' programme came into place. This programme was designed by PA Consulting Group and run at the BS Management College.

TQ culture became defined as “the way we do it”, encouraging everyone to use the PSD approach to achieve continuous improvement (BS News, 1996).

In December 1996, a total quality performance team was established with the remit to reduce delays caused to the hot mill by the coil conveyance equipment. The team conducted a ‘TPN analysis’ (the manager was unable to recall the full name) and was able to redefine the remit set in order to attack certain critical areas.

During 1997, it was reported in the company literature that Team working agreements were in place in majority of the businesses in the UK, and further reductions in manpower were being achieved, and that the training and education programmes were accelerating. The initiative launched in March 1997 to improve the quality of BS supplies and services and to reduce the number of suppliers had according to senior management, already achieved significant input cost reductions. It also accelerated. In addition, business improvement programmes were being developed in conjunction with Cap Gemini. These were market led and focussed on bringing BS closer to its customers while improving margins, costs and working capital (BS News, 1998). Business improvements continued through Teamwork, PSD, and task teams in association with Nippon Steel Corporation. By 1997 there were in excess of 250 natural teams (Fig 6.29), across BS trained in PSD techniques, with the aim to increase worker participation.

FIG 6.29 NUMBER OF TEAMS WITHIN BS IN RELATION TO NUMBER OF EMPLOYEES



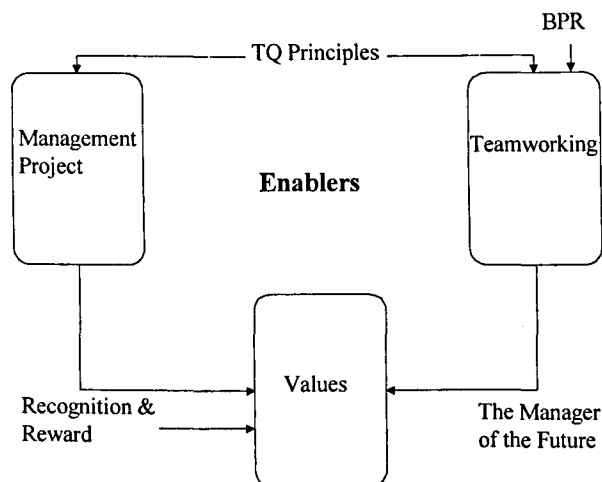
Source: BS News (1997)

BS also introduced ‘Local Lump-Sum Bonus Scheme’ during the late 1990s, which incorporated as part of the earnings, meant workers pay was now linked with the plants overall performance. This became very important to workers, they accepted the changes, as it really replaced the centralised pay bargaining. By doing this BS attempted to align its employees behaviours with the overall BS strategy. This culture

change for quality production became key, and TQ Performance methods techniques were introduced, 'right first time'. This also highlighted the notion of competition for all workers. What was now needed was for people to have the appropriate training, so, the Llanwern plant workers were given training in both technical and management skills. This created fully sufficient multi-skilled teams. In the mid-1990s BS created 'Centres of Excellence' using the EFQM model with an emphasis on high technology and employee training. The training also covered appraisal system, continuous improvement, and cultural change models. This was so that the business met its objectives.

By 1996-97 the BS TQPerformance philosophy was that, "It is not enough just to make such a choice of advanced steels available to the customer. Successful marketing in a highly competitive commercial environment means constant attention by the steel maker to product developments, quality control, delivery on time and customer service - in fact, to all aspects of the company's 'Total Quality' approach" (BS, Products A-Z Leaflet), and is summarised below:

FIG 6.30 BS ENABLER TO TQ



Source: adapted from BS internal literature

Customers' request for increased product quality and consistency continues to grow. Closer involvement with customers has resulted in significant effort and expenditure to ensure that the Company's products are fully comparable with the best made by other manufacturers in terms of quality. According to one manager; "applying TQP has given a focus on issues not always at the forefront of our minds"!

BS management claim that they are no longer spending vast amount of time inspecting, but "building in quality". BS has moved towards business competitiveness with a focus on efficiency and product

quality, reducing costs and increasing safety. Safety is important given the nature of the task employee's carry out as part of their daily routine.

Like other organisations, BS senior management also saw a need to change the structure of the organisation. In 1997, the new management structure was based on: smaller and more focussed management teams concentrating on manufacturing performance rather than on a functional basis, a flattening of the management structure from 5 levels to 3, and the managers role became a coach and mentor.

Like other organisations customer care was also important to the extent that Customer Care Officer posts were created. These officers were then assigned core activities and market sectors where they became an integral part of the total service supplied to their customers. This led to the 'Quality Alert' system, which highlights process changes before a problem arises (i.e. proactive). The system was introduced as Corrective and Prevention Action Forms (CAPARs).

BS also were using the term 'capability' for its people. Employee appraisals also take place annually, and BS use this forum to train and develop its employees to be able to do their job. BS also used this forum to include IiP for individual's own development. Total grading and remuneration package was reviewed with a focus on management style.

Nick Scheele, Chairman of Jaguar, commented that BS has come back from an even worse position 20 years ago and is, "one of the state of the art steel companies in the world" (The Birmingham Post, 1996).

According to one manager in Tinplate (c1998) BS had "*changed and TQ had a sound foundation*". He mentioned that the flatter organisation together with identifying better ways of working was helping people to move in the same direction. He also stated that "*TQ was a useful vehicle but was merging into 'the way we want to do things'*". He was keen to point out that that "*Continuous training was part of the culture and not a one off exercise*".

Another respondent said the culture change in BS has been slow and more complicated by the bonus link payment scheme. Remuneration strategy has helped the organisation to achieve its quality programme as TQ provide the framework and guidance on what people need to do to change and focus on key issues.



To summarise, as a result of all the TQPerformance and change initiatives, BS have:

- Adopted a 'Language of quality' – people at all levels have a common language for talking about quality issues
- Reduced cross functional barriers
- Increased customer awareness
- Created a culture where there is a greater ownership of problem
- People are involvement in the company, creating a greater involvement and participation
- Greater focus on teamworking (which has been the key underlying theme)
- Management structure re-vamped
- Central overheads reduced
- Devolved responsibility introduced
- Moved form a product-led to market-led organisation.

The following table summarises in broad terms the trends in TQP approach taken within BS, using the components established in Fig 2.3.

TABLE 6.12 BS SUMMARY

Component	Broad Focus	Date
Visionary leadership	Senior managers to provide and manage overall strategy	1995
	Departmental business plans	1995
Customer orientation	Delivery	1988
	Customer focus	1992
	Improve delivery	1992
	Delivery on time	1997
Culture shift	Change behaviour - focus on accountability	1986
	Employee commitment	1988
	Create a common language	1992
	Attitude and culture	1994
	Change culture / style	1994
Operations orientation	TQ is no accident	1985
	Zero defects	1985
	Improvement in yield	1988
	Product performance	1988
	Reliability	1988
	Stock levels	1988
	Statistical Process Control - focus on manufacturing and administration processes	1988
	Tools and techniques used	1989
	Problem solving	1988
Learning through training	Training	1992
	IiP - people training, development	1986
	Manager is a coach and support provider	1993
Employee involvement	Quality improvement teams	1997
	Teamworking	1988
Continuous improvement	Quality improvement	1993
	Quality control	1997
Increased revenue	Profitability	1992
Reduce costs	Reduce manufacturing costs	1986
	Costs	1988
	Reduce waste	1989

## 6.9 Royal Mail

Sir Keith Joseph, as Secretary of State for Industry, instigated the division of the Post Office (PO) and BT (12 September 1979) to separate the telecommunication and data services from the mainstream PO mail service. This was confirmed by the British Telecommunications Act of 27 July 1981. In 1986 based on a 'Corporate Plan' recommendation (Browne, 1993) the PO was split into commercial style companies operating as separate entities: Royal Mail Letters (RM), RM Parcels (renamed Parcelforce in 1990), PO Counters, and Girobank Ltd., collectively employing about 211,000 people (160,000 in RM). The case study looks at RM, which is the largest component of the POs total turnover.

Although RM is not classed as a 'privatised' organisation as described in Chapter 3, it is nonetheless in many respects functioning as one, even though ownership is still within the public domain. The only exception is that there has not been a major sell off or shares ownership.

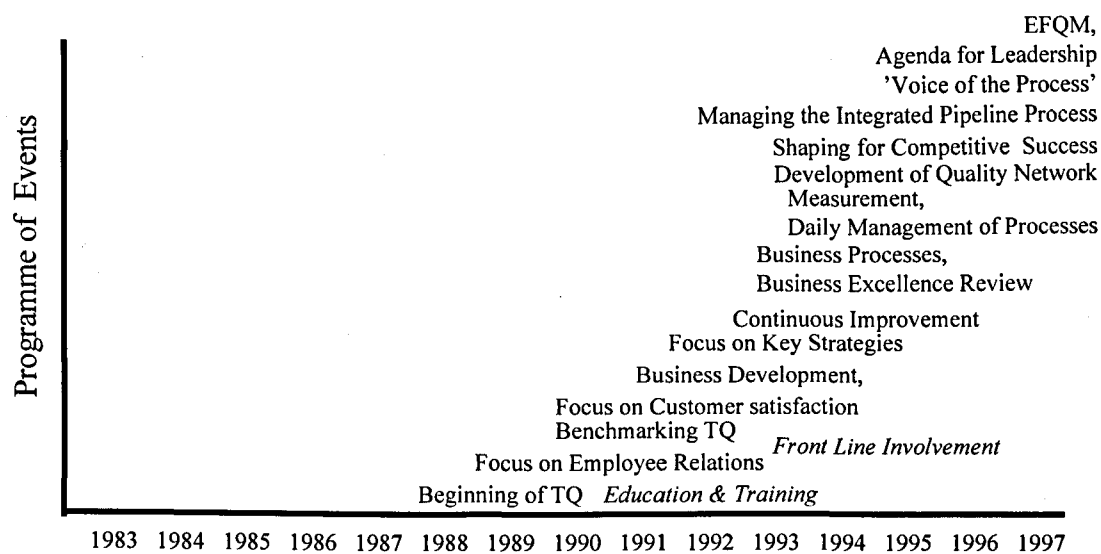
The culture at the time of the split was very much internally focussed, bureaucratic, and according to one respondent, "*somewhat complacent and not much changed from its Civil Service background and attitude*". He also said, this had led to "*poor quality, inefficiency, dissatisfied customers, and disillusioned staff*", within an environment where, "*customers know what they want and are demanding satisfactory service*". Following the split, the PO in general sought to exploit new technology, improve customer relations, and become more flexible in its approach.

By mid-1980s RM senior management realised that it needed to concentrate on customers and identify the means by which customer needs could be satisfied. Bill Cockburn, CEO, stated that RM needed to change its 'culture' from, "an operationally led take-it-or-leave-it 'Style' to one where we say to the customer, 'what do you want?' and the operator is servant to the market, not the other way around". He said, "it is not for us to inflict change, but for us to encourage in a dialogue with our customers to determine their true needs and then to look at what we are doing and see if there is scope for change. This is something to be done with greatest sensitivity". Cockburn said, "my job is to lift sights. The danger is mediocrity. We must set a new agenda for change". Referring to competition, he said, "every letter has a range of alternatives". This led to the formation of the RM slogan which became, "we know all our customers ... by name" (Appleyard, 1990).

A key player in the introduction of TQ into RM was Ian Raisbeck, who joined from Xerox (having completed Xerox’s Corporation Leadership through Quality programme in the US). In 1988 he was leading RM quality initiative drive. At the same time as Raisbeck joined, Sir Bryan Nicholson became PO Chairman. He too had undergone the quality programme at Xerox.

They decided to apply a TQ approach very similar to that of other privatised organisations in the study. The focus towards introducing quality processes began in earnest in 1988, triggered mainly by customer dissatisfaction, popularised by the media together with direct complaints to the PO (The Economist, 1990b; Fojt, 1995). In order to bring about the desired change, RM senior management began to think of a strategy that would turn around customer perception. This in turn led to the introduction of numerous quality initiatives. The main ones are illustrated below:

FIG 6.31 ROYAL MAIL QUALITY JOURNEY



In September 1988, the Letters Management Committee comprising of senior members of RM took a key decision, which represented a fundamental change for the organisation. They gave their full support to the development, implementation, and maintenance of a TQ process, stating that it would be ‘Customer First’ - “Customer First (the Total Quality process for Royal Mail) describes the way of working that will enable the Business to achieve its mission, values and objectives. The members commit on a team and individual basis to positively pursue all the actions necessary to fully implement the process” (RM CFS, 1988).

To do this the following foundations were established for directing the TQ process:

- Clarification of current state of business and what was envisaged for the future - The Vision
- Supporting Mission statement
- Clear definitions of what the TQ process was to be for RM
- Inclusion of TQ processes, tools and techniques proven in other organisation
- Establish interdependencies between employee satisfaction, and achieving/retaining long term customer satisfaction.

The business mission, for RM was “to be recognised as the best organisation in the world distributing text and packages” (RM CFS, 1988). It centred on offering increasing ‘value for money’ services to its customers. According to one manager, “*it is the customer’s judgement that will decide the organisation’s success or failure*”. The values set the tone in which the business will achieve its mission, and RM states its’ business values are that it cares about: its customers and their requirements; its employees; how the work affects customers; and its role in the community (RM Handbook). The enabling elements by which the mission is achieved are:

- The need to excel in RM business processes: i.e. its collection, processing, distribution and delivery arrangements.
- The need to form partnerships with customers: i.e. establishing a partnership with its customer’s - to understand, agree and meet their changing requirements.
- The requirement to be a profitable organisation for long term viability and reinvestment: i.e. to operate profitably by efficient services which its customers considers being value for money.
- The creation of a positive working environment for all employees to customer satisfaction of RM customers: i.e. creating a work environment, which recognises and rewards the commitment of all employees to customer satisfaction.
- The role within the community: i.e. recognising its responsibilities as part of the social, industrial and commercial life of the country.
- A need to be both forward looking and innovative.

The RM business values were:

“We each care about

- Our customers and their requirement for:

Reliability  
Value for money  
Accessibility  
Courtesy  
Integrity  
Security  
Prompt and timely response

- All our fellow employees and their needs for:

Respect  
Training and development  
Involvement  
Recognition and reward

- The way we do our job and the way it affects our customers both inside and outside the business

- Our role in the community.

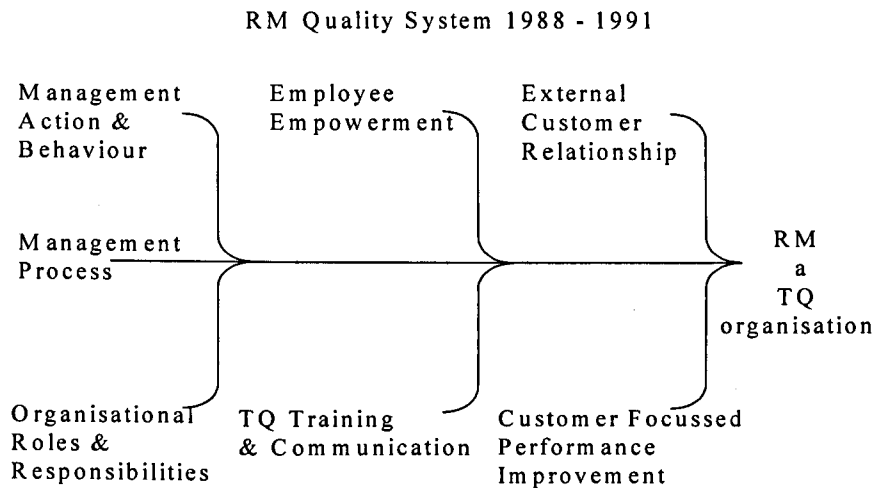
We are proud to be part of RM” (RM, 1995).

Within RM, a director of business development was appointed in December 1989, as part of a major reorganisation strategy that was to:

- focus on five strategies derived from the mission
- get closer to the customer
- create a simplified organisation and reduce bureaucracy
- strategic headquarters and devolved accountability
- business process definition and improvement
- emphasis on measurement.

To support this, the TQ process incorporated: external customer relationship, employee empowerment, management actions and behaviour, customer focussed performance improvement, training and communication, organisational roles and responsibilities, management processes and implementation effected by others (Oakland, 1989). This is represented in Fig 6.32:

FIG 6.32 RM QUALITY SYSTEMS 1988-1991



Source: RM 1992

The ‘Management Action and Behaviour’ element concentrated on viewing organisational subordinates (colleagues) as a ‘customer’ of the manager. Managers were also to provide support, develop the teamworking aspects, as well as taking on the responsibility of co-ordinator and planner. Feedback was confirmed through peoples’ actions and behaviour.

‘Employee Empowerment’ addressed issues such as: pay and reward, recognition, training and development, involvement, organisation relationships, workplace environment, health welfare and safety, involvement in the community, and internal communication.

The ‘External Customer Relationship’ element involved identifying requirements, product development, measurement, communications, image, partnerships and delivery.

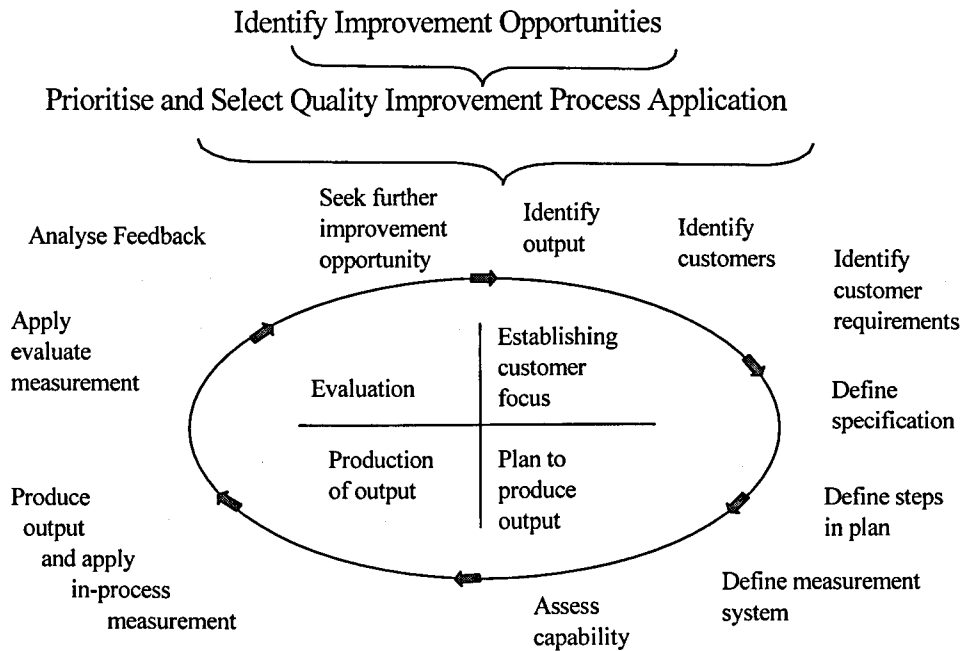
The ‘Management Process’ elements included: positive use of the reward system (e.g. bonus schemes, long term service etc.), integration into objective setting appraisal, and promotion. This also looked at short/long term planning process, policy deployment and business process improvement essential for TQ to be the basic business strategy.

The ‘Organisational Roles and Responsibilities’ element concentrated on senior management having a key role as a member of a ‘steering committee’, and a belief that TQ can be achieved through line organisation.

The ‘TQ training and communication’ element involved a 5-day training workshop for all senior and middle managers, cascade in work teams, manager - participant and team leader, workshop - modular approach for first line manager, operational efficiency - communication/awareness skills to training activities. Like other organisations in the sample study (BAe, BAA) RM also introduced the ‘Mystery Shopper’ technique. This tested customer perception of RM as well as the responsiveness and knowledge of customer facing staff. A new team ‘Communication process’ was set-up and they commissioned the mystery shopper initiative. Over 150 calls were made.

The ‘Customer Focussed Performance Improvement (CFPI)’ element that they developed is represented in Fig 6.33. It shows the need to identify improvement opportunities and to prioritise and select those areas for improvement.

FIG 6.33 RM CUSTOMER FOCUSED PERFORMANCE IMPROVEMENT MODEL



Source: RM 1992

This is a simple concept that of identifying the area (output) to be improved, focussed on that area towards the customer, planning to produce the output and then evaluating its effectiveness. To summarise CFPI it places emphasis on improvement not problem solving. It concentrates on using the basic set of analytical tools, as well as identifying the cost of quality, and using benchmarking to identify improvement opportunities.

As a precursor to the actual introduction of the quality initiatives, RM, like other companies in the study (e.g. Rover and BP), looked at other organisations in a process which it called 'Benchmarking TQ'. Senior managers visited companies in the UK, USA, and Europe, which had either achieved or were candidates for the Malcolm Baldrige Award. The outcomes of the visits were to:

- Develop and deploy leadership charter for upward feedback (focus on leadership behaviours)
- Customer/supplier partnership
- Introduction of business process management
- Adopt EFQM model as framework for achieving business excellence through self-assessment.

RM defines business excellence as "The way of working required within RM to achieve balanced stakeholder (i.e. customer, employee, community, and government as shareholder) satisfaction and so increase the potential for long term success".

'Unit Excellence' was developed following benchmarking with the Australian Postal Service. Key themes of Unit Excellence process was to:

- Be confidential (results were not to be used in individual's evaluation, fair and objective feedback)
- Maximise involvement
- Recognise excellence and achievement (for the individual and for Unit)
- Focus on strengths and improvements (focus on improving the Unit's performance)
- Consistency (re-enforce message of becoming a world class organisation).

RM felt it was important to get senior management on board and have their support and commitment.

They achieved this by assigning one of the senior manager's direct reports to teams that developed the strategy and direction. They wished to create a new culture which focussed on the customer, the employee, and improvement opportunities, "identifying and satisfying the needs of the customer starting within the external customers and working backwards so that quality at each step is defined in terms of 'next customer' in the process. It is being both effective (delivering the right products to the right market) and efficient (doing so at the most economical levels possible)" (RM CSF, 1988). Over 80 Quality Support Managers (QSMs) were recruited and trained to carry out the training for staff, and their role was to be a catalyst to bring about the desired change. Senior and middle managers also received training and then led their own teams training workshops that focussed on TQ principles, TQ implementation, and how TQ affected them in the day-to-day work environment.

The next step, the 'Focus on Employee Relations' programme in 1989, concentrated on the welfare of the individual. To cascade this programme, RM personnel division created Employee Communications Managers, who did similar work to that done by the QSMs. The company claims that the training activity associated with TQ, which began with 5-day workshops for all senior and middle managers, has been the largest management training activity undertaken by RM. This training has had a dual benefit for managers, participation as team members, and leading their team through the workshops.

It is worth noting that while the mission was created in 1988, it was not until 1990 that the elements became known throughout the organisation. RM then made a conscious decision to outline the new approach in such a way that it became visible to all and could be easily demonstrated in display.

The organisation then initiated the 'Focus on Customer Satisfaction' programme in 1990. This was via MD briefings, workshops, and QSM/Steering Groups workshops. Nearly 12,000 managers were trained in Customer First techniques, which looked at:



- Identifying team purpose and outputs
- Use of quality improvement process
- Tools and techniques (Force Field Analysis, Ishikawa diagram, Pareto Analysis, and Brainstorming). Between 1991-93 training had been cascaded to 100,000 front line staff.

In 1991 as part of the restructuring, Jerry Cope was appointed Personnel Director, to co-ordinate the staffing changes, and focus on training, emphasising TQ and Customer First (CF) within RM. Cope was involved in the reduction of Headquarters staff from 2,000 to 200. The Customer First in RM was based on external and internal customer needs, and for Performance Measurement, RM used the Customer Perception Index (CPI) which allowed a very flexible approach. To demonstrate that CF was a continuous process, it was reported in 1995, that the 'RM Teamwork' event had been held annually since 1990, and that over 10,000 employees had attended it regularly. This Teamwork event had an impact in raising the profile of quality improvement activity.

In 1992, the process of change led to the launch of the 'Business Development (BD)' initiative, headed by Bill Cockburn, MD, to re-structure the RM into 9 divisions from 64 districts creating a shift from vertical structure to horizontal integrated divisions. This change created a movement for about 12,000 people into new jobs focussed on:

- major change in business processes
- shift from cost to profit centres
- reduction in bureaucracy and decentralisation of decision making
- increased emphasis on networks and teamworking
- changed roles and responsibilities, and fostering of new employee attitudes.

The BD project also introduced TQM methodology (in particular reduction in cost and management hierarchy), bringing in external consultants to review the programme's achievements. This sought to de-layering of RM organisation, resulting in a management hierarchy of 6 layers between the front line staff and the managing director, and reduction in the size of RM estates. Technology and competition also played a big part during 1991-92, when the PO launched a £2.2bn project to replace part-mechanised sorting offices. In discussing these changes, one respondent said, "*Our future lies in an electronic environment, and services with many banks among our customers*".

Between 1990-92 RM 'BD reorganisation' focussed heavily on change in management processes. This programme aimed to create a greater emphasis on customer focus, cascading of total quality principles and tools throughout the organisation, creating less bureaucracy and moving towards responsiveness at

local levels (i.e. a new employee attitude culture), emphasising accountability, focus on profit and revenue, clear definition of management process, greater teamworking, increased professionalism, make Continuous Improvement an obsession, focus on consistent achievement of RM mission, provide value for money, and reducing overheads. It was also a different ethos to that associated with Public Sector organisations (i.e. a shift from cost to profit centres and a change in business operations).

In 1992 RM adopted the EFQM framework as its model of total quality. By 1993, EFQM model was used as the basis for creating and implementing an internal self-assessment for its business operations planning. The process was called 'Business-Excellence Reviews'. Once again RM senior managers were trained as assessors in this process and the self-assessment undertaken by small teams of trained assessors drawn from senior levels within the business. Claims are made that these reviews produced useful information on strengths and opportunities for improvement at the business level such as in a delivery office, motor transport or with a project team. By this time pilot study of the Unit Excellence initiative was showing signs of success. Out of seven pilot units, one had achieved the Unit Excellence Award and the other six were continuing to work on their actions. It was said that by 1995 80 further units were to be rolled out with this process.

Dr George Delafield, Head of Performance and Development at RM, circa 1993, stated that, "since 1988 virtually all change in RM has been closely linked to the TQ approach", and that under the TQ banner, the first change introduced was 'end-to-end' measurement of next day delivery performance. During 1993, RM employed Research International consultants to conduct an independent survey to gauge improvement. Results from this survey showed service rose from 75% in 1988 to 92% in 1993. Claims were also made that improvements were noticeable in not only delivery, but also that employee's satisfaction levels increased.

Another measure of how RM continued the TQ drive forward was the number of people involved in continuous improvement projects to improve local work practices. The target for employee participation in Continuous Improvement was 10% of all employees by 1992-93, 20% by 1993-94, and 50% by 1994-95. It is claimed that there were approx. 6,000 improvement projects active by 1993 as a result of TQ and other specialised training given to employees (RM Courier, 1993). It took over five years (1988-93) for RM TQP to reach its 120,000 front line employees - the postmen and women. The process by which

this was achieved was awareness sessions, and by providing coaching and support on quality-improvement tools and techniques as they become involved in improvement activity.

Within RM, the TQP have proved a useful enabler to generate awareness and introduce TQ company-wide. According to Heller (1993) it was Cockburn who masterminded the change at RM from an operational and monopolistic organisation, and previously a loss maker, to one which had £5bn turnover. Heller stated that RM had been transformed as a direct result of its total quality management top down approach. Raisbeck states that “overall TQ has meant that RM is a much more commercially focussed organisation that it was five years ago” (RM Courier, 1993).

In 1994, Ken Wright, Assistant Managing Director RM, wrote, “we in RM have made great strides to quality improvement. We have set tough targets but these are necessary if we are to maintain and improve our position in the market place ... Quality improvement is a continuing path and we cannot afford to rest. Our reputation depends on everybody making a contribution and becoming involved” (RM CF, 1994).

Between 1994-97, the TQ Initiatives concentrated on:

- Business Processes: to support the transition of the Business to managing performance through process. The business had 15 processes (5 were customer facing).
- Daily Management of Processes: looked at process variation, Benchmarking and training
- Measurement within Management Processes: performance measurement and review planning and strategic direction setting
- Organisation Self-Assessment: Business Excellence review, Unit Excellence introduction
- Quality Awards Involvement: regional awards, UK Quality awards, and EQA
- Involvement: develop and support a partnership approach with all RM unions, and links to process improvement and Unit Self-Assessment
- Development of Quality Network: skills analysis to support TQ initiatives. Feedback from customers of TQ.

From 1995 onwards, RM contracted the Sampson Tyrell consultancy, which had previously worked for them during 1990 (Bowman, 1993), to co-ordinate and monitor the implementation of its new corporate identity. This involved replacing the signage and identity systems with a more coherent unified approach reduced printing costs and through a consistent image, and reduced marketing costs. The new signage also saved £750,000 according to designer's claims. Kepner Tregoe consultants, who had over the years been associated with approaches to structured problem solving (Kepner Tregoe, 1965, 1981), were also employed to devise focus and strategy for RM to the year 2002.

By 1995 RM claimed that there were 2,000 quality guidance groups consisting of 4-6 employees with 30% of other employees involved on specific improvement projects.

In 1996 'Shaping for Competitive Success' was launched, but data on this has been difficult to obtain because the company has been quite secretive about it. In the same year another initiative called, 'Managing the Integrated Pipeline Process' was launched. This programme looked at process interfaces, identified weak links, and attempts were then made to find solutions. According to a reliable source (circa 1999) some preparation had begun but progress was somewhat slow because management and unions were not agreed on the way forward. (This is different for privatised business). He mentioned that in his opinion, despite all the earlier initiatives, since the mid 1990s, the quality of service had fallen and customer perception on the services provided was not perceived well, saying that, "*this has always been the case with customers - they have seen us as a poor service provider. This is one of the reasons that our competitors are gaining ground on the competitive front*".

In 1997, RM adopted the EQF model as its business wide framework for total quality, "Our aim is to make the Post Office a world class benchmark of excellence in terms of total quality, customer initiatives, innovations, technology and product development", said Cockburn, Chief Director of PO.

In 1997 RM was using quality workshops training course to make improvements to processes. They employed Simmons Dickenson consultants to conduct the workshops. The consultants termed this programme 'voice of the process'. Senior and middle managers attended the event. It was developed to constantly monitor processes and chart the results looking for unusual events and taking appropriate corrective action. The aim was to improve processes at RM and maintain a system for continual improvement. Emphasis was also placed on development of quality networks.

From the development of quality network in 1997, an initiative called 'Agenda for Leadership (AFL)' was created. This was designed to ensure that the necessary resources, training, and development opportunities were made available to managers to enhance their leadership skills, and to prepare them for competitive threats that RM may face in the future. Managers were assessed against key capabilities, namely:

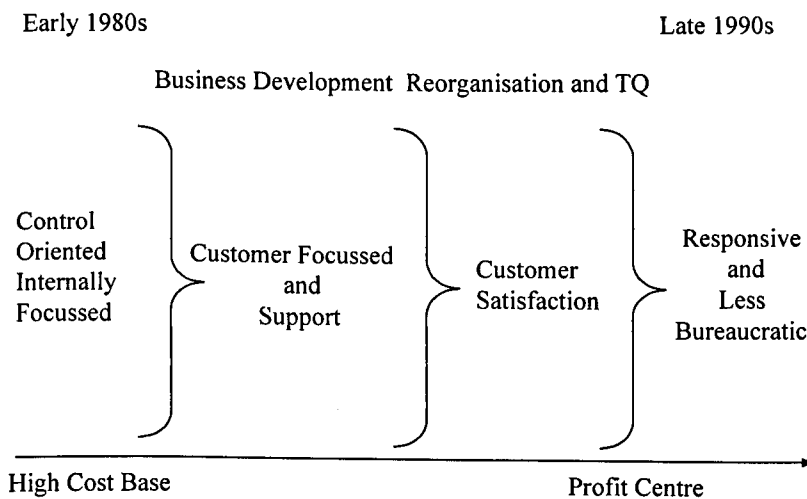
- Communication oral
- Managing yourself

- Managing change
- Improving the business
- Working with people.

Internally the quality change agents were employed to bring about the desired changes (RM Handbook).

Managing commercially, successful in speed of implementing the change involving all people and increasing teamworking may have brought about the change in peoples' mindset. As a result of the quality related initiatives to bring about change, RM has endeavoured to move away from the control orientated inward looking focus to that of a more customer focussed orientation and supportive structure (internally) to provide support to external customers and customer satisfaction, as illustrated in the figure below. The internal culture of feedback, and internal customer feedback has resulted in a focussed supportive environment towards external customers.

FIG 6.34 RM - PROCESS OF CHANGE



The need to change internal culture is linked with RMs desire to expand to other goods carriage markets. The desired organisational change was to become more supportive and customer focussed, moving away from the control oriented and internally focussed framework that previously existed. These changes were based on elements of the TQ philosophy of Juran and Crosby are illustrated in Fig 6.34.

To summarise the key strands of the RM initiatives have been:

- External benchmarking
- EFQM
- Moved from a control oriented to a more customer focussed and supportive organisation
- Emphasis on performance and customer satisfaction
- Problem solving culture

- Increased people participation through the self-assessment process
- From an internally to external customer focussed, and
- Building on employee relations
- Introduced a culture of continuous improvement
- Introduced quality as business as usual.

The following table summarises in broad terms the trends in TQP approach taken within RM, using the components established in Fig 2.3.

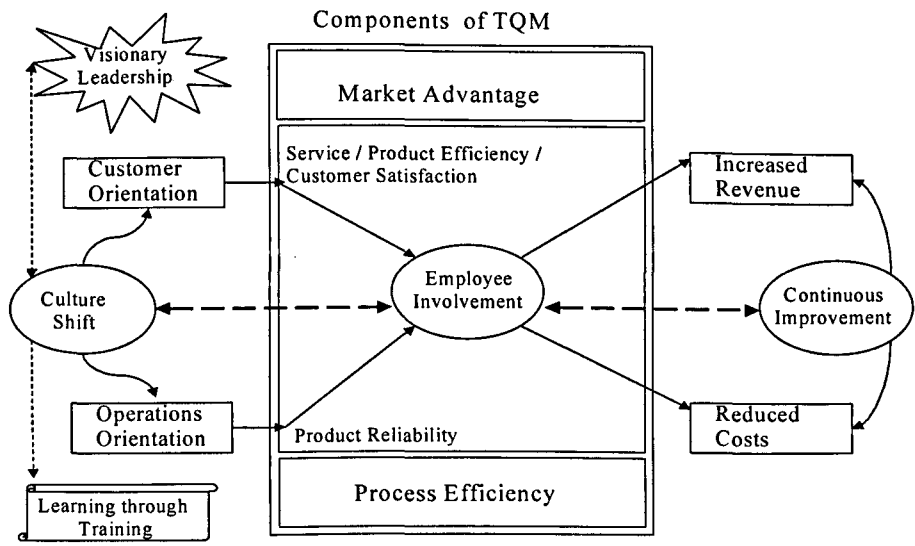
TABLE 6.13 ROYAL MAIL SUMMARY

Component	Broad Focus	Date
Visionary leadership	Created mission, vision and business values	1988
	Leadership	1997
Customer orientation	Customer first	1988
	Internal/external customer needs	1990
	Customer satisfaction index	1995
	Customer focus	1997
Culture shift	Reduce bureaucracy	1989
	Change management behaviour	1990
	Foster new employee attitudes	1992
Operations orientation	Restructuring - get closer to the customer	1989
	Tools and techniques	1990
	Technology	1991
	Business development - re-organisation	1992
	Product development	1997
Learning through training	Senior management led teams workshops	1991
	Training and development	1997
Employee involvement	Teamworking	1992
Continuous improvement	Quality improvement process	1990
	Continuous improvement	1991
Increased revenue	Focus on profit	1992
Reduce costs	Reduce marketing costs	1995

6.10 case study - comparative analysis

With the cultural transition from public to private sector (for seven of the organisations studied major change occurred in their organisational values and beliefs, provoked by the decision to privatise), the issues of service quality are perceived as paramount and critical to the overall success for the longer term strategic aims and objectives of the company. The privatisation process for these organisations led to an aim to increase competitiveness. All of them experienced competition without governmental protection and seven of them were subjected to major downsizing. Nevertheless each of them meet the requirement of survival that as Hackman and Wageman (1995) point out is the primary goal of TQM from the perspective of the movement’s founders.

As indicated in the introduction to this chapter, during the development and compilation of the case studies, key themes emerged which were common amongst the companies in the sample: e.g. mission and vision, TQ initiatives, key business issues for introducing TQ, the organisations’ desire to create a change in culture and management styles, employment of consultants/agencies, etc. What was also apparent was the need to generate awareness of key business issues that faced the organisations such as competition and the need to generate new products/services. Over the period covered by the case study analysis ‘continuous improvement’ provided an overarching reference point for the TQPs in each of the organisations. The analytical framework outlined in Chapter 2 Fig 2.3 - components of TQM (and reproduced here) proved to be a valuable vehicle for cross-referencing the organisational activities (e.g. in summary tables produced at the end of each case study).



In broad terms the following similarities emerged:

- Each of the organisations sustained their total quality strategy through continuous improvement by 1991.
- Each of the organisations embarked upon a quality strategy by 1988 outlining clear statements of current and desired future states, setting the focus for its people. Each organisation had a mission, vision by 1991, or a set of values and or goals by 1991.
- All organisations went through re-structuring programmes in an effort to align the organisation to be customer focussed, and also to focus on core business areas. The first by 1990 and the last by 1997.
- All organisations introduced training programmes covering TQ tools and techniques. Programmes serving customer care were also introduced to bring about management behaviours needed to bring about the organisation's desired change. The programmes also contained elements to improve the 'customer facing soft' skills of the workforce. All organisations had an organisational umbrella of TQM under which the different operating divisions/units developed their own brand of TQ initiatives, whilst working in the same direction as that of the broader organisation.
- The concept of change through continuous improvement was common across each case study organisation.
- All organisations focussed on individuals taking ownership and responsibility for their actions.
- All organisations employed the service of external consultants to conduct some of their TQPs or to develop the programmes for organisations to use.
- All organisations encouraged employee involvement in improving their local work practices.
- All organisations focussed on teamwork and working together to engender a change in peoples' mindset from the old bureaucratic culture to a more customer oriented approach.
- In each of the cases TQP have been an enabling device for bringing about broader cultural and attitudinal changes within the company.
- In each of the organisations there has been an emphasis on corporate rhetoric on becoming more efficient and effective in a competitive world. This has been a key justification for the programmes.

Each of the companies has been under pressure to innovate products and services, and have viewed TQ as a mechanism to achieve a shift in peoples' perception of quality. TQ and the associated continuous improvement ethos were seen as part of the long-term corporate strategy. For the organisations studied great importance has been placed on presenting this strategy in a way that it encourages staff commitment. The type of rhetoric strategies deployed by the organisations are best identified as:

- BT - Customer Driven, Customer Responsive, Value Add Service
- BAe - Process Driven, Customer Driven
- Rover - Measurement Process Driven
- BA - Customer Driven, Customer Responsive, Value Add Service
- BAA - Customer Driven, Service Driven
- BP - Customer Driven, Customer Responsive
- BS - Process Driven
- Royal Mail -Customer Responsive.



Some of the change specific change programmes covered a period of 3-5 years even more where a long-term strategy had been outlined. As shown by the number of programmes over the years, change is seen a fact of corporate life which is implicit in a continuous improvement philosophy.

The impression gained is of the organisation being proactive and pre-emptive towards change and understanding customer needs. Quality was a subject in which all had a vested interest, with companies beginning to understand that customers are demanding a quality product or service, and if that is not received, they have the option of taking their business elsewhere. The increased importance of quality in the market place, especially in the niche markets, may imply that goods and services that are inefficient or of low quality will be under pressure, from both suppliers and customers. The case studies highlight the shift in top management emphasis from a civil service mindset to focussing on its people (internal) and customer care (external).

The case study organisations' progress during their TQP journeys are summarised under two categories, hard systems issues (tools and techniques, process) and soft people issues (attitudes and values perceptions, values, morale, motivation). The categories have been defined based on the 'hard' and 'soft' features mentioned by Wilkinson et. al., (1992).

#### **Hard 'System' Issues**

- Create new organisation structures
- Generate ongoing systemic change
- Improve business awareness at all levels
- Improve greater customer awareness
- Increase productivity with less staff
- Develop process improvement mentality

#### **Soft 'People' Issues**

- Encourage greater accessibility to senior management
- Improve communication
- Increase involvement and participation
- Increase pride in work
- Increase morale
- Create a corporate identity that people can buy into
- Creating managers to have greater sensitivity to people issues

Although process improvement and customer focus were common features, two distinct emphasis emerged: manufacturing organisations such as British Steel, which do not have a direct contact with the consumers, have put more effort into 'zero defects', 'statistical process control' and 'teamworking' as part of its continuous improvement process. Service organisations such as BT and BA, which have direct contact with a large number of individual customer's have put a greater emphasis on the customer relations side of quality.

In some of these organisations, such as BT and Rover, ‘Quality Councils’ were created to champion the cause for quality improvement (Juran emphasised the need for quality councils). Some of the organisations also set-up Quality Improvement Teams. Their purpose was similar to quality circles, and worked across departmental boundaries to improve quality as well creating a greater sense of teamwork. The quality councils and quality circles concept were a feature of the 1980s, however by the mid-1990s they no longer existed. By 1995 no organisation had quality council or quality circles.

**Introduction of TQP within the case study:** Evidence from this study show there have been a number of TQPs introduced under a variety of guises, in particular during the late 1980s and early 1990s each focussing on different business areas: e.g. Business Efficiency Programmes, Continuous Improvement Programme, TQM, QMS, to name but a few. Programmes similarities and differences ranged from, Introduction of Quality tools, techniques, and principles; Culture change, Re-structuring/re-organisation, and Customer oriented. Total Quality Management has a series of labels hung upon it. Apart from TQM there is Company Wide Quality Control, Total Quality Control, Total Quality Involvement, Statistical Quality Control, Statistical process Control, etc.

One of the managers reflected on the many names of the programmes within his own organisation, saying, *“the names of our programmes were always seen as catchy in hindsight but probably not at the time. We do have a set of cynical people who could be against the idea of TQ and change. So they need names to be sold to the idea of a programme”* (BA respondent).

A breakdown of the number of the total number of initiatives identified up to 1990 and 1990 onwards is shown in Table 6.14 below. What became apparent was that during the 1990s there were a large number of initiatives introduced. This suggests that the organisations wanted to keep a momentum going in keeping their staff aware of the need for change and quality on a continual basis.

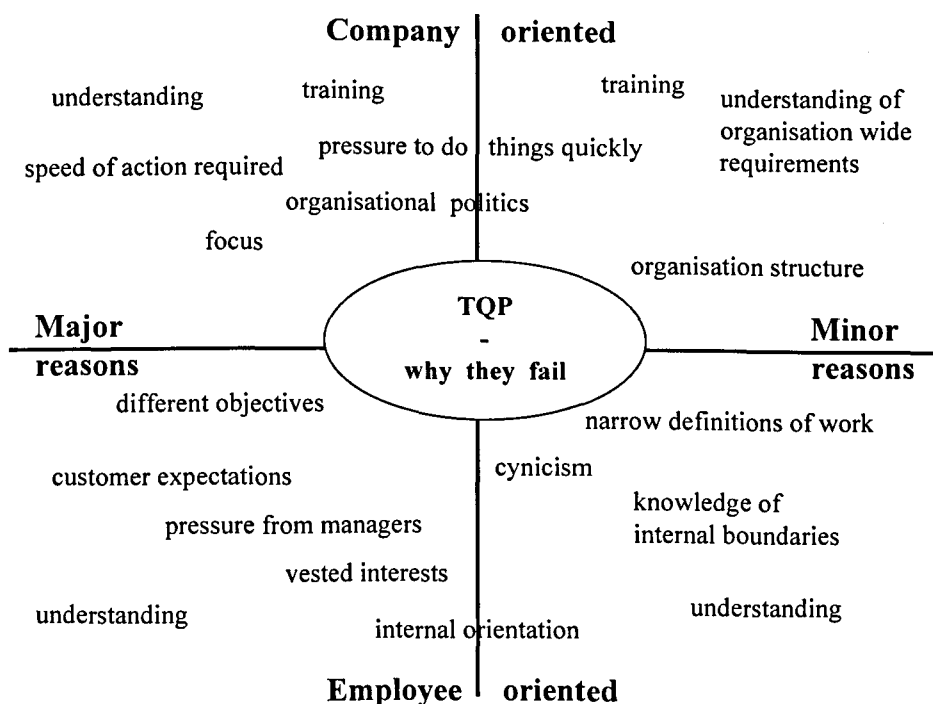
TABLE 6.14 BREAKDOWN OF TQP ASSOCIATED ACTIVITIES PRE AND POST 1990

	Up to 1990	1990 onwards	Total
BT	7	20	27
BAe	8	32	40
Rover	9	9	18
BA	19	15	34
BAA	3	13	16
BP	8	14	22
BS	8	20	28
RM	9	12	21
Total	71	135	206

With the introduction and implementation of TQPs there was some apprehension and concerns raised during the interviews. One respondent said, *"when 'Customer First' came out and quality was introduced, it improved quality substantially. Later with multiple programmes workers began to say, 'I don't know', 'I don't understand', and this coupled with threats of redundancy, loss of overtime pay, moving between offices, causes unrest and concern, and quality dips which equates something is not right"* (RM respondent). He also added, *"we started to introduce new and better methods. The business never let any one method settle in quite nicely before moving to another one ... doing so many in a short space of time created confusion"*. Another said, *"in engineering we did try to do TQM at the time of Privatisation, and it has always been remembered by people because we took them away from their workplace and talked to them about their part of the business, showed them they were valued. The impact was greater than we originally perceived it to be but later it wavered"* (BA respondent).

With the large number of initiatives introduced, it became apparent that some initiatives may not have been as successful as had been hoped by the organisations. The following diagram (Fig 6.35), based on comments received during the interviews, has been constructed to illustrate some of the concerns raised as to why some of the TQP initiatives were not deemed to be as successful as organisations had intended.

FIG 6.35 FACTORS ASSOCIATED WITH THE FAILURE OF TQPS



Explanations providing some insight into the cause of failure for some of the initiatives included “*we have been successful for so long, arrogance had set in. It can be seen as ‘resting on your laurels’, and also working together is still difficult in the large organisation*” (BA respondent). Whilst another said, “*initially the reason for bringing quality on board was not to enable people to do the job but for people to actually better improve the process. We got modules where they identify separate processes, which are earmarked for development. A lot of people did not actually use the idea, which I think did not benefit the business and incurred a cost*” (RM respondent).

In the context of this research an attempt is made to identify key phrases and slogans supporting the programmes also became widely used within the different company units in which they were developed or where there was an initiative being introduced: e.g.

‘Say what you do, Do what you say, Do it, Improve it’ (BT)  
 ‘Get it right’ and ‘Check it is right’, ‘Do what we say, and say what we mean’ (BAe)  
 ‘The way we do things round here’, and ‘the way we want to do things’ (BS)  
 ‘Improve what you do’ (RM)

These suggest a change in the way things were being done to bring about a change of mindset. The underpinning message of these was to avoid re-work, to be cost effective, and to provide customer service right first time. Due to culture change required it may be necessary to build the TQP process gradually in order to gain commitment and confidence. Crosby defines ‘making quality certain’ as “getting people to do better all the worthwhile things they ought to be doing anyway ... ‘People’ includes top management as well as the lower levels of the organisations” (Crosby 1979). This has been a key feature emphasised within all the organisations. The fact that the case study organisations chose to adopt a path of quality is testament to their commitment for TQPs.

## **Chapter 7**

**data analysis against key strands emanating from first level analysis, mini case studies and interviews**

## 7.1 Introduction

From the data gathered from the documentary and other sources described in the case studies (seminars, desk research, company literature and documentation, journal articles), and the interviews, a secondary analysis was carried out, which consisted of identifying, interpreting, coding and categorising key words and themes.

The process incorporated a discourse analysis of organisation texts. Many approaches to discourse analysis entail a very detailed line by line micro textual analysis often using specialised computer applications programmes. Such a detailed approach proved impracticable for this study because of the sheer volume of texts involved across the broad time frame, and also because the different organisations used different words and phrases to convey the same meaning, e.g. one organisation used the term 'Best in Class', whilst another used 'To be No.1', to convey a similar message. Organisations also used similar words or phrases to convey quite different meaning such as 'zero defects' and 'zero defections'. (The regrouping and correlation process has been conducted manually.)

The process undertaken here can be defined as a macro textual analysis in which key terms and words were listed and categories created based on the researcher's interpretation of their significance and frequency. Themes and terms that emerged from the literature underpinned the interpretation.

A broad list of key terms was produced (Appendix 7.1). A time-line of up to 1990 and 1990 onwards was used to differentiate the occurrence of key terms. The year 1990 was chosen because it was the mid-way point of the period covered by the research (i.e.1983-1997).

From this list, the researcher created a number of broader categories or composited themes. Additional categories were created to make further sense of the data. For example there was evidence that all of the organisations drew upon external consultants, and implicitly all organisations' programmes could be traced back to the ideas of quality gurus (as mentioned in Chapter 2). The total set of categories was reclassified as desired outcomes, inputs to achieve outcomes, and context factors, and are listed in Table 7.1.

TABLE 7.1 DIFFERENT TYPES AND FEATURES OF PROGRAMMES

Different Types and Features of Programmes		
Desired outcomes	Inputs to achieve outcomes	Context factors
<ul style="list-style-type: none"><li>• Customer Focus/Customer Service</li><li>• Continuous Improvement</li><li>• Employee Involvement/ Participation</li><li>• Change Culture/Attitude</li><li>• Teamwork/Teamworking/Working Together</li><li>• Change in Style of management</li><li>• Zero Defects/Right First Time/ Process Improvement</li><li>• Caring (about employees/customers)</li><li>• Respect, Trust, and Pride</li><li>• Competitive focus</li><li>• Improved Communication</li><li>• To be the Best</li><li>• Value for money</li></ul>	<ul style="list-style-type: none"><li>• Communication Processes</li><li>• Leadership (Visionary )</li><li>• Quality Champions</li><li>• Training</li><li>• Use of Consultants</li><li>• Mission/Vision/Goals</li><li>• Values</li></ul>	<ul style="list-style-type: none"><li>• Competition</li><li>• Privatisation</li><li>• Awards</li><li>• Gurus (Theoretical origins)</li><li>• External Environment</li><li>• Image/Integrity</li><li>• Regulatory</li><li>• Survival</li></ul>

Some of the key factors identified as inputs and desired outcomes, and context factors, which influence an organisation to introduce TQPs, are discussed below:

- Desired outcomes (Section 7.2)
- Inputs to achieve outcomes (Section 7.3 )
- Context Factors (Section 7.4)

For each of the features discussed keywords, phrases, and associated activities will be given with dates and programmes to which they refer (where available). Also statements from the corporate viewpoint, as well as managers and respondent feedback (from interviews) will be used to illustrate and support the analysis.

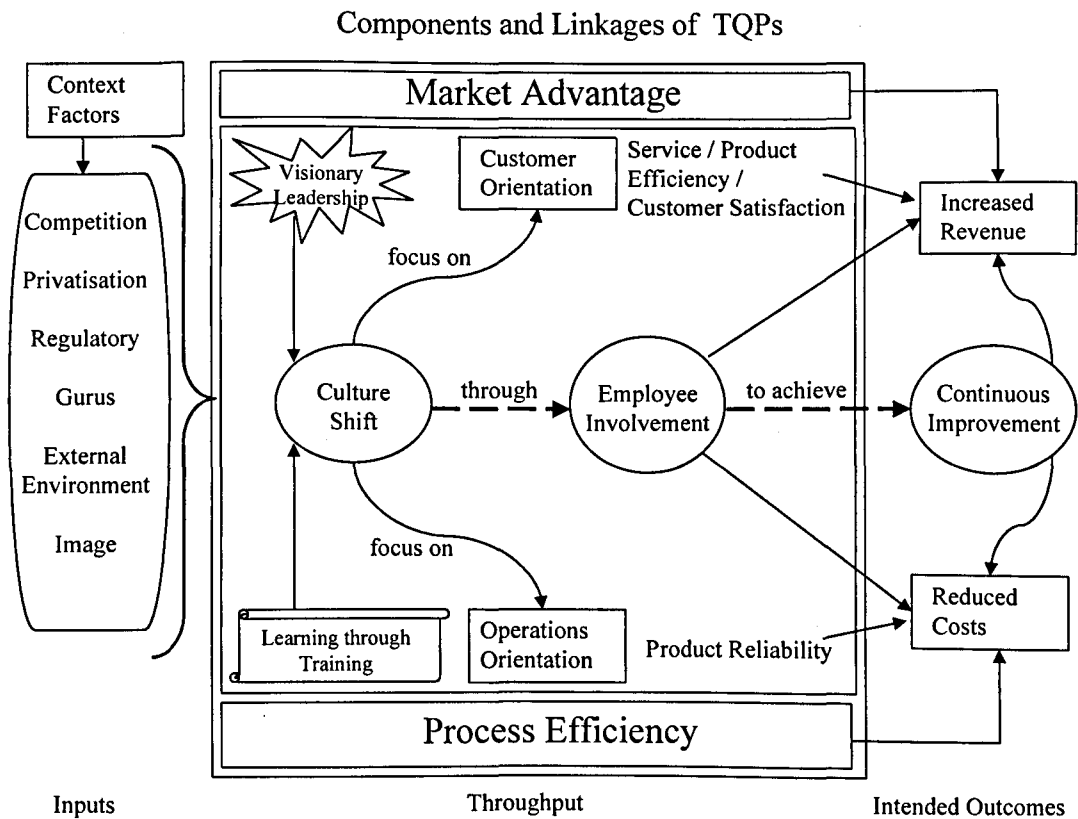
**Data consistency/inconsistency:** A factor that became apparent as the case studies were being developed was related to the availability of data regarding TQPs, e.g. data was plentiful for some organisations and limited for others. It is worth mentioning at this stage, before entering into the detailed analysis, that there may be an element of inconsistency - where data is not available. This may be due to the following reasons:

- that research attempt resulted in no data found in the particular area
- that data collected shows information is missing
- that no data exists about the organisation in the particular area

It is more likely that the data exists but has not been identified as part of this research and may be present elsewhere or available for other purposes. However, every effort has been made to give as accurate a picture as possible based on the data available and gathered for this research.

Based on the earlier framework of input, throughput, and output, and the organisational literature research, the survey analysis, and the interviews conducted, it became apparent that organisations placed much emphasis on rhetoric (e.g. statements of vision, mission, and goals, and to be the best, etc.), and learning through training. The synthesis here was the underlying notion of continuous improvement and culture change. Other factors featured highly emanating from the case study analysis was that of ‘contextual / environmental factors’ as mention in Table 7.1. From this analytical framework and synthesis the following model was developed which helped form a better understanding for further analysis.

FIG 7.1 COMPONENTS AND LINKAGES OF TQPS



Each of these components broadly correlates with the themes emanating from the research: e.g.

- Visionary leadership - mission, vision, goals, values, and policies: rhetoric - to be the best and beat the competition



- Customer orientation - customer focus, customer service, market advantage: rhetoric - value for money, exceed customer expectations
- Culture shift - change in attitude/culture, change in style of management, respect, trust, pride, caring, improved communication
- Operations orientation – restructuring, process improvement, product reliability, process efficiency: rhetoric - zero defects, Right First Time
- Learning through training - training, quality champions, use of consultants, ideas of gurus
- Employee involvement - participation, teamwork, working together, communication processes, awards
- Continuous improvement - ongoing change to achieve process efficiency and market advantage, reduce cost, and increased revenues

Two components - Reduced costs and Increased Revenue, not part of the study, have been retained as part of the model because they help explain some of the business issues faced by the organisations, e.g. as a result of competition. These are categorised as other business issues and are discussed under the 'context factors' in Section 7.4.

The elements of the diagram connect in the following way. The context factors are treated as forces which operate outside of the organisation, and have impacted upon the TQPs. Most of the context factors are self-explanatory. Privatisation led to competition which in turn meant the organisations needed to respond to the change. Regulatory issues became increasingly significant within the period of study. The contribution of management gurus was a significant force influencing the approaches to TQPs over the period of study, and all organisation were concerned about improving their image – external and internal. The model follows the Reed et. al. differentiation between customer and operations orientation, the first of which leads organisations to focus on market advantage, and the second leads them to focus on process efficiency. To achieve these, organisations in the study saw a need for culture shift from their pre privatised orientation. There was clear evidence in the organisations of attempts by organisational leaders to present messages in visionary vein to support culture shift, and of learning through training to engineer it. A key approach to the culture shift was to increase employee involvement in the decision making process and to encourage a greater sense of ownership in the organisations that people worked for. Encouraging employee involvement was seen as a key strand by organisations in their drive to achieve continuous improvement in product/service. By continuously striving to improve the overall aim was towards reducing costs and increasing revenue.

## 7.2 Desired Outcomes

**Customer Focus/Customer Service:** Within the organisational case studies, numerous references were made under the general theme of ‘customers’. The case studies and survey feedback indicated issues relating to customers and meeting their needs were at the forefront in the minds of managers.

Keywords and phrases (with dates when first used where available) associated with programmes and activities include:

- BT
  - customer care - 1985
  - understand our customers - 1987
  - meeting customer (agreed) requirements - 1987
  - customer focus - 1988
  - exceeding customer requirements - 1989
  - excellence in customer service - 1990
  - putting customers first - 1990
  - understanding the desired customer focus culture - 1990
  - DELIGHT and THRILL customers -1992
  - build customer loyalty - 1992
  - delighting our customer - 1993
  - delivering customer excellence - 1994
- BAe
  - meeting customers requirements - 1990
  - meeting agreed specification - 1990
  - customer satisfaction - 1990
  - customer focus - 1994
  - exceptional customer satisfaction -1994
  - excellence in customer service - 1996
  - to be pre-eminent in customer service - 1996
  - delighting customers (KUDM model) -1996
  - achieving customer excellence (ACE programme) - 1997
- Rover
  - customer expectations are continually changing - 1985
  - satisfying our customer - 1985
  - understand our customers - 1986
  - meeting customer requirements - 1986
  - extraordinary customer service - 1989
  - customer satisfaction - 1989
  - customer focus - 1989
  - inspire lifetime (customer) relations (also relates to customer loyalty)- 1995
- BA
  - customer focus - 1983
  - customer first teams - 1983
  - customer care, caring for the customer - 1984
  - putting people first - 1986
  - putting the customer first - 1986
  - achieving customer excellence, highest level of customer service - 1987
  - creating first impressions - 1987
  - winning for customers - 1991
  - enhance customer satisfaction - 1993

- customer oriented - 1995
- customer satisfaction - 1995
- BAA
  - customer service - 1991
  - focussing on customer needs and safety - 1992
  - “BAA is a people oriented business”, Sir John Egan, CE BAA 1992 – meaning customer oriented business
  - customer focus (sharing the vision) - 1993
  - meeting customer requirements - 1993
  - “we will ensure that customers receive excellence and value for money in the services BAA provides” - 1994
- BP
  - customer awareness - 1992
  - customer satisfaction (index) – 1992
  - customer partnership - 1994
  - create mutual advantage through a better understanding of customer needs – 1997
  - create longer-term customer loyalty - 1997
  - meeting customer expectations - 1997
- BS
  - better standards of customer service - 1987
  - “providing all customers ... with quality products and services” - 1988
  - customer satisfaction - 1989
  - putting customers first - 1990
  - understanding our customers - 1992
  - provide customer with quality products and services - 1992
  - ‘Total Quality Programme covers every level and every part of the company and is designed to ensure that customers’ requirements are well understood and satisfied’ - 1993
  - customer focus - 1994
  - delighting customers - 1996
- RM
  - customer first - 1988
  - understand our customers - 1988
  - putting customers first - 1988
  - customer satisfaction - 1988
  - exceeding customers expectations - 1988
  - customer focus - 1990
  - customer perception index - 1991
  - “striving to provide a service that at least meets our customers needs” - Cockburn, 1993

It became apparent that there was some consistency in the terms being used amongst these organisations, such as ‘delighting’ and ‘exceeding’. As demonstrated in Fig 7.2 they were non-synchronic but tended to follow a common sequential pattern.

The above customer focus concepts were then subjected to further scrutiny, re-grouping and correlation of similarity and a final set of six concepts are proposed - understanding customer requirements, meeting customer requirements, achieving customer satisfaction, exceeding customer requirements, and delighting the customer. There is a gradual shift and emphasis over the period from ‘understanding customer

FIG 72 KEY PHRASES USED TO SHOW THE SHIFT IN CUSTOMER FOCUS

RM						Customers First Understand our customers Putting customers first Customer satisfaction Exceeding customer expectation		Customer focus	Customer perception index		Provide service that meet our customers needs						
BS							Better standards customer service	Quality of product and service	Customer satisfaction	Putting Customers First		Understanding our Customers product/service	Customer requirements understood and satisfied	Customer focus		Delighting Customer	
BP												Customer awareness Customer satisfaction	Customer partnerships		Better understand customer needs	Customer Loyalty Meeting customer expectation	
BAA									Customer service		Customer needs and safety People oriented	Customer focus Meeting Customer requirements			Customers receive excellence		
BA	Customer focus Customer First teams	Caring for the customer		Putting Customers / People First		Achieving Customer Excellence Creating First Impressions			Winning for customers		Enhance customer satisfaction				Customer satisfaction Customer oriented		
Rover		Satisfying our Customers		Understand our Customer Meeting customer requirements		Extraordinary Customer Service Customer satisfaction Customer focus									Inspire lifetime customer relations		
BAe										Meeting Customer requirements Meeting agreed specification Customer satisfaction					Customer focus exceptional customer service	Delighting Customers Pre-eminent customer service	Achieving Customer Excellence
BT		Customer care		Understand our Customer	Meeting Customer requirements	Customer focus	Exceeding Customer requirements		Understand customer focus culture Excellence in customer service Putting customers first	Delight & Thrill Build customer loyalty	Delighting Our Customers	Delivering Customer Excellence					
	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997		



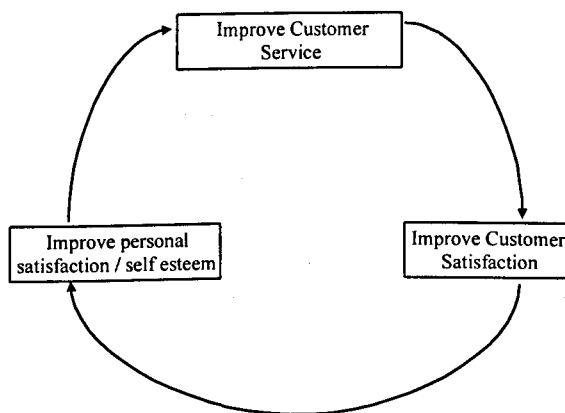
*recognise this and make counter revolutionary changes to assuage this without resorting to the 70's and 80's blame culture” (BAe respondent).*

The perception of a ‘customer’ has also changed during this period. Customers are not thought of solely as external purchasers of goods or services. There is reference to internal markets and customers, in that every member is a potential purchaser or supplier, e.g.:

- BTs Internal Market programme - its’ aim was to encourage every Unit to trade with each other, and for people to treat each other as customers/suppliers internally - 1996. Tom Johnson, Director of Business Customer Service BT, highlighted that people needed to “ensure that each team sees each other team as either a ‘customer’ or ‘supplier’” - 1997
- BAs Putting People First initiative for 12,000 customer facing staff was to get them to examine their personal relationships encouraging them to view peers as customers - 1985. This was also a feature of the Winning For Customers initiative to provide service to fellow employees as internal customers - 1991
- BS stated in their mission statement, “Our aim is to provide all customers, internal and external, with quality products and services and strive for continuous improvement” - 1992
- RMs Management Action and Behaviour element focussed on understanding the relationship between the subordinates (colleagues) as a ‘customer’ of the manager - 1988-91

An element of the Breakout project in BT was SVA (Service Value Analysis) which attempted to create customer-supplier relationships between service and support functions in the BT divisions to a virtuous circle (BT CSO, 1995) as illustrated in Fig 7.4 below: (The principles of this virtuous cycle can apply to any organisation.)

FIG 7.4 BT - VIRTUOUS CYCLE FOR INTERNAL BT CUSTOMER SATISFACTION



During the period of this research, some of the organisations in the sample were becoming increasingly aware of the importance of developing strategies for building customer loyalty and retaining customers. A key element of this was ensuring that employees were aware of the importance of how they interacted with the customer. This was explicit in the company’s slogans and other written and oral communications

from top management and used in training programmes. The evidence indicates a constant re-iteration, strengthening and heightening of this message through the period under investigation. Examples include, “any communication with our customers must fit within these objectives: to improve customer quality of service to levels which meet current expectations and need; to retain loyalty amongst our customer base; to position BT as helpful and expert in all that it does” (BT CCU, 1989). Vallance, Chairman BT, also highlighted the need for customer loyalty, stating, “the need for us to build customer loyalty is more important than ever as we face increasing competition in all parts of our business” (BT, 1992). Ayling, CE BA, promoted the need for customer loyalty saying, “we will continuously invest in customer loyalty programmes for business and leisure, and in new products like the interactive product, to generate new streams of income” (BA Sep, 1996). The BP Business Policy included, “we must build on our higher levels of customer satisfaction and create longer-term customer loyalty by focussing our efforts on other, less tangible elements of customer service. To do this we are moving from surveys to ‘in-depth’ surveys of our key accounts, based on developing closer relationships throughout the ‘demand chain’ from customers back to our own suppliers” (BP SR, 1997).

Companies also introduced other initiatives that centred both on customers’ perceived Quality of Service and customer retention strategies (e.g. BA ‘Winning for Customers’, and RM - ‘External Customer Relationship’ an element of the TQ programme which focussed at retaining long term customer satisfaction). Some introduced compensation schemes, such as ‘Customer Service Guarantee’ compensation scheme (BT, 1992), the ‘Customer Charter’ (RM, 1992), and the ‘Worldwide Guarantee’ - refund scheme (BAA, 1994) ‘Mystery Shopper’ (BAA, 1996). Service strategies emerged as the organisations became alert to provide a better service to their customers, and formed a part of their continuous programmes of improvement and the need for change to increase their market standing, image and credibility. BA strategy was very much based on the principle of ‘zero defection’ - aimed at retaining existing customers through customer oriented approach to service, as described by Heskett et al., (1990, 1994). RM also looked at customer retention strategy through “establishing interdependencies between employee satisfaction, and achieving/retaining long term customer satisfaction” (RM CFS, 1988).

The customer focus aspects that became apparent through the case studies are paralleled with references in the academic and practitioner literature and help explain their importance to the surveyed organisations. According to Young (1988), good customer service means giving value for money and by developing relevant product and/or service to meet future need, generates regular sales calls. According to

Oakland (1989), to be customer focussed, an “organisation must recognise throughout its ranks that the purpose and all work efforts to make improvements is to serve better the customers”.

**Continuous Improvement:** There are many references to continuous improvement, each providing a variation on the theme - “The propensity of the organisation to pursue incremental and innovative improvements of its processes, products, and services” (Anderson et al., 1994), and, “continuous improvement depends on both innovative and small incremental changes” (Hunt, 1993), and the importance of achieving customer satisfaction (Anderson et. al., op cit.). Garvin (1993) comments that “continuous improvement programmes are sprouting up all over as organisations strive to better themselves and gain an edge”.

There are references to continuous improvement in each of the case study organisations, often in association with other TQ concepts. Continuous improvement for some of the companies became a way of providing ‘value for money’ for their customers (e.g. BT, BA, and BAA). This was also about providing a framework within the organisation so that people can recognise the change, and adapt/assimilate what is necessary into their everyday work activities - without improvements being depicted as add-ons in the aim of providing good product/service. For example, BA in its efforts to provide value add introduced showers for its long haul first class passengers at Heathrow Airport. This was seen as an innovative approach towards customer service in an effort to meet the modern busy lifestyles of its customers. Continuous improvement has also incorporated such things as safety for the workforce (e.g. BS). For some of the companies (e.g. BT, BAe, BA) continuous improvement also means focussing on working smarter not just working harder (one of concepts developed by Deming) through improving internal processes (e.g. BAe made a conscious decision as part of their programme to involve customers at the earliest phase possible - the design stage; and at BT ‘SMART’ equated to all activities being conducted in a ‘Specific, Measurable, Achievable, Relevant, Timely’ manner. Later, this became ‘SMARTER’ with two additional aspects - ‘Enjoyable, and Rewardable’).

As already mentioned there were many references to CI in the case study sample. Some of the key concepts, terminology, and phrases that became popular associated with Continuous Improvement include:

- BT
  - “We will constantly improve the quality and capability of our products and services” - part of the BT values - 1988



- “We are committed to continuous improvement” – part of revised BT values which also included “we put our customers first; we are professional; we respect each other; we work as one team” -1991
- “Continuously improving levels of service” – one of aims of BT Customers First strategy which stated by way of introduction “we are committed to providing our customers with a helpful, polite and world-class service” - 1992
- BAe
  - “To maintain exceptional customer satisfaction through continuous improvement whilst maintaining national and international Quality Systems Standards Approvals ” - part of the BAe Quality Strategy -1995
- Rover
  - “TQ requires continuous improvements in everything we do, using and investing our resources effectively at all times to minimise total costs” - 1985
  - “Continuous improvement, total flexibility ... and participation in quality action teams” - measures included within the New Deal programme. This was part of their continuous improvement strategy for customer service, and employees were given to understand that in return they would obtain benefits, such as job security - 1992
- BA
  - “Maintaining constantly improving targets as a good employer as well as manifesting concerns for social and community opportunities and environmental standards wherever the company operates” - part of the vision statement -1986
  - “We must continually measure how our customers and our employees feel about how we are doing in delivering quality within BA” - 1995
  - “we need to develop a continuous improvement infrastructure to involve everyone across the organisation” - part of the BEP - 1996
  - “To deliver quality as a competitive advantage and for BA we need continuous improvement in our products, processes, and behaviours” - part of the Vision 2000 framework
- BAA
  - “Achieving continuous improvements in the cost and quality of all process and services” - support statement for realising the BAA mission to be the most successful airport company in the world. People were to review their activities and then to identify how these activities could be improved by looking at their methods and procedures. The aim was to improve service to customers -1992
  - “ ... commitment to continuously enhancing the quality of service to passengers and business partners alike. This process of constant improvement includes cost-effective investment in new airport facilities closely matched to customer demand” - 1992
  - “CI is all about customer service. CI needs staff involvement at every level. CI is a process of providing Improvement, continuously” - 1992
  - “Our continuous improvement philosophy seeks to enhance customer satisfaction cost-effectively and increase profits by meeting the evolving needs of our airline customers and their passengers” - 1993
  - “We will continuously improve quality and cost-effectiveness” - part of the revised mission statement on how the mission was to be achieved - 1994
- BP
  - Continuous prevention by process measurement - part of BP Chemicals TQ process - 1992
  - Continuous improvement listed as one purpose of the initiative called ‘Benchmarking’. Others listed were to achieve ‘Best in Class’ cost structure; ensure cost competitiveness to attract investment; provide competitive advantage for each product: i.e. customer satisfaction and quality, reliability, delivery and cost, and survival – 1992

- BS
  - “Our aim is to provide all customers, internal and external, with quality products and services and to strive for continuous improvement” - part of BS Teeside Works mission statement - 1992
- RM
  - Customer driven strategy that moves RM to an “environment where a steady and continuous improvement of every thing RM do as a way of life” - 1988
  - Continuous Improvement - Key principle of Customer First programme - 1993
  - “We in RM have made great strides to quality improvement. We have set tough targets but these are necessary if we are to maintain and improve our position in the market place ... Quality improvement is a continuing path and we cannot afford to rest” Ken Wright, Assistant MD - 1994

Senior management rhetoric focussing on the need for continuous improvement included: “get the design of your products and processes right to the smallest detail, empower your employees to run and continually improve those processes and profits will naturally flow”, said Towers, CEO Rover Group, after a visit to the Honda manufacturing plant during the late 1980s. Later he stated, “what has really changed at Rover as a result of our total quality programme is the company culture - the commitment to continuous improvement both as individuals and in the contribution we make to the success of the business. At Rover the essence of this lies in a recognition that everyone has two jobs - the one they are employed to do, and the additional task of improving their job” John Towers, CEO Rover Group, (Towers, 1995).

A textual analysis of the continuous improvement statements identified other associated concepts/themes. The main themes identified are presented in Table 7.2.

TABLE 7.2 TEXTUAL ANALYSIS OF CONCEPTS AND THEMES ASSOCIATED WITH CONTINUOUS IMPROVEMENT

Concepts/Themes	Total number of organisation identified
Customers satisfaction (including service)	6
Costs	4
Employee involvement	4
Business results	3
Services	3
Kite-mark (Award)	2
Processes	2
Products	2
Targets	2
To be the best	2
Commitment	2
Culture	1
Survival	1

Results highlighted a key focus on customers, costs, and employee involvement. Further analysis indicated that the manufacturing/production organisations were more interested in costs, whilst those

operating in the service sector were more interested in business results and customer service. One example is illustrated here which suggests an association between continuous improvement and customer service, customer expectation, and costs: e.g. “get it right, check it is right, knowing the cost of ‘getting it wrong’ ... our goal is ... customer satisfaction at competitive cost” (BAe Fastrack, 1995).

**Employee Involvement/Participation:** There are many references to the involvement and participation of employees within the TQ literature; e.g. the “involvement of all organisation members” (Anderson et al., 1994), “hands on involvement of senior management” (Chang, 1993), and the “involvement of all organisational members in co-operative team-based efforts to achieve quality improvement efforts” (Waldman, 1994b).

Each of these inter-linking themes was a strong feature across the organisations often associated with continuous improvement in the texts and quotes. There are many references made in organisational literature related to employee involvement and participation (as mentioned in Chapter 6). Participation between the organisation and its people is evident via the corporate communication improvement programmes such as Investors in People and Employee Development initiatives. All companies in the sample have introduced a variety of programmes that encourage employee involvement and participation. The following are examples of the rhetoric related to involving employees: e.g.

- BT
  - “It (quality) requires the total involvement, commitment and motivation of everyone in the organisation from the Chairman to the cleaner, from the salesman to the storeman, from the accountant to the engineer” - Mike Bett referring to quality (BETT, 1992)
- BAe
  - “The Company is committed to employee involvement, that is to say keeping employees as fully informed as possible with regard to the Company’s performance and seeking their views, wherever practicable, on matters which particularly affect them as employees” - 1983
- Rover
  - “The Company operates programmes encouraging greater employee involvement in its business. Particular attention is given to ensuring that employees are informed on issues affecting their work and the business and competitive environment” - 1990
  - “Continuous improvement; total flexibility ... and participation in quality action teams” - 1992
- BA
  - ‘It All Depends On Me’ programme for ground staff to work together and recognise the competition facing the airline - 1987
  - “Everyone makes a difference” - referring to the contribution everyone should make in service delivery internally and externally - Marshall, CEO - 1989
  - ‘Managing Involvement’ - part of the ‘Skills for Quality Improvement (SQI)’ programme aimed at getting commitment through involving people and full participation - 1994

- BAA
  - 'CI needs staff involvement at every level' - 1992
  - 'Sharing the vision' - a training event that got senior managers as participants to generate ideas on how they would improve the business - 1993
  - "Our aim is to involve all staff in the successful development of our business" - 1993
  - "Work together with our suppliers and business partners to create added value for all concerned" (BAA, 1995-1996)
- BP
  - "Working together and drawing from our diverse talents and perspectives, we will stimulate new and creative options for our business. Collectively we will generate a more exciting and rewarding environment for work, in which everyone feels responsible for the performance and reputation of our company" - 1997
- BS
  - "I believe strongly that the growth of workforce participation in Team activities is vital to maintain our progress towards TQ aimed at delighting the customer and hence securing a viable business for the future" - Tony Vickers, MD Tinplate - 1996
  - "I would like you to personally enter into our TQP programme with the willingness to want to improve and do your utmost to play your key part in steadily improving the quality of everything that you do" - Don Turner, Director BS Tinplate - 1996
- RM
  - Employee participation via Continuous Improvement - 1991-94
  - "Our reputation depends on everybody making a contribution and becoming involved" Ken Wright, Assistant MD RM - 1994

Evidence suggests that total participation has to be encouraged and the idea has to be *sold* to employees, and that it can create a *sense of belonging*. Employee commitment associated with teamwork was also emphasised in relation to company success: e.g. Mike Bett, BT Deputy Chairman, said, "quality and teamwork and individual commitment to improve what we do in BT is the key to our success as a global player" (Bett, 1993). Supportive statements also came from other senior managers. These included that "managers should aim to create an environment, where working together could be fun and where business systems and processes worked effectively to deliver excellent customer service" Dr Brian Smith, Chairman BAA (BAA Take Off, 1997), and "we in RM have made great strides to quality improvement. We have set tough targets but these are necessary if we are to maintain and improve our position in the market place ... Quality improvement is a continuing path and we cannot afford to rest. Our reputation depends on everybody making a contribution and becoming involved" Ken Wright, Assistant Managing Director RM (RM CF, 1994).

Corporate statements also included terminology to promote full participation and involving everyone such as, "a culture change programme that delivers sustainable competitive edge must ensure every individual feels involved with, and participates in, the change process itself", Bob Bauman, Chairman BAe (Evans, 1996a), and "CI needs staff involvement at every level" (BAA, 1988).

A textual analysis was carried out of the statements relating to employee involvement and participation to identify other associated concepts/themes. The main themes identified are presented in Table 7.3.

TABLE 7.3 TEXTUAL ANALYSIS OF CONCEPTS AND THEMES ASSOCIATED WITH EMPLOYEE INVOLVEMENT/PARTICIPATION

Concepts/Themes	Total number of organisation identified
Generate ideas/suggestions for improvement	8
Commitment	5
Foster Pride / Working with Pride	3
Integrity	3
Open and honesty	3
Trust / Trustworthy	3
Maximise Involvement/Intense Involvement	3
Empowerment	2
Performance	2
Realise full potential	2
Respect	2
Share in organisation success	2

One of the key features emanating from the analysis was the importance given by all organisations to generating ideas/suggestions from the workforce. This was seen as a way of getting people involved in organisation activity particularly at local working level. This also suggests that organisations are looking to their employees to identify areas for improvement. (The case studies showed staff was generating a large number of ideas - this may be attributed to the incentive schemes introduced by the organisation. This also suggests that people are demonstrating their commitment to the organisation in putting forward suggestions for improvements.) There were other factors emerging, such as motivation, support, and visibility, which were being linked with employee involvement and participation.

One manager stated, “*working together as a huge team, e.g. aircraft services, food, etc. ... it’s very difficult getting that across to people in a hanger or workshop, that what they do can improve/impact the service to the customer*” (BA respondent), whilst another indicated the positive effects within his organisation, said “*everyone within the organisation is working together to improve the way things are done*” (BS respondent). A manager from BT perceived a direct relationship between participation and customer focus, he said, “*there is now greater employee participation by all and this has created a much more customer focussed approach within my team ... and of course BT*” (BT respondent).

**Change Culture/Attitude:** Different source of TQ theory are not always in consensus agreement, e.g. Deming’s (1986) philosophy, 14 points, states that transformation can be achieved, and that a single change of thought will lead to a change in action. However, Juran (1989) on the other hand states, people’s behaviour should be changed first, and a change in their attitude will follow.

A key feature of some of the programmes has been the use of words like 'attitude', 'change' and 'culture'. The general approach has been to try to win over the workforce in favour of a new culture, with an implicit expectation that charismatic leadership is needed to effect the desired result. Culture shift was seen as significant in all companies. Implicit in the programmes is that a change in attitude and behaviour will have a positive influence on quality, even though some organisation did not use the term 'culture' or 'attitude'. Evidence from the case studies indicates that companies have been endeavouring to bring about a change in attitude and behaviour in the way people carry out their work. Some have been directly linked with TQPs; others are more generic in relation to the activities taking place within the organisation.

Examples of references associated with these terms identified in the organisation texts are illustrated below:

- BT:
  - "We are committed to far reaching changes in our culture", Graeme Odgers (BT, 1989)
  - "The most important part of Project Sovereign is not the change in structure but the change in culture" said Iain Vallance when he announced Project Sovereign (BT, 1990)
  - "We've been working at cultural change ever since" said Alan Rudge referring to post Sovereign project in 1991 (Moore, 1997)
  - "Groups develop norms, values, procedures, purpose and shared agendas (culture). So what needs to change? ... Organisation change (build around customers, outward focus, flexible and dynamic, proactive and not reactive) ... Structure change (flatten the 'pyramid', create simple framework, improve communication, cut out bureaucracy) ... Culture change (align actions to core values, create coherence, measure how we are doing)" Roy Banks, Organisation Development and Quality (BT, 1993)
- BAe:
  - "Appropriate equipment systems, tools, training etc are important, but it's a Behaviour Change we need ... via Cultural Shift and Step Change" (BAe DPR, 1990)
  - "Be a quality champion and introduce CQI into the MAL culture" formed part of the Action Plan for each Director (BAe DPR, 1990)
  - "I want to create a British Aerospace culture ... we must benefit from learning from each other. There are some wonderful things going on in our business, but we don't share them. It must be beneficial for us to share them and for all of us to improve what we are doing by creating a British Aerospace culture and sense of ownership" said Evans (Evans, 1996a)
  - "Our People Value underpins all that we do in our change programme" - Evans, CEO - 1996
- Rover:
  - "What has really changed at Rover as a result of our total quality programme is the company culture", John Towers, Rover Group Chief Executive, referring to the implementation of the TQ and New Deal initiatives - 1994
- BA:
  - "We need people to see a difference as well as experiencing it, in order to truly change their perceptions of BA ... we set out to show people how their attitudes towards the customer, and towards their own colleagues, affected the way in which customers saw them" - Marshall, 1983
  - "We must create a working environment and culture which attracts, retains and develops committed employees" - Ayling, CEO BA - 1989

- “To change the image of the company. To change the culture of the company. To increase profits” formed part of the drive for Putting Customer First initiative (second version) - 1995
- “We should change to ensure sustainable success” - Ayling, CEO BA -1996
- BAA:
  - “Never ignore a problem - always look for a way of overcoming that problem. The best person to improve the company is YOU - because you are at the sharp end. You know what will work and you know what won’t work so never be afraid to voice your opinion or your views. By working together and adopting CI as a daily philosophy we can ensure that BAA offers its customers the best service possible. CI - Making a Better Future today and every day” ( BAA CI literature).
- BP:
  - “We senior managers at BP want a nimble, new culture for our company. New culture - new behaviours and new motivation”, David Simon, Senior Executive -1990
  - ‘Behaviour Change’ element of Project 1990 looked at teamwork, Total Leadership, Coaching, and Quality Improvements, which were elements towards changing people’s attitude - 1990
  - “We have to change the way we work to remain competitive” - 1997
- BS:
  - “Change and development is evident of life in all spheres and it is certain that we shall not stand still. Accepting the need for change and adapting to pressures and circumstances as they arise, our employees can look forward to a successful future in a vigorous enterprise” - Robert Scholey, Chairman BS, 1988, referring to the change the organisation was experiencing as a result of being privatised
  - Making TQP a permanent part of our culture (failure prevention analysis) - 1990
  - Culture change through teamworking - 1994
  - TQ culture was defined as ‘the way we do it’ and ‘the way we want to do things’ - 1996
- RM:
  - “Since 1988 virtually all change in RM has been closely linked to the TQ approach” - Delafield, 1993
  - “Commitment to quality in all we do, striving to provide a service that at least meets our customers’ requirements, has been central to our strategy. This has involved a transformation from being an inward, product-oriented organisation to an outward market-led and customer-focussed one ... Our horizons need to expand still further, to establish new, more radical ways of looking at business strategy ... The strategy must establish new, more radical ways of looking at business strategy ... The strategy must comprise these three issues, productivity organic growth and new activities, and it must address the relationship between the various elements, but fundamentally it must recognise their inter-relationship with the culture and structure of the organisation” (Cockburn, 1993)

For the examples given above, in particular for BS and RM, these refer to the overarching philosophy of their organisations’ need to change.

Senior management rhetoric highlighted the need for people to change. Iain Vallance summarised what change meant for BT people saying, “the process of change that we have embarked upon will require all of us: to examine our own attitudes and behaviours; to encourage and accept feedback about our decisions or actions from others; to question and challenge constructively the decisions or actions of others

wherever these do not seem in keeping with our Values, and to assist in building team spirit and a collective recognition of our corporate interest” (BT TQM - Annual Review 1988). Managing change within BAe comprised of: gaining competitive advantage through sharing best practice, identifying and developing effective behaviours, deploying common processes and enablers, establishing and utilising effective measures. All these were encapsulated in the phrase “Our People Value underpins all that we do in our change programme” (Evans, CEO BAe). One of the lessons learned, according to Evans, was that “the behavioural aspects need to be emphasised continually. A change programme means changing how people go about their business on a permanent basis. The manager explaining to staff how they need to change their behaviour has to show them that his behaviour has already changed” (Evans, 1996a).

Overall the research and feedback revealed, though there were no specific culture oriented programmes included in the corporate literature. There was, however, a notion that *people focussed* initiatives would bring about the change required for the employees to focus on specific behaviours. These were teamwork, understanding customer requirements, leadership, coaching, working together and improving quality, (these are discussed in this chapter either as individual concepts, or as a part of another concept, e.g. understanding customer requirements is discussed within the ‘customer focus’ concept).

Features associated with the organisation’s desire to change attitude and culture to being customer focussed included a change in the organisation infrastructure, introduction of financial incentive schemes (pay/bonus and reward and recognition), and people to have ownership/accountability, and focus on changing behaviour. These are discussed below:

*Infrastructure:* Organisations’ attempts to restructure and become more customer oriented are a reminder and evidence of their need to attempt a change in staff attitude, and the overall culture of the company in portraying a message that it is changing to meet both customer and business needs. Within the study sample it became apparent, that to change the culture, there became a need to change the infrastructure. For example, as early as 1983, RM was aware that it needed to change its structure to bring about a change in the company culture. However, it was not until 1986 that action was taken, when the Post Office was split into separate business: the Royal Mail, Parcelforce, and Post Office Counters.

*Financial incentive schemes:* Some of the companies in the sample (BT, Rover, BA, BS, and RM) also implemented an element of ‘performance linked pay/bonus’ to attempt a change in peoples’ attitude and culture. An example from BA links performance with customer service. At a Business Exchange meeting



Ayling stated, “we will tie reward to performance much closer than in the past. New customer service performance indicators will be directly linked to a new reward system, currently under development. Good performance will be rewarded - poor performance must be tackled by recognising that there is an issue and by helping people improve” (BA Sep, 1996). He went on to say, “none of this can be achieved without considerable change. Change is uncomfortable and at times will be difficult. It requires good management, honesty, bravery and sensitivity by me and by you and the commitment and support of all our employees. We are all in it together and we will work together and support one another. The Executive Team recognises that you are all vital to the success of this process - that without you and your support we cannot succeed and we know that you cannot succeed without our support. You will have our support without qualification”.

Another means by which, effort has been made to change peoples’ attitude was the introduction of the ‘Reward and Recognition’ schemes. However, whilst most organisations indicated people were putting forward suggestions and ideas for improvements (e.g. Rover 14,000 suggestions annually, and BP 166 entries received 1996), feedback received during the interviews from two respondents was contradictory to their organisation corporate viewpoint. According to these sources (at BA and BT), BAs ‘Brainwaves’ was not as successful as had been envisaged because rewards were only given where ideas generated large cost savings, and that it was mainly geared towards the airlines engineering divisions. In BT it was the ‘LOVSTY’ scheme which was to reward individual’s efforts for completing a job that was completed ‘above and beyond the call of duty’, but was *“perceived to have been abused by a few because prizes were nominated between people where there was little evidence of people working above and beyond their normal duty”* (BT manager).

*Ownership/Accountability:* Some programmes also had the specific objective to direct a change in peoples’ attitude, e.g. at Rover, BAe, RM, BP, BA, and BT, programmes have attempted to increase people participation by ownership of task and accountability for actions and taking responsibility. For example, in BT “take personal accountability for customers requirements” was one element of the ‘for a better life’ initiative in 1993, and in BA, the ‘Winners’ programme in 1992, amongst other things focussed on “customer retention and personal responsibility, and increase individual ownership” (Armistead and Clark, 1992). According to Evans, CE BAe, “a common ownership of the change programme becomes part of the changing culture” (Evans, 1996a).

*Change behaviour:* Culture change has also focussed on being 'open and honest' and discussing better working methods with colleagues. 'Personal Development Plans (PDP)' in BT, RM, and BAe have attempted to change people's attitudes and to focus on their own jobs in relation to broader business needs. BP's 'Behaviour Change' element (subset of Project 1990) is one example, which aimed to bring about the desired change in peoples' behaviour and attitude. BP's programme 'Toward 2000', was also very much geared towards cultural change. In BAA, although the words 'culture' and 'attitude' are not included in statements such as the mission and vision, they do imply the need for people to change, such that one of the elements of their 'Freedom to Manage' initiative was to create an 'open and honest culture' through communication. In some of the companies in the sample, (RM, BT, BA, BS, and BAe), it is claimed that individual and team effort improved through annual appraisals and measurement of personal objectives against a competency framework: e.g. at RM the capability framework included 'improving the business, working with people', and at BT the competency framework categories included 'customer focus' and working together'.

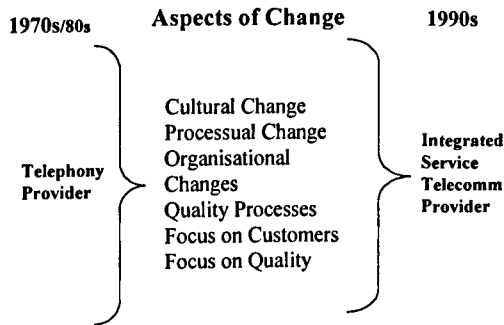
Some of the programmes introduced various procedures and processes to engender a cultural and attitudinal change among employees. One manager commented, "*we have standard procedures for most processes (a la ISO9000) but the most important thing is the attitude and behaviour of people in the process. TQ pushes the 'people' aspect and education programme within TQP are designed to improve this*" (BS respondent), and another said, "*our culture is now more participative, group discussions are made, involve people who supply us with things, and cross functional teams with customers/suppliers and engineers*" (BAe respondent).

Evidence suggests that all organisations in the sample have a culture, where it is visible and discussed or 'invisible' and not openly discussed. The aim for these companies has been to integrate a change in culture into the organisation through the values, goals, and personal objectives. The management and leadership style training initiatives have been used to introduce a culture change, and can be seen to permeate through the organisation within different units. An example of this is, BAe MAA division, which changed the organisation structure and concentrated effort in generating budgetary awareness responsibilities for people at all levels, and clarifying individual and team responsibilities.

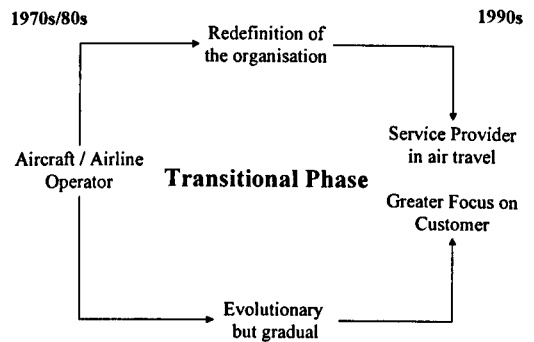
Example of how the change process has evolved for two of the organisations in the sample are illustrated in Fig 7.5. It also became apparent that these scenarios were not too dissimilar for the other organisations in the study sample.

FIG 7.5 PROCESS OF CHANGE IN BT AND BA

Process of Change in BT

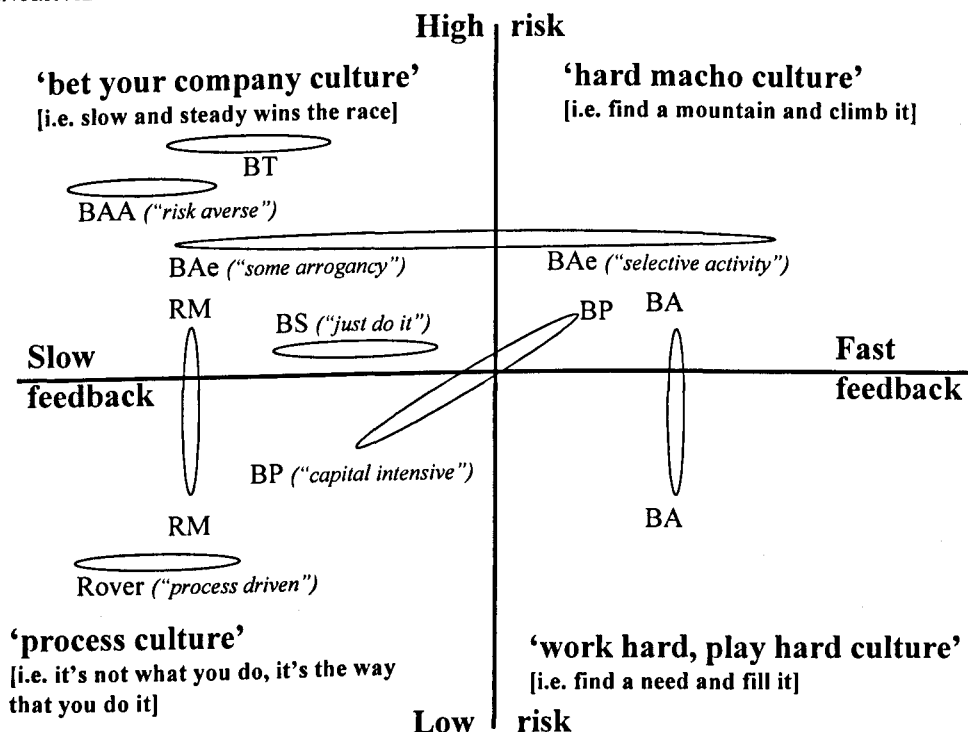


Process of Change in BA



So, with all the change that has taken place, where do the organisations' see themselves in relation to organisation culture? During the interviews, interviewees were shown a card illustrating a simplified model of corporate culture ranging from 'high risk' to 'low risk' and from 'slow feedback' to 'fast feedback' (based on Deal and Kennedy, 1982) and asked to indicate where they perceived their organisation was on in relation to the criteria presented to them. The categories included 'bet your company culture', 'process culture', 'hard macho culture' and 'work hard, play hard' culture. Their feedback highlighted that overall majority of the organisations were in the 'bet your company culture' and 'process culture'. Very few indicated a high-risk fast feedback culture. Fig 7.6 represents the interviewees' perception of the range of perceived culture.

FIG 7.6 INTERVIEWEES PERCEPTION OF THEIR ORGANISATION CULTURE



There was some indication that majority of the organisations were slow to change and continued to operate in the manner in which they were accustomed to. There was little evidence of companies adopting a high-risk radical approach in their efforts to change organisational culture (although some were attempting to adopt some activities that were moving towards that direction). One BP manager highlighted, *"we now need to consider a formal structure, if you are trying to change, you almost need to go too far and then come back towards control. The reason for this is because our results show tremendous improvement in the 1990s and now there needs to be some structure and bite in the processing to create radical change"* (BP manager c1997).

Recognising the need for change one manager said, *"a company's culture is extremely difficult to change, but it is essential if you wish to compete then you constantly review your performance and processes"* (Rover respondent); and another said, *"we were arrogant before, an old dinosaur, slow to change, but we are changing slowly"* (BAe respondent).

Supporting the need for change in attitude came from one manager who said *"we are very much now a company which embodies change, and we're keen to actually see things differently and do things differently"* (BP manager). He went on to say, *"we are not seeking an identity ... we already have a culture ... the underpinning culture is a focus on delivery"*, and that it is about, *"get it right first time and better the next"*.

One manager perceived there to be a direct link between culture change and privatisation within his organisation. He said, *"since 1987 when BA was privatised it has been an uphill battle - in some areas, new ideas have been taken on much faster than others, creating a culture of people taking responsibility for themselves"* (BA respondent).

Culture change and or attitudinal change exists either through purposeful effort or can be left to evolve. Within the sample organisations the role of the many TQPs has created a culture through senior management intervention, rather than let it evolve.

Feedback from interviews, suggests, one aspect of cultural change being encouraged within these companies is of a *can do* approach creating a *friendly* environment, and a willingness people show towards satisfying customers. This inevitably creates an image that the organisation wishes to portray to the outside world.

A textual analysis was carried out of the statements relating to attitude and culture to identify other associated concepts/themes. The main themes identified are presented in Table 7.4.

TABLE 7.4 TEXTUAL ANALYSIS OF CONCEPTS AND THEMES ASSOCIATED WITH ATTITUDE AND CULTURE

Concepts/Themes	Total number of organisation identified
Managerial Style (Involve Everyone, Coaching, Bring out the best in people, Share knowledge, Ownership of problem)	8
Reward and Recognition	8
Teamwork	8
Annual Appraisal	6
Behaviours	6
Employee Involvement	5
Improve Performance	5
Commitment	3
Training	3
Improve Communication	2
Values	2

There was clear indication that all companies paid much emphasis on managerial style (and associated features as shown in the table), recognising and rewarding people's effort, and teamwork. Focus has also centred on annual appraisals; e.g. at BAe - Annual appraisals reviews of personal attributes, contribution, and performance against objectives (BAe, 1989). There were similar processes followed within other companies, e.g. BT, BA, BP, BS, and RM.

**Teamwork/Teamworking/Working Together:** There are many references made in literature related to teamworking, working in teams and groups (e.g. Chaudhry-Lawton et al., 1992; Shaskin and Kiser, 1993; Anderson et al., 1994). The case studies' and survey revealed the use of the words 'teamwork' 'teamworking' 'working in teams' or 'groups' to promote working collectively. Deming (1993) suggests cross-functional teams used can be in many forms for TQM programmes - referring to problem solving. Teamwork has many different connotations within the different organisations - ranging between the technical 'hard' features to the people oriented 'soft' features. Overall they suggest an extension of the original format of Quality Circles. Teams are created, in most instances, to serve a specific task/function. Examples of the type of teams set up within the case study organisations and their functions are presented below:

TABLE 7.5 EXAMPLES OF THE DIFFERENT TYPES OF TEAMS

	technical 'hard' features	people oriented 'soft' features
BT	Quality Circles  Project based teams – Problem Solving Discipline	Quality Improvement Teams - (roles/ responsibilities, setting priorities, identifying opportunities)  Cross functional teams - (designed to support cultural change , encourage participation, empowerment)
BAe	Team Based Value Plans - (tools, techniques, and processes to help in planning)  Quality Improvement Teams - (technical problem solving)  Corrective Action Teams - (cross -functional teams, to identify the root cause of major defects)	Natural Work Teams - (people learning more about themselves and others)  Continuous Improvement Activity Groups and Integrated Production Teams - (to encourage teamwork practices)  Customer Action Team - (site visits, telephone surveys, and mystery shopper)  Customer Value Implementation Teams - (reward and recognition, training and development)
Rover	Discussion Groups / Quality Action Teams - (focus on improving systems in use)	Functional Teams - (create motivation and employee commitment to quality)
BA	Quality Teams - (conduct quality audits)	Customer First Team - (customer facing issues - local issues creating greater impact)  Impact Teams - (techniques for coaching and developing people, involving delegating, performance appraisals, reward systems)
BAA		Creating Successful Teams - (promote new style of management, improve communication, manager performance of better teams, and encourage empowerment)  Security Task Force - (improving security at Heathrow Airport Terminal 1, improve quality of service, and increase productivity)
BS	Task teams / Problem Solving Disciplines - (delivering cost reduction, increased levels of manufacturing performance and customer satisfaction)  Natural Teams / Multi-disciplined teams - (meeting quality targets, consistency in yield, delivery performance)  TOPICS - (using the right first time approach)	Quality Improvement Teams - (education on TQP, involvement)  TQPerformance teams - (people involvement, PSD, empowerment, improved communication)
RM		TQ teams - to cascade the quality message  Communications Process Team - to test customer perception

The case studies revealed there has been a culture shift in team based activities which have been more focussed on people and behaviours than with the technical aspects. There has also been much emphasis on working as teams within the organisations as well as an emphasis on working with partners and suppliers. Throughout all activities there has been much emphasis on direct and indirect/implied use of words related to team based activities. Some of these are illustrated below:

- BT
  - “We will make sure we understand and meet the requirements of our colleagues, to enable us to operate as an effective team” - formed part of BT values - 1988
  - ‘Intensive involvement’ - part of the four phases of TQM - 1988
  - “We work as one team”- part of BT values - 1991

- 'Leading through Teamwork' - programme emphasised the need to work as cross functional teams - 1991
- BAe
  - "Performance: we will set targets to be the best, continually challenging and improving the way we do things, both as individuals and members of our teams" - formed part of the BAe philosophy - 1989
  - "We are dedicated to working together, and with our partners" - 1995
  - "All British Aerospace people will be encouraged to realise their full potential as valued members of the British Aerospace team" - Evans, 1996
- Rover
  - "Continuous improvement; total flexibility ... and participation in quality action teams"- measures included as part of the New Deal - 1992
  - "Our policy is that we all understand and meet our responsibilities as part of an effective team" - part of the Rover Quality Policy
- BA
  - "An organisation climate that encourages open communication, teamwork, flexibility and close identification with the customers, suppliers, and the community" - part of the supporting statement in how BA will achieve its mission and vision - 1988
- BAA
  - "With so many different businesses and so many airport workers involved, the name of the game here is Teamwork" Sir John Egan referring to the need for teamworking - 1992
  - "Continuous Improvement teams enable employees to contribute their ideas on how to enhance performance" - 1993
- BP
  - 'Teamwork' and 'change of values', focussing on 'open, care, teamwork, and trust' - were a subset of Project 1990 to change people behaviour towards working in teams - 1990
- BS
  - Teamworking for TQPerformance (Brainstorming, C&E diagram) - part of the training programme - 1990
  - The 'Teamworking Project' focussed on improving teamworking - 1993
  - 'Working with each other is a lot better than working against each other. If we pull in the same direction, we are far more likely to be successful' - (BS TQP, 1996)
- RM
  - 'Business Development' focussed on teamworking so that people could cope with the changes taking place resulting from the restructure programme - 1992

Each organisation has attempted to include elements of teamwork to encourage full participation, not only within small groups but also with other departments. Some organisations have achieved this by employing external consultants, whilst others adopted a different approach including a focus on creating models of customer first approach, and creating a sense of ownership in an effort to change peoples' mindset. For example: BS employed external consultants from as early as 1988 specifically for the purpose of building task teams to carry out specific functions. Others set-up, 'Natural Work Teams', 'Customer Action Teams' (BAe), 'Quality Action Teams' (Rover), 'Customer First Teams', and 'Impact Teams' (BA), to encourage people to work together and adopt a teamwork approach.

Teams were created to handle different types of activities such as looking at ways of improving customer service (e.g. BA, BAA), to identify and solve specific operational problems (e.g. BAe), as well as improving the communication amongst other members in the organisation. Detailed examples of three team's activity follow:

- BA (Heathrow) -Customer First Team was given training in problem solving skills. Team leaders also received leadership, coaching skills and techniques for systematic problem solving (e.g. included brainstorming, cause and effect techniques, presentation on data and benefits and costs). The teams' aim was to become personally and creatively involved in improving customer service in their own areas of work. Teams comprised of volunteers who met regularly to identify, analyse, and make proposals for improving customer service in their areas of work. This had a two-fold benefit: for customers - that BA was sensitive to and concerned about their needs; and for employees - being directly involved in defining and meeting customers' needs, and that the company was investing in staff.
- BAA (Heathrow) - Security Task Force teams was set up in 1991 as a pilot scheme. The composition of the task force was - general manager, security inspector (aware of security standards), security guard (aware of operational problems), security manager, and a team leader. The task force team was involved in collecting data such as monitoring the number and type of bags passing through Terminal 1. The task force was responsible for communicating key objectives of the project and its findings to all security personnel. This team used Brainstorming technique to identify new ways to improve the security operation. Egan, CE BAA, stated that teams were to "get the data which describes the situation, look at your process, and use it and try and come up with some ideas for improvement, experiment with some of these ideas and any that work can then be implemented on a wider range". Duration of the task force was a period of three months, after which time the team was disbanded. It is reported that there was some hostility by some security staff initially to the changes proposed. But later people accepted the reasons for the proposals. So much so that the changes were introduced throughout all the terminals at Heathrow Airport (Chaudhry-Lawton et al., 1992).
- BAe (Hatfield Commercial Aircraft division) - Corrective Action Teams (CAT) - were temporary cross -functional teams spanning a number of different functions. The aim of a CAT was to formulate plans to identify the root cause of major defects. They had a short life span approx. 8 weeks in which to solve the problem and report back. Teams were then disbanded. In November 1988 BAe Hatfield held a 'quality day' and announced that an estimated £1m worth of solutions had been identified. The 8-week life span helped focus and speed up the process. Dick Williams, Operation Manager at BAe Hatfield, said, "we had to involve our people, gain their commitment and demolish us-and-them attitudes. Communications was the key. The General Manager gave a broad presentation in December 1988. Then over a period of 3 months we presented to the entire workforce in groups of 20-30". A senior executive at the division said, "today Teamwork on the site has become natural. We want to achieve world class performance, to be the most competitive and provide the best value for our customers. The process of achieving this is continuous because all our competitors are trying to do the same thing - there is no actual stopping point. Quality is a journey - not a destination" (Chaudhry-Lawton et al., 1992).

Senior managers highlighted the need for teamworking. Supporting statements include, "quality improvement is only achieved through the efforts of individuals and teams in which our TQM process is starting to release talents and creativity is very encouraging. I have been most impressed by the thoughtful and professional project presentations by first-line managers and their staff that I myself have seen. And I have been encouraged by the way managers and staff work together in teams, not concerned with rank or position, but with getting the problem solved" said Iain Vallance (BT TQM - Annual Review, 1988). A



few years later Vallance reconfirmed the team approach saying, "BT depends entirely on its teams and individuals and individuals to 'deliver', and to inspire people" (Vallance, BT CEO, 1991). Mike Bett, Deputy Chairman BT, stated "quality and teamwork and individual commitment to improve what we do in BT is the key to our success as a global player" (Bett, 1993). Tom Johnson, Director of Business Customer Service BT, said, "Teamwork is not just about individuals coming together to achieve a goal; in a large organisation a network of teams has to work together. We have identified five key points that help us to achieve this: recognise the strength of small team identity; make sure team goals interlock and complement one another; ensure that each team sees each other team as either a 'customer' or 'supplier'; recognise that every team has customers - some of these are internal (within the company), and some are external (outside the company); make the ultimate test for every individual and every team: 'is what I am doing benefiting the end customer?' if it is not, something is wrong and no team goal can justify it", (Johnson, 1997).

Tony Vickers, MD Tinsplate BS, said, "I believe strongly that the growth of workforce participation in Team activities is vital to maintain our progress towards TQ aimed at delighting the customer and hence securing a viable business for the future" (BS QMT, 1996). The 'Teamworking' project at BS Tinsplate was seen as an integral part of the business and was selected as an approach because, "BS Tinsplates experience of people working in Teams to solve problems, gained through Total Quality programme, has generated a real understanding and belief that a significant amount of talent in our workforce was not fully realised. In moving away from a functional organisation based on individual jobs to one based on Teams not only would this be more efficient but it would also provide the opportunity to simultaneously improve the quality of the product and the process by empowering employees to focus on improving performance by utilising increased capability applied through high level enthusiasm" (Bygate, 1998). At BS Teeside, involvement in Improvement Teams rhetoric included, "what better way to demonstrate that partnerships exist with our customers than to invite them to join our improvement team activity that will ultimately benefit both the customer and the Works" (BS TQS, 1996).

Senior management also participated in teamwork activities. Evans, Chairman BAe, allocated goals to his Board members to own and to progress key programmes, which incorporated element of teamwork and participation. Evans held a series of regular workshops under the banner 'Chief Executive Workshop' attended by 150 directors and senior management involved with the change initiatives. Consultants led the workshop. Afterwards, the 150 senior members were divided into five teams. Each team was

assigned a task of how the company could become the benchmark. The emphasis was on cross-company teamwork. Evans said, “we were bringing senior people together regularly for the first time from all the different businesses in the organisation, many of whom had never met one another before. And in many ways that process in itself has done more to remove barriers between the functions of the business than almost anything else we have done” (Evans, 1996a).

Senior management rhetoric and involvement confirmed the value of teamwork for management, employees, and for the organisation (in its efforts to change the culture).

Respondent feedback also supported the teamwork approach. One manager indicated that “*Teamworking promotes a greater number of better ideas and a feeling of involvement*” (BS respondent). Other organisation representatives also provided similar comments relating to the teamwork approach adopted within their organisations.

During the interviews some of the managers indicated that by getting the ‘right mix of people’ teamwork can create synergies, and improve the quality of output - there were three key aspects emerging - by getting people involved provides focus on the activity; by utilising the tools and techniques available to improve processes and systems in place; and making full use of the technology available within their environment to carry out the specific task. A comment made by one manager during the interviews related to the positive effect of teamwork within his organisation “*Teamwork provides an opportunity to share and identify problems, and then to find a way to solve them*” (BAA manager).

A textual analysis was carried out of the statements relating to teamwork, working in teams and groups to identify other associated concepts/themes. The main themes identified are presented in Table 7.6.

TABLE 7.6 TEXTUAL ANALYSIS OF CONCEPTS AND THEMES ASSOCIATED WITH TEAMWORKING, TEAMWORK, WORKING TOGETHER

Concepts/Themes	Total number of organisation identified
Improve performance	5
Learning (both work and about others)	4
Understand requirements (of colleagues, Customers, partners)	4
Network (improve communication with others)	4
Involve people	3
Change behaviour to accept change	2
Operate effectively	2

There was some indication that the teamwork activity created improved performance and an environment where people were beginning to ‘learn about people’ and understanding requirements of colleagues and

customers/partners. There were also other factors emerging linking to teamwork such as competition, motivation, commitment, and helping each other.

It was interesting to see the focus on improving performance, learning, understanding requirements and networking in relation to operating effectively, and changing behaviour - suggesting that by focussing on the former attributes, a change in the behaviour will follow.

Oakland (1989) suggests building teams to solve problems require: commitment and leadership, culture change, education and training, recognition, and measurement. The case study organisations have employed all these elements to varying degrees in the pursuit of building successful teams.

**Change in Style of Management:** Different sources of TQ theory suggest that “in order to bring an organisation into the quality revolution the organisation leader must have, as his primary personal job responsibility, quality and culture” (Deming, 1986), and “to become a total quality organisation means changing the culture by changing its management style and its attitudes” (King, 1994).

One of the key issues facing the newly privatised organisations (excluding RM) was the need to change the internal management culture. This involved focussing on people and managers managing their people. Changing management style involved co-ordinated efforts by top management to change its’ own values and behaviour and the signals it sends to subordinates and others in the organisation. However, changing management style cannot be managed as a distinct activity from the rest of the organisation.

Michael Hepher, Group Managing Director BT, addressing a gathering of senior and middle managers emphasised that, “management is about relationships, and being responsive to people. It’s a process of mutual trust and confidence, and while you are carrying out these tasks with your people, you will need to adjust your conversation according to the individual you are dealing with”. He also urged managers to communicate on a face-to-face basis and to be honest if all the answers were not known. He wanted managers to foster a working relationship that encouraged calculated risk-taking and tolerated genuine mistakes (BT The Manager, 1992). Mike Bett, Deputy Chairman BT speaking on quality and managerial aspects said, “quality must be inescapably a line management responsibility. It must be about delivering the key objectives and goals of the business. It must, therefore, be integral with normal work, not something outside it ... quality is not achieved by being high calibre people, nor even high-calibre managers. It is achieved by a style of management which has the aim of successfully gelling everyone to strive for customer-focussed excellence in everything” (Bett, 1992).

Evans, stated, that in the early to mid 1990s BAe had a *“just do it culture but today it is growing towards being one of a consultative style with people having a little more freedom to express their ideas”* (FT Lecture, 1998).

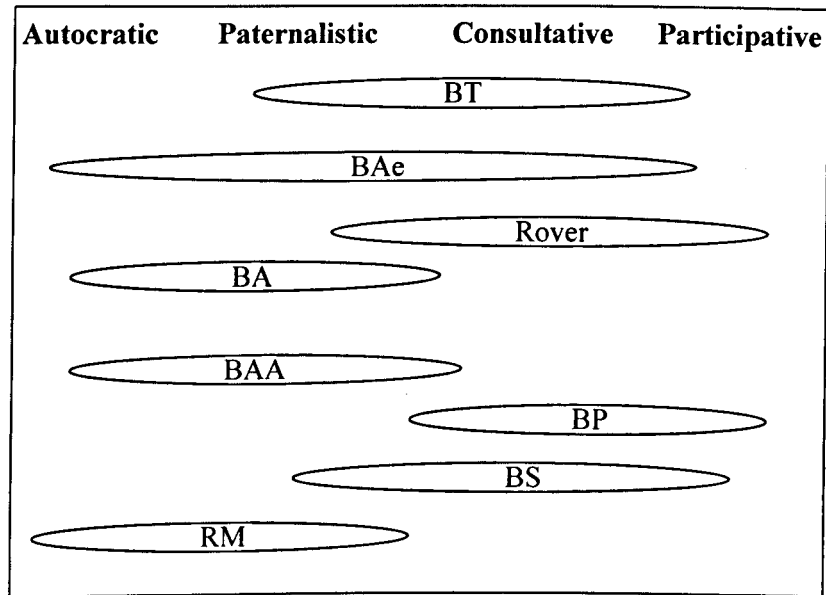
In 1994 Moffat, Chairman BAA, was reported to say, “the whole management style has changed” (Heller, 1995c). One of the initiatives introduced in BAA was the ‘Freedom to Manage’. Its aim was to “develop a consistent management style” so that the leadership style management developed can be used “to measure behaviour against” (BAA Take Off, 1997).

In 1994 Ian Raisbeck, Director of Quality RM, said, “The Royal Mail is traditionally very bureaucratic and hierarchical. That has tremendous behavioural implications. Take, for example, the role of the manager. It is very much one of support to the people who work for the manager in organisational terms. His or her job is to support them, so that, ultimately we face and position ourselves towards the customer. Traditionally, people think I work for my boss. That is absolutely not acceptable in a modern organisation. If there is that attitude, one cannot possibly be focussed towards the customer” (Raisbeck, 1994).

Whilst senior management rhetoric emphasised the necessity for managers and team leaders to engender a change in how people were managed, it was important to ascertain how this was perceived from an overall organisation perspective.

During the interviews, interviewees were shown a card illustrating a simplified model of a continuum of leadership ranging from Autocratic, Paternalistic, Consultative, and Participative (based on Tannenbaum and Schmidt, 1957), and asked to indicate where they perceived their organisation was on the continuum. Their feedback highlighted that overall majority of the organisations had encouraged a move towards a more consultative/participative style of management. Fig 7.7 represents the interviewees’ perception of the range of management styles practised within their organisation. This shows that all organisations claim to be practising the ‘paternalistic and consultative’ styles of management - there was no consistent management style practised, but a range of styles existed. It was interesting to see that three of the organisations operating in the manufacturing/production sector indicated their organisation management style was moving towards the participative style, whilst three from the service sector indicate that autocratic style of management was practised. Only one respondent indicated his organisation was practising all the different style.

FIG 7.7 INTERVIEWEES PERCEPTION OF THEIR ORGANISATION'S MANAGEMENT STYLE



During the course of the interviews, some individuals mentioned that the 'day to day' management style, in their experience, changed from situation to situation, and the style and language varied taking into account the relationship between the manager and the subordinate. Emphasis was made in the styles adopted in relation to the type/nature of the activity and the importance of the desired outcome. A manager from BP reflected upon the change within his organisation, saying, "*we have moved from telling to listening, and from instructing to coaching*" (BP manager).

However, some feedback received was quite different, for example one manager said, "*people are treated like kids e.g. in security there are too many layers of management for decision making, it's very autocratic*" (BAA respondent). He went on to say, "*my personal management style is participative*". Another said there was a, "*big switch when Ayling took over, perhaps we are going back to autocratic because there is less openness, less freedom, what is set as policy is not happening in practice. People are not willing to take up less popular issues*" (BA respondent). Another said that was, "*almost a pretence, the organisation is still a highly controlled organisation, e.g. anything over £100 spend requires many upward signatures. Most of the decision-making is done behind closed doors with a chosen few - at local, middle and senior levels, staff feel isolated*" (RM respondent).

This is interesting because it demonstrates a contradiction in terms of management's desire to use TQPs as a means of encouraging a change in the organisation - in how people are managed, encouraging employee empowerment, encouraging working together, etc., whilst on the other hand, the feelings of

those people involved at the front end do not reflect the corporate perception that change has been widespread - in some organisations management is still seen as somewhat autocratic (as reflected by the manager from BAA above).

What was apparent during the interviews was that individuals were keen to point out that their own personal styles of managing people had changed, and that they had made personal effort to encourage teamworking and participation at a local level.

**Zero Defects/Right First Time/Process Improvement:** Another of the key concepts and terms that became apparent was 'zero defects' (- concept from Crosby, 1979). The underpinning theme being to get things right first time and avoid re-work which can be costly. Other associated words were 'right first time' and 'process improvement', which can be deemed to have a similar effect. There were many examples of these terms or associated terms in a different context; e.g. BT 'First time every time' applied to meeting customer requirements (1988), and BA used 'zero defections' (1991) not 'zero defects' - to refer to customer loyalty.

Terminology associated with these concepts that became apparent within the sample organisations were:

- BT
  - 'Meeting customer (agreed) requirements at lowest cost, first time every time - this means 100% achievement of the requirements. There should be no 'licences to fail', e.g. if the requirement is 4 days, then it should be met in 4 days' - 1988
  - 'Vital few, useful many' - process to differentiate the most serious problems from the less serious ones, and then to create a QIP for improvement - 1988
  - 'Problem solving process (wheel)' - a structured approach for identifying the problem, it provided a step by step approach to solving the problem, and then what was needed to provide continuous improvement - 1988
  - 'Process management' - involved the management of stock held in warehouses' through process re-design to reduce total stock - 1993
- BAe
  - Right Drawings, Right Process sheets, Right Tools and Materials, Right Training, Right Supervision - part of the Continuous Quality Improvement, all concentrated on improving production in a quality manner. The concepts included providing conditions for right first time and concepts of zero defects - 1988
- Rover
  - "Underpinning every department, ... is an insistence on quality and 'right first time' - from design, through manufacture and on to showrooms" - 1990
- BA
  - Improvement in products and process - part of the business processes to streamline performance improvements for the customer - 1994
- BAA
  - 'Process Management' - reviewed current process in identifying improvements in the cost and quality of process and services delivered to their customers

- BP
  - 'Price Of Non Conformance' a zero defects approach - identified the cost of not doing things right first time every time - 1989
  - Improving to zero defect - focus on process, and customer and supplier - 1992
  - Zero defects first time - focus on design of product inputs and processes for customers - 1992
- BS
  - Zero defects = zero accidents - 1985
  - Accident prevention - 1986
  - Get it right first time - focus on eliminating waste, scrap, and defective work - 1992
  - TOPICS (Team Oriented Programme for Improved Customer Services) used the 'right first time' approach - 1995
  - Process improvement (Brainstorming, SPC, Cause and Effect diagram, Benchmarking) - elements comprising the strategy for zero accidents - 1994
- RM
  - 'Daily Management of Processes' - part of the TQ initiatives between 1994-97 concentrated on the process variation, Benchmarking and training

One of the reasons for adopting the zero defect principles to the 'price of non conformance' and 'get it right first time' approach within BP was that it identified the cost of not getting it right to be approximately £236m in 1989. According to reliable sources, this practice also helped BP to budget for any failures.

Senior managers have spoken out for the need to get products and/or service right first time. They outline the consequences if this approach is not acted upon. For example, John Weston, Director MAL BAe, emphasised "we have an excellent reputation for designing and building high quality military aircraft. Unfortunately we have received a number of complaints of late about the quality of some of our delivered products, and across our activities putting right things that should have been got right first time costs us some £52m per year. This is a staggering sum and our aim is to halve it over the next five years. This applies not only to production items, but to every area of our activities, reports, documentation, data tapes, specifications, drawings, listings, proposals etc., and is something which affects all our work" (BAe DPR, 1990).

Endorsement for the right first time approach also came from J Campbell, Director BS Teeside, when he said, "no matter what the role is, be it clerical, technical, management or personnel, the Quality concept is applicable to it and the aim GET IT RIGHT FIRST TIME is paramount. The intention is to eliminate as far as possible defective work, scrap and waste and in achieving higher standards in everything we do" (BS TQS, 1992). BS Teeside reported that 150 SPC projects produced £1m savings every year (Smith,

1994). It was interesting to see the emphasis on the use of the capital letters in the statement issued by BS. (BA use a similar format in their mission statements in relation to training.)

Peter Coldwell, Head of Process Management Unit, BT, said of process management, "it is a vital tool used by many other successful companies but which was previously missing from our toolkit. But now it's here to stay, and our aim is to win even greater success than is enjoyed by other companies" (BT The Manager, 1992).

During the interviews there were comments made regarding the importance of putting this approach into practise. One manager stated that the process was about, "*getting things right the first time at the right price*" (BA manager). Another indicated the main purpose has been "*to improve our results*" (BAe respondent). He went on to say, "*get things right first time every time by setting processes and reviews, and working to standards, looking for consensus and establishing common goals and objectives*".

A textual analysis was carried out of the statements relating to zero defects, right first time, and process improvement to identify other associated concepts/themes. The main themes identified are presented in Table 7.7.

TABLE 7.7 TEXTUAL ANALYSIS OF CONCEPTS AND THEMES ASSOCIATED WITH ZERO DEFECTS, RIGHT FIRST TIME, AND PROCESS IMPROVEMENT

Concepts/Themes	Total number of organisation identified
Right First Time	5
Process Management	4
Product Improvement	4
Improve quality	3
Manage cost	3
Use of tools	2
Accident Prevention	1

It was interesting to see the emphasis made on some areas over others - the 'right first time' approach was greater than on 'accident prevention' or 'use of tools'. Whilst there has been much said about driving down costs, managing costs, and reducing costs, only three have related it directly to the 'get it right first time' approach.

One manager said, "*TQM is a management led approach with a company-wide scope. Quality is everyone's responsibility and it is better to prevent culture rather than detect one. It's getting things right the first time at the right price. The theme is continuous improvement*" (BA respondent).



**Caring:** References were detected in organisation literature relating to aspects of 'caring', in terms of caring for the employees, customers, and the community (including the environment). Some literature referred to the 1990s as the 'Caring Nineties' where there was much activity associated in the interest of the employees (BA Annual Report, 1989-90). The use of the word, 'caring' is becoming important to organisation such as BA, such that, it is included in the mission statement, 'caring about its people', and BTs campaign - 'Caring in the Community'. However, BP uses the word within other context to highlight its commitment to its people. This is not to suggest that other organisation do not commit to their people, but that there may be a growing need for some companies to emphasise and stress the importance on the selection of words they use.

Examples of keywords and phrases and 'care' associated activities for some of the organisations in the sample are given below:

- BT:
  - 'To be able to handle all enquiries in a professional, courteous and caring manner' (3Cs programme) - referring to improvements in customer service by knowing who your customers are, being able to understand your own role, and using the customers language when talking with them and not BT language - 1994
- BA:
  - 'We take more care of you' - 1983
  - 'BA will be a creative enterprise, caring about its people and its customers' - 1988
  - 'Caring for the customer' focussing on front line employees and customers - 1988
  - BA Customer Care - people to take ownership of problem and respond to the customer of complaints raised - 1995
  - 'Winning for Customers (WFC)' emphasised the importance of personalised customer care - 1995
  - Creation of new values included the desire to be 'global and caring' - 1996
- BAA:
  - "An important part of our customer care programme is aimed at making certain our airports are accessible to all" Sir John Egan, Chief Executive BAA - 1994
- BP:
  - 'Open, care, teamwork, and trust' - reference to 'softer' aspects of this initiative of making organisation more open and caring, part of the cost cutting programme Project 1990 - 1990
- RM:
  - 'We care about our customer' - 1988
  - 'We know all our customer by name' - 1990
  - 'We each care about all our fellow employees and their needs for training and development' - part of the RM business values - 1995

It was interesting to see that 'care' is associated more in the service sector than the production / manufacturing sector. However, for two companies - both in the service sector, it was interesting to see the different focus in terms of customer approach - BT place focus on handling customer issues, whereas

BA focussed more towards customer care. This is probably because 'care' issues are mainly associated with the softer people skills, and that both of these companies have direct contact with a large customer base.

For three of the organisation in the sample, BAe, Rover, and BS, surprisingly there were no direct references detected related to 'care'. However, though this particular word 'care' does not appear frequently in organisational literature it is abundant in the company's portrayal of looking after its employees. There is constant re-iteration in company annual reports (and other written communication) of how important the employees are and the actions taken by the company to support its' staff. At one of these companies, BS, it was interesting to note that it created Customer Care Officer posts but there was no reference detected in the company literature that specifically referred to customer care as highlighted by the other organisations in the sample.

During 1997 BAe held a CEO's 'Customer Value Workshop' - to become more customer focussed. This looked at two key areas, 'how to deal with customers' and 'how the customer touches BAe' through research which covered site visits, telephone calls, and mail correspondence. Though the term 'customer care' is not used it is nonetheless implied in action the company sought to focus upon. The results were then used to form part of the CVIT plan for 1997. The outcomes from this workshop were later published in an internal document titled, 'Customer Care - How the Customer Touches BAe' in June 1998.

**Respect/Trust/Pride:** Literature provides a relationship between these terms and leadership - "trust through positioning" (Zairi, 1994), and "pride of ownership" (Anderson et al., 1994). These are important words in gaining commitment from employees. Trust and respect are building blocks for management/employee communication.

The case study literature provided examples of the importance of these words for their staff. Some examples are illustrated below:

- BT
  - All staff will be treated with respect and rewarded justly. We will foster pride and integrity in the organisation and trust amongst each other - part of the original BT values - 1988
  - 'We respect each other' - part of the revised BT values - 1992
  - "The Values (referring to the 5 BT values) encourage participation, trust, recognition, openness and honesty" - Iain Vallance (TQM - Annual Review, 1988)
- Rover:
  - 'Working with Pride' - key words forming part of the quality campaign launched in 1987

- BA
  - “A caring, open and consistent style which recognises individuals as trustworthy, responsible, valuable and deserving of respect, and which provides equal opportunities for everyone” (BA News, 1988)
  - ‘BA will have a corporate charisma such that everyone working for it will take pride in the company and see themselves as representing a highly-successful world-wide organisation’ - part of the mission statement - 1988
- BP
  - “Openness, care, teamwork, empowerment and trust”, Horton recognising that the current system was not right for teamworking and needed to focus on interpersonal skills - 1990
  - ‘From check to trust’ - a changing management style and behaviour to one of coaching - outcome of Project 1990
  - “We commit to creating a working environment in which there is mutual trust and where everyone: knows what is expected of them in their job; is helped to develop their capabilities; is listened to and involved in improving their team's performance; is fairly treated; feels supported in the management of their priorities’ - part of the Policy Commitment to Employees - 1997
- BS
  - “This requires trust, understanding and most of all commitment” - Don Turner, Director BS Tinsplate, referring to how each member of the workforce relies on each other for a first class TQ service - 1996
- RM
  - ‘We each care about, Our customers and their requirement for ... Reliability, Courtesy, ... All our fellow employees and their needs for ... Respect’ - formed part of the RM values - 1995

BT prides on its values of putting customers' first whereas BA began with an internal focus in Putting People First. For BP on the other hand, it is the 'BP' corporate brand name, which is used to strengthen public perception of the company both nationally and internationally.

Analysis carried out on the above statements showed a number of themes emerging but there was no clear indication of one theme over another. Themes identified were being open and honest, rewarding people, participation, empowerment, treat people fairly, reliability, integrity, and also association with the local community. It was interesting to see that there was no clear emphasis on any particular theme, even though the case study organisation highlight the need for working together, taking ownership, etc.

One manager stated that, *“trust plays a major part especially where changes are recommended, require a great deal of financial decision making autonomy is needed, e.g. dealing with £2.5m for engine replacements ... Trust also because there is still a sense of lack of belief and that the system is paying lip service to quality programmes and matters”* (BA respondent).

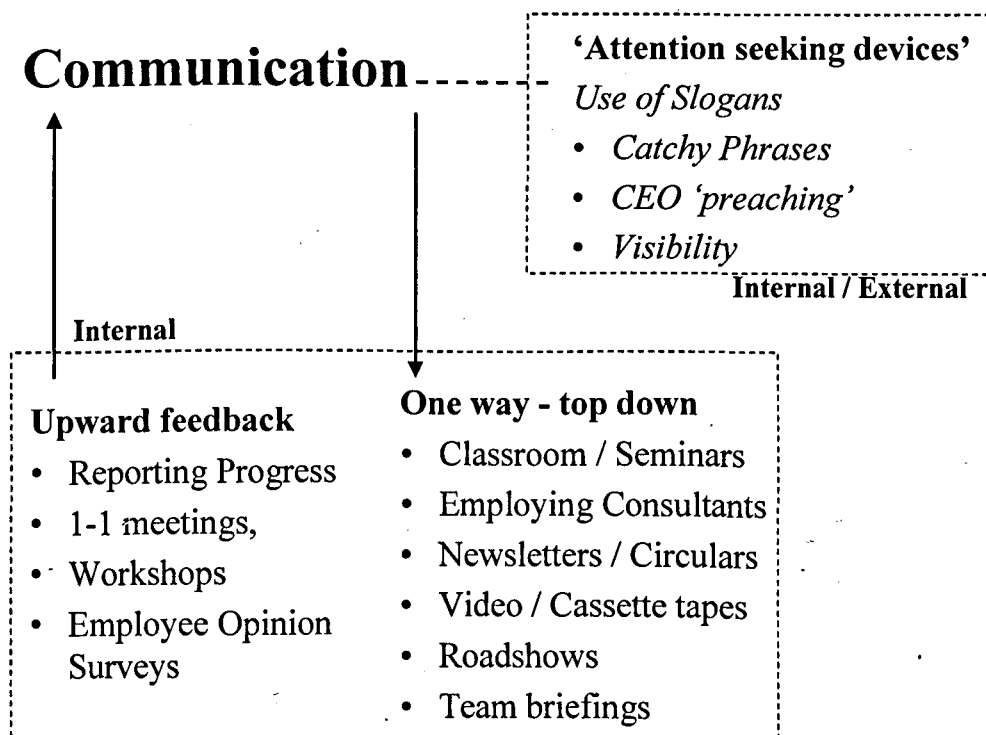
### 7.3 Inputs to achieve outcomes

As mentioned earlier in the introduction Section 7.1, there were other 'representations' associated with TQPs. These have been termed 'inputs to achieve outcomes' as illustrated in the Table 7.1. Some of these are discussed below:

**Communication:** To support the programmes all organisations have invested heavily in communicating the message. The texts used in the case study organisations to propagate the message can be described as 'deliberative' use of rhetoric. They included reports, newsletters, magazines, audiocassettes, and videos, etc. Senior managers also held 'roadshows' to convince people for the need to change.

Keywords and activities associated with communication were listed, and subjected to a simple scrutiny - regrouping and correlation. The result was three distinct features emerging - 'upward feedback', 'one-way top down', and 'attention seeking devices'. The former focussing on internal communication, the latter on both internal and external (e.g. generate awareness of image, product, etc.). In this research the focus is on the internal aspects of attention seeking devices. Below is a simplified illustration (Fig 7.8) of the different techniques used to improve communication.

FIG 7.8 DIFFERENT FORMS OF COMMUNICATION



Some of the key activities associated with communication within the case study sample are illustrated in Table 7.8 below.

TABLE 7.8 KEY ACTIVITIES ASSOCIATED WITH COMMUNICATION

Key activities involved	Organisation
Newsletters, Videos, Audiocassettes, Computer disks	8
Communications Departments created (includes new posts)	5
Team Briefings introduced / Discussion groups	4
Roadshows/Seminars	4
Training	3
Upward feedback	2
Networking	1

There were interesting aspects arising - the creation of new departments, the use of different media, and the involvement of senior managers. Some of these are discussed below:

*New Departments:* New departments were created by a number of the organisations surveyed specifically dealing with communication within the organisation. Research identified that new posts were created in all organisations, and senior managers were given titles such as 'Director of Communications' and 'Head of Communications' to head these departments and to cascade the corporate message.

*Team Briefings:* Team briefings were deemed to be a key forum for highlighting success and failure from both a corporate perspective and a local perspective, e.g. BA 'Winning Ways' video was distributed to employees to highlight company's success. Rover introduced 'Discussion groups' involving shop floor workers exist to improve the two way flow of communication and to supplement specific employee briefings on major developments, such as new products, major facility investment, new technology, important negotiations and quality improvement programmes' - 1987

*Roadshows:* Roadshows were deemed to be a key tool for senior management in generating greater awareness of organisation activities: e.g. Sir Peter Bonfield, BT CEO, held Road-shows during 1996-97 to convey key corporate strategy to the managers; John Egan, CE, held Roadshows to generate awareness of organisation activities and elicit feedback from staff; Marshall of BA, attended the Customer First Quality Seminars taking the opportunity to answer staff questions - 1989.

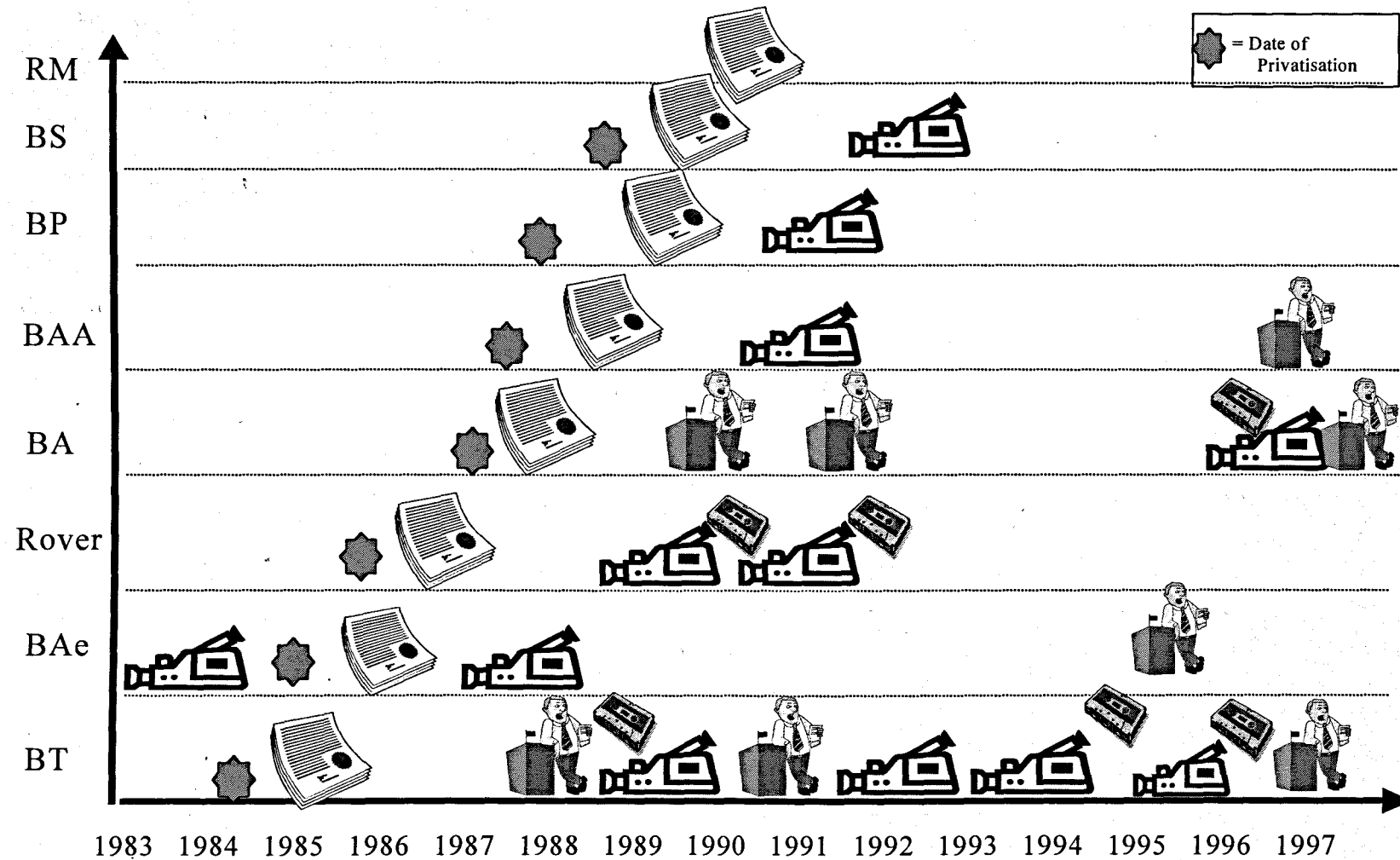
The use of tools such as videos, audiocassette tapes, 'floppy' disks, have been seen to be key when there is a need to get the message across to the entire workforce. In some instances speed of delivery in the message has resulted in 'material' being despatched direct to employees home addresses (e.g. BT).

Training programmes were used to improve process, workshops to understand the need for change (BAA). TQ awareness training included means for effective communication (RM). BA Cabin Crew course 'Service Matters' covered communication, teamwork, business awareness and self-management.

Keywords, terminology, and actions associated with communication within the case study sample are:

- BT:
  - "Be clear, concise and consistent" terms used in the drive to raise standards of communication (BT Management News, 1991)
  - 'We will ensure that each person who works for British Telecom knows what is expected of him or her and why' - part of the BT values 1988
- BAe:
  - "Communications was the key" - Dick Williams, Operation Manager at BAe Hatfield, commenting on Corrective Action Teams (Chaudhry-Lawton et al., 1992)
- Rover
  - "RLB must lead in the creation and support of this perception through internal and external communications and public relations"- part of the RLB objectives to achieve 'world-best-in-class learning company' by end of 1995 (Walton, 1999)
- BA:
  - "Above everything, this means improving communications; this means improving communications; this means improving communications. My commitment to improve communications top to bottom and vice versa has only grown stronger in recent months. The appointment of Kevin Murray, our first Director of Communications, let me repeat Communications not Public Affairs, is an indication of my commitment ... there will be changes" said Ayling when talking about being the Best Managed Company (BA Sep, 1996)
- BAA
  - "We are committed to helping our people to give their best - particularly through training, career development and two-way communication" - Sir John Egan, CE BAA - 1993
  - 'Through training and two way communication we will allow them (employees) to fulfil their potential and contribute directly to the success of the Company' - part of the mission statement - 1995
- BP
  - 'Upward Feedback', brought about during the late 1990s was an international programme introduced to encourage *'two-way communication'* between managers and their staff
  - BP also encouraged networking across departmental, national and international borders in an effort to focus on key skills, tasks and requirements to improve communication
- BS
  - Introduced regular newsletter for effective communication, which provided information on action teams activities, and projects in progress. The aim was to improve communication between people from different areas and create a common language of quality
- RM
  - communication ('Understanding the Business', which focuses on delivering key corporate messages to people)

FIG 7.9 THE VARIETY OF MATERIALS USED BY ORGANISATIONS TO IMPROVE COMMUNICATION



As already mentioned each organisation developed its own unique set of TQPs, and the means by which these were communicated within the organisation were also unique. Figure 7.9 illustrates the different communications tools (other than staff newspapers) used by the sample organisations covering the period of study in relation to when they became privatised. What was evident, according to the majority of the interviewees, was that soon after the privatisation process (except for RM), there was a plethora of documentation distributed to employees on how change was to take place. It was interesting to see that it was the service sector companies that created new 'communications departments' and conducted roadshows.

Examples of comments received relating to the communication process, the effect the process has had, and what is needed to create a significant effect are illustrated here: *"it is important every individual working for a company has commitment to TQP. If management make changes because they believe a particular process will improve quality, they must communicate the change to all and involve all staff who will be affected by the change. It is better to ask staff their opinions and ideas. TQP is doomed to fail if you just introduce a new initiative without any explanation"* (Rover respondent). Another stated *"some years ago team briefings were a regular feature every month, collecting corporate, business unit and team news, these have all but disappeared in favour of generalist e-mails. Internal team health monitoring would indicate a more personal touch, and more communication would be preferred"* (BAe respondent).

Whilst organisations concentrate on communicating the desired message using these different features, they can have a negative effect on individuals, as confirmed by one manager when he said, *"we are over communicated to. The company is trying to overcompensate from previous lack of communication. We are now bursting with information - team briefings, meetings, literature, etc."* (RM respondent), and another said, *"with the number of change workshops and briefings, there has been an overflow of communications"* (BAA respondent).

In almost all cases the texts on quality management urge good communication whilst focussing on the techniques to achieve this. One of the suggestions made by some of the interviewees was the need for greater human communication.

**Leadership:** There are numerous references in literature relating to the achievement of TQ through leadership. Boaden and Dale (1993) provide as part of their framework that "leadership is key and commitment", whilst Shadur (1995) suggests that change in leadership can influence the direction of



cultural change dramatically. Wash (1991) states that leadership behaviours are a key part of the total quality management culture.

Organisations too have attempted to improve their peoples' leadership skills, through the different activities. In all the organisations studied, leadership had two different connotations, namely:

- People leadership - that of people as individuals, and individuals being leaders
- Market leadership - that of the organisation being a leader within its industrial sector

The examples illustrated below are centred on people leadership.

Explicit references are made in company literature to 'leadership', and 'leaders'. There have also been a number of training events, which have concentrated effort on managers attaining leadership skills.

Examples of keywords, terminology, and actions associated with people leadership, included:

- BT
  - Training courses developed combining 'Leadership' and 'Total Quality'. Leadership for managers concentrated on leadership styles, teamworking and role modelling
  - Develop the welfare of participators and ensure BT develops a culture of vision, leadership, and innovation with a strong customer and market focus
- BAe
  - "We're creating a BAe which can meet challenges. A company capable of competitors. We will do this by adopting a common approach. An approach based on sharing our vision and values - with ourselves, our customers, and our partners" (Evans, 1996)
  - 'Leadership for Change' focussed on individual's personal development
- Rover
  - TQ Leadership programme concentrated on supervisory and management skills
- BA
  - For BA the use of the word leader has developed into a more prominent aspect in that it has introduced a programme called 'Leadership 2000' which brings together the strategy on the way forward for its people. It introduced initiatives to encourage better decision making, greater accountability, rewarding by results and performance, moving away from a hierarchy structure - 1995-96
- BAA
  - 'Sharing the Vision' programme focussed on leadership skills
  - 'Freedom to Manage' explored leadership styles and people skills necessary to motivate other people
- BP
  - 'Behaviour Change' - subset of Project 1990, included an element on 'Total Leadership'
- BS
  - Programme to enhance the skills of team leaders (including leadership, teambuilding and City and Guilds safety, total quality, and external supervisory bonuses) - part of the Teamworking project - 1994
- RM
  - Created a 'Leadership Charter' which concentrated on key areas such as:

- Feedback (managers receive feedback from employees they support)
- Leadership development framework (concentrating on identifying key competencies and developing them)
- Empowerment (introduced 'work team area leaders' to development management skills)
- 'Agenda for Leadership' was designed to enhance leadership skills, and to prepare them for competitive threats that RM may face in the future

*Leadership practice* is encouraged through assigning tasks and project leaders, thereby giving people opportunities to develop their skills. Good leadership is about releasing the power and potential of the employees, and creating an environment where employees are encouraged to give their best to both the organisation and their customers. Majority of the organisations were keen to encourage leading through teamwork, so that by leading a team of people, individuals can improve their management and leadership skills and indirectly create a company culture in favour of change. Marshall of BA said, "successful teams are created by securing good leadership, providing clear-cut objectives and expecting them to achieve the extraordinary. When people understand precisely what is expected of them, they will usually deliver" (Goldsmith and Clutterbuck, 1997). BAe's 'Leadership for Change' focussed on individual's personal development and understanding the reasons for change. The BAe Benchmark also incorporated an element on 'Leadership Skills' with the purpose to explore "flexible leadership skills required to involve and motivate team members in a dynamic environment" (BAe Benchmark: The New Agenda). Sir Raymond Lygo, Head of BAe, commenting on 'leaders' and 'managers' indicated that "management is the art of organisation, the art of organising people and things to produce and achieve objectives. Leadership is the ability to inspire other men and women to achieve things much greater than they would have done if they were left to their own devices" (Adair, 1990).

The study suggests 'leadership' within these companies involved creating and building on those aspects which enhance the organisation status, and the key to this is commitment from senior managers. Senior leaders themselves have come into criticism in some of these companies as a result of the initiatives they have introduced, e.g. Horton in BP for Project 1990, Ayling in BA for BEP.

One manager stated that "*clear direction and leadership are essential factors, especially in the early days of a TQP. Reporting structures, actions, minutes etc. all help to focus the mind. People need to know where they're going before they can help to get there*" (BS respondent).

**Quality Champions:** There are references in literature that suggest the CEO “is the primary change agent for quality improvement” (Lascelles and Dale, 1990).

One of the driving mechanisms to bring about the change, in the organisations studied, has been the restructuring programme, which in some instances have coincided with a change of Chairman/CEO (Appendix 7.2). The key strategies have been initiated by senior management who recognise that this is the way forward for their own organisation. To steer the programmes forward, some organisations such as BA, BT, RM, and BS created Departments for Quality, whilst others created senior management posts to manage the programmes (e.g. RM, BAe, BAA). During the period covered by the study there have been a number of individuals have been involved in the various quality oriented initiatives implemented by these companies. What became apparent was that people moved jobs and so it became increasingly difficult to hone in on the names of those involved. Some of those that were identified include: Ian Raisbeck -RM, Laurence Warner - BS Tinplate, Tony Priestly - BP Chemicals, and Mike Grabiner – BT. What also became apparent was that job titles changed which made it difficult in the data gathering process.

Generally the TQP change process has relied on one key individual with a strong personality at the top to gain full commitment, or a top team, between 3-5 people, to drive quality throughout the organisation. Key people within these organisations have been involved in raising greater awareness of change and building relationships: e.g. John Egan - BAA, Dick Evans - BAe, Iain Vallance -BT, Bob Ayling - BA. On appointing Kevin Smith in command of the change programmes, Evans said, “by taking one of the most senior guys out of the operating end of the business, and bringing him into the centre and giving him direct responsibility for the management of the change programme sent out a huge message to the organisation” (Evans, 1996a). However, in the case of BP, Horton’s programme had a very negative effect, resulting in his resignation.

One manager provided a useful insight to why his organisation appointed quality champions, “ *we need to identify a champion in each unit and then filter down the organisation. Difference in the past has been that, top managers had a good idea, but at the working level people were not interested*” (BAe manager). In BAA such an issue was already being addressed, “*each airport has a Change Manager - it’s a new post created*” (BAA manager).

**Training:** There are numerous references to training within the TQ literature associated with the importance in creating behaviour change required as part of the TQ culture (e.g, Wash, 1991; Boaden and Dale, 1993; Anderson et. al, 1996).

Training was a strong feature across the organisation in most instances associated with developing people towards meeting organisation objectives, as well as communicating the corporate message. There have been numerous programmes, which have focussed on training employees in the key skills in how to manage customers and maintaining customer focus. Examples of key phrases include:

- **BT:**
  - 'Ensure training and development support the real business needs and objectives' - part of the IiP initiative
  - to provide "Management education and training" - responsibility of the BT Quality Council
- **BAe:**
  - Right Training and Right Supervision - part of the 5 Rights to do the job
- **Rover:**
  - "It is true to say that without Rover's commitment to education and training Rover would not have recovered to the extent it has" - Graham Day, Chairman, referring to RLB - 1993
- **BA:**
  - 'We will be seen as THE training ground for talented people in the field of service industries' formed part of the mission statement in 1986
  - 'Training and education to achieve continuous improvement in quality, productivity and individual skills' formed part of the commitment to achieving the company goals - 1988
- **BAA:**
  - 'Through training and two-way communication allow them to fulfil their potential and contribute directly to the success of the company' - part of the mission statement - 1995
  - "Training is an essential enabler for the company's vision. We try to ensure that programmes are relevant to outside factors and help executives look at the CSF they must meet" Tony Ryan, BAA Training Director - 1995
- **BP:**
  - SPC training was focussed on implementation projects (based on the Juran philosophy for building quality into the long-term business plan)
  - Mass training programme concentrating on the tools and techniques, and emphasised the need for people to "take ownership" - customer focussed approach - 1993.
  - 'Einstein' project - launched, provided training courses on-line via the BP Intranet website on networks, shadowing schemes, and other forms of learning taking place in the company - 1996
- **BS:**
  - "The drive for high quality and competence has created a considerable training load involving all staff and operatives. British Steel has therefore examined the training needed by employees at all level and has instituted training programmes for individuals, to ensure that the required degree of professionalism will be available in the future" (BS AR, 1987-88).
- **RM:**
  - "Training must have its place in the organisation. We need to have good people who are properly trained - people who are recognised, appreciated" said Jerry Cope (Crofts, 1991)

- “We each care about all our fellow employees and their needs for training and development” part of the RM values - 1995

Each of the study sample organisations conducted a variety of training programmes and initiatives to improve the skills of its workforce. In most instances the training was centred on developing people through a variety of tools and techniques. This also included awareness of the tools and techniques associated with quality where the training formed a part of the organisation TQ initiatives. Such was the importance paid to training at BP Chemicals that it trained its entire workforce in SPC (Smith, 1994). At RM one of the training initiative was named ‘Directions’ - aimed at the frontline postmen and postwomen and other non-managerial employees. Directions was developed by Michael Olin, Employee Development Strategy Manager, RM. This programme aimed to provide opportunity for people to find out about career planning and take control of their learning activities (IRS Employment Review, 1995).

Senior management rhetoric providing support for training programmes are illustrated below:

In 1996 Ayling highlighted that BA was “providing managers and staff with training so they have the right skills and competencies for jobs in a transformed organisation. We will invest in people by training them to be multi-skilled and adaptable” (BA Sep, 1996).

Day, Chairman Rover, an advocate of education and learning, said “RLB provides everything from induction training through remedial education and continuous skills upgrading to support for masters and doctoral degree acquisition as selected and approved by the employer. In spend terms, Rover is the largest industrial educator and trainer in Britain and, I suspect in Europe. It would be simplistic and wrong to ascribe Rover’s changing fortunes to the RLB alone. However it is true to say without Rover’s commitment to education and training, Rover would not have recovered to the extent it has” (Day, 1993). He went on to say, “I firmly believe that Rover’s determination to enhance competitiveness through improving employee’s education and training is the indicated way forward for business in business in the 21<sup>st</sup> Century”. Rover also developed ‘GLEN’ (Group Learning Exchange Network), an online computer database consisting of case studies to help Rover associates to help improve their work (Burnes, 1996) (Others such as BP, and BT also developed similar applications.)

Tony Ryan, Group Training Director BAA, said “we aim to improve our managers from competence to excellence, and we have engaged Ashridge Management College to develop management competencies for 600 managers above first line”. The competences covered were: profoundly satisfying the customer,

efficiently managing business processes, leading people, and managing self-development. Ryan said, "training is an essential enabler for the company's vision. We try to ensure that programmes are relevant to outside factors and help executives look at the CSF they must meet" (Griffiths, 1994).

Brian Thomson, Personnel Director RM, referring to the transformation of working practices, said "in order to get the best out of our people, we are hoping to provide individuals with the opportunity for their own development so they can do tasks outside the job in hand. It is designed to make the jobs people do more varied and interesting and end rigid definitions" (Overall, 1996).

Senior management and organisational commitment to training as illustrated above from Bob Ayling of BA, Graham Day of Rover, and Tony Ryan of BAA, and Brian Thompson of RM, were not too dissimilar to those from other organisations.

Confirmation of the need for training was reflected in the feedback received, One manager said, "*we wouldn't be BA if we did not train our people. The jobs would be different if people hadn't done the training. Training allows people to be empowered otherwise they would require a lot of coaching, and so it is important they understand what is happening and the reason for the change even though they may be anti-change*" (BA respondent).

During the interviews all managers indicated their people are learning key skills through training courses, and they indicated that introducing elements through training programmes has been "*money well spent*" (BT respondent). One manager from RM expressed his concern that in most instances there was a problem getting the budget allocated for training courses. However, he was keen to point out, that once the financial aspects were resolved, the training was beneficial.

Though not part of this research it was interesting to see that some of these organisations were forming 'links' with Universities and enrolling some of their people on degree courses (e.g. BAA - University of England, BA University of Lancaster, and BS's association with the University of Surrey).

**Use of Consultants:** Within the case studies and literature available, in the majority of cases, there was a mixture of theoretical concepts in use, pertaining to different quality 'gurus' and 'management' consultants. External consultants have been employed to introduce the quality management tools and techniques (as mentioned in the case studies).

Case study research indicated there has been a general increase in the number of consultants/consultant agencies that have emerged, all dealing with some aspect of quality. This is evidenced by literature available, e.g. it is reported that in 1996 there was a 20% increase in the number of agencies set up compared with previous year's figures. Williams (1998) identifies companies and their expenditure regarding image updates. 'Barber Forsyth's' Management Consultant, Clare Fuller, states that 55% of top UK 100 companies have invested on their logos in last 10 years with half choosing a new look as well as to change company image and logos. Consultants focussed on special activities from creating corporate logos, to developing and facilitating training programmes, and in some cases to conduct employee opinion surveys.

This research identified over 40 external agencies, all specialising in different functions, that were employed during TQP associated activities by the sample study organisations (Appendix 7.3). It was difficult to obtain information on the total overall financial expenditure incurred by the sample organisations in employing external consultants for each programme - but indications were that the costs were high. However, some examples and associated costs that were identified in employing external consultants involved in developing corporate logos are illustrated below:

- BT paid £60m to Wolff Olin for the 'Piped Piper' logo. In December 1991, BT announced it was set to spend another £50m to change the logo from 'British Telecom' to 'BT'
- BA paid over £40m to Saatchi and Saatchi in 1983 for the 'Manhattan' advertising campaign. In summer 1997, BA spent £60m on painting 300 planes tail fins with ethnic designs, painting cars, and new uniforms using printed material
- BP paid £171m in 1990, to create the current 'green' insignia. Whilst BP has spent a significant amount on updating its logo, it has throughout its existence maintained the overall shape of the shield and the green and yellow colour scheme in over the last 40 years
- BS spent £80,000 for the 'S' logo modification (and later changed its' name to Chorus)

(Note: the RM in January 2001, spent £500,000 to change its logo, and name to 'Consignia', with the objective of generating more European awareness. However, by March 2002 it was reported in the press that it was the Chairman's intention to revert back to the original name.)

Unlike BA and BT, who employed consultants to establish an identity and strengthen their brand name, BP, according to one manager *"has really never felt itself to be in a position where it has lost its identity or image"*. However, over the years, BP has upgraded its' green and yellow shield with minor alterations, yet maintaining the name and logo. The shield is reported as, *"it helps identify the company in public"* (Management Today, 1997).

External consultants were not only employed to help develop TQPs but also to conduct surveys on the company's behalf; e.g. BAe employed Booz -Allen and Hamilton, and BS employed Customer Services International. Some people felt that this was a good idea because it allowed anonymity for feedback so that there was as true a picture as possible of the "*feeling of the general workforce*". Evans, CEO BAe provides reasons for employing consultants, "I don't think we could have had the discussions that we have, and we couldn't have touched the topics we have, simply by leaving it within our group. It was our external facilitator (Price Waterhouse) who brought the debate to life and began to identify some of the real differences. Once we had started discussing those differences we certainly began to get a much better understanding of the individual positions on a way forward" (Evans, 1996a).

Feedback received supporting the need for engaging external consultants, was explained by one manager, "*the reason we need help from outside is that they are better placed to see from the customer viewpoint and because we are too close to the company and our views could be blinkered. Also it is cost effective - so that we can get fresh ideas*" (BA respondent); and another said, "*we tend to use smaller agencies that Senior Manager are aware of*" (BAA respondent).

Evidence suggests employing external consultants gives a wider perception due to the fact that they are (or have been) involved with other organisations. This provides experience and breadth of knowledge that the organisations seek to promote the programmes internally. As well as this, some organisations' own management does not have the experience of specialised activity that external agents can provide.

**Mission, Vision, and Goals:** Mission and vision statements set the tone for the organisations and at a broader level within the industry sector (Gallagher and Smith, 1997; Waldman 1994b). The mission statements incorporated elements of customer service, product quality, involving employees, involving suppliers, and achieving a key market position. Such statements need to be visionary - setting the long-term vision for the organisation (Anderson et al., 1994), address where the organisation is going and why, and describe the firm's reason for being. Therefore suffice to say mission statements describe an organisations' *raison d'être*. This is the wider more global scope of organisations' existence, and how to transform a concept to one of *practicity* and *doability* - actions that can be achieved in a practical manner.

From the case studies and company literature, it became apparent that organisations saw the need for creating a strategic focus. This came in the form of mission, vision, and goals. Key message of these was



the intention to provide customers with quality service, products, and striving for continuous quality.

Terminology used was ambitious such as 'to be the best', 'to be the leader' 'to be No. 1', 'to be most successful', and so on. Some of the key terms and phrases included in the statements were:

- BT
  - 'To become the most successful worldwide telecommunications group; provide world-class telecommunications information products and services; develop and exploit its networks at home and overseas; meet the requirements of its customers; sustain growth in the earnings of the group on behalf of its shareholders; make a fitting contribution to the communities in which it conducts its business' - 1986
- BAe
  - 'To be number 1 in Europe and world leader in the Military Aircraft Business' - 1991
  - 'To be the benchmark military aircraft (Aerostructures) company by the 21st century' - 1997
- Rover
  - Rover created new statement in 1989, focussing on 'Key Thrusts' aimed at becoming, 'No 1 Customer Satisfaction, Move Upmarket, Grow in Europe, and Reduce Breakeven'. These aims were encapsulated in the phrase, 'Rover is internationally renowned for Extraordinary Customer Satisfaction'
- BA:
  - 'Being the best' - 1983
  - 'The best and most successful in the field of air travel, tourism and transport' - 1986
  - 'To be the best and most successful company in airline business' - 1988
  - 'To be the undisputed leaders in the travel world' - 1997
  - 'First choice through the delivery of an unbeatable travel experience' - 1997
- BAA
  - 'To make BAA the most successful airport company in the world' - 1992
  - 'The mission of everyone in the Company - at every level - is to make BAA the most successful airport company in the world' - 1993
  - 'The route to a world class company is customer satisfaction, continuous improvement and committed people able to give of their best' - 1995
  - "Our goal remains to become the most successful airport company in the world" - Dr Brian Smith, Chairman BAA, 1995
- BP
  - 'With our bold, innovative strategic agenda BP will be the world's most successful oil company in the 1990's and beyond" - part of the mission statement - 1990
  - 'Through the skills of our people and the quality of our science and technology, we will become the World leaders in our chosen sectors of the Chemical industry' - part of the BP Chemicals vision - 1994
- BS
  - 'Internationally respected steel producer' - 1988
  - 'world class performance' - 1995
  - 'BS is determined to remain one of the world's leading steel companies, providing its customers with quality products and a level of service to meet their requirements whilst maintaining its internationally competitive cost base. In this way BS will endeavour to provide proper returns to its shareholders and to fulfil the aspirations of its employees and the communities in which it operates ... BS is a company with a workforce aiming for world class performance in every aspect of its business' - 1995

- RM

- 'To be recognised as the best organisation in the world distributing text and packages' - 1987
- "Our aim is to make the Post Office a world class benchmark of excellence in terms of total quality, customer initiatives, innovations, technology and product development" Cockburn, PO.

In these examples, developing a mission or vision statement is key in setting out plans of where *the organisation wants to be in x years time* and the *ways it envisaged in getting there*. The keywords were, *best, successful, undisputed leader, worldwide, No.1 and world class*.

Close scrutiny of the statements showed that for two of the organisations there was a distinct change of focus, a change of words, giving added meaning and encouragement to employees in moving forward towards the organisational desired aim(s) as illustrated below:

- BT changed keywords in its mission statement from 'the' to 'our' to change focus, and involve its employees to view situations from a customer perspective. BT's first mission statement was in 1986 and stated it was to provide world class telecommunication products and make a contribution to the communities in which it conducted its service. The mission statement has during this time remained much the same, with key strategic change in emphasis on key words: 'Its central purpose is to' became, 'Our purpose is to' and 'so that it can' became 'so that we can'. The focus change from one of pure objectives standard to one of encompassing the employees so they could relate to being a whole part of the organisation.
- BS changed from 'Our aim is to provide all ...' to 'BS is determined to remain one of the world's leading steel companies ...' to 'BS intends to remain ...'

These statements concentrated on who the potential customers are, and which of their needs are being fulfilled. Whilst mission statements convey the viewpoint from shareholders, employees, customers, suppliers, and what the company's long term objectives are being set as, vision statements focussed on long term aspirations, and included phrases such as to be "best of the best" (BS, 1992), and to be "best in class" (BP, 1992).

Vision in the guise of change programmes in the sample organisations focussed on the long term improvement of goods, services and value add by innovation and initiative, directed towards the overall aims and goals of customer satisfaction and quality, and reliance on an enthusiastic workforce. The vision statement for both BA and BT is an aim to become the best and most successful, and in BA's case to set new industry standards. Terminology used is 'to become the most successful' and 'best world-wide'. Statements have developed and changed over the years, with each company focussing on its' future goals. Two examples are provided here - BA and BT. BAs vision and goals originally devised in 1983, were redefined in 1986 and then in 1990. The essence of quality is implied throughout even though the word 'quality' is mentioned only once in describing the values required for the mission and goals, "to strive

constantly to achieve agreed standard of quality of competitive cost levels". The word 'quality' appears as the final word in the 1996 mission statement. BT's vision on the other hand, "to become the most successful world-wide telecommunications group" (1990) and Rover's vision to be "internationally renowned for extraordinary customer satisfaction" (1989) have remained unchanged. Whilst many of the companies re-visit their mission and vision statements to update them as they review their positions, Horton's 1990 3-page document outlining mission, vision, and values was never revisited (according to reliable sources).

In 1997, BA having introduced a new mission also introduced new goals. Ayling, CE BA, stressed, "to help us achieve this Mission, we have also changed our corporate goals and values. Our new goals are to be the 'Customers' Choice', to have 'Inspired People'. 'Strong Profitability' and to be 'Truly Global' " (BA Investor, 1997).

Evidence suggests that mission and vision statements are important in directing peoples' attention towards a central goal. Short, sharp, and catchy slogans such as: "we put our customers first; we are professional; we respect each other; we work as one team; and we are committed to continuous improvement" (BT) help people remember them. It was interesting to see that interviewees from BA, RM, and BT, were able to recite the key phrases from the company statements.

**Values:** Just as mission and vision are important in setting the strategic focus and direction, some organisations also began to consider the importance of 'value' statements. Values are the building blocks, the pillars, of an organisation, which depict the organisations long-term beliefs. An organisation's value statements reflects its' strategic intentions as well as setting out guidelines in how the people behaviours need to change to contribute towards achieving the organisation values.

Values are company specific, i.e. those goals which set an organisation in a different sphere from all its rivals. Corporations are finding that core values can evolve into business as usual activities. Key aspects of the statements identified a common theme running throughout, with each company concentrating on customers by emphasising the need for employees to give their best. Some examples include:

- BT set-up 4 key values in 1986: putting customers first, respecting each other, working as one team, and commitment to continuous improvement. These remain unchanged during the 1990s with the exception of one word - the emphasis from 'BT' to 'we' in 1991
- BAe created 5 values - customers, people, partnerships, innovation and technology, and performance, all defining behaviours between company individuals, and BAe and the outside world. In 1996 the Value Plan was introduced, but later replaced by the CSF in 1997

- BP concentrated on 'brand values' - which focussed on innovation, performance driven, environmental leadership, and to be progressive' - 1996.
- BA values were built around keywords such as 'trustworthy', 'professional', 'caring', 'knowledgeable', 'value for money', and 'enjoyment' (Smith, 1994)
- BAA values were aligned with its mission - 'always focussing on our customers' needs and safety; seeking continuous improvements in the cost and quality of our services; Enabling all employees to give of their best' - 1993
- RM values were constructed around it's customers and understanding their needs regarding reliability and giving value for money. Courtesy and security also featured highly. Of the values stated it was interesting to see that RM felt the need to include "we are proud to be part of RM", and "we care about our customers" – 1988

It was surprising that no references were detected in the organisation data gathered relating to 'values' from Rover and BS. However, feedback from sources at these organisations stated that the mission and vision were the key statements upon which people can focus.

Senior management rhetoric provided support and encouragement, included: "The Values (referring to the original BT values) encourage participation, trust, recognition, openness and honesty. The process of change that we have embarked upon will require all of us: to examine our own attitudes and behaviours; to encourage and accept feedback about our decisions or actions from others; to question and challenge constructively the decisions or actions of others wherever these do not seem in keeping with our Values, and to assist in building team spirit and a collective recognition of our corporate interest" Iain Vallance, (BT TQM - Annual Review 1988).

In 1997, BA having introduced a new mission also introduced new values. Ayling, stressed, "to help us achieve this Mission, we have also changed our corporate goals and values ... Our new values are to be 'Safe and Secure', 'Honest and Responsible' 'Innovative and Team Spirited', 'Global and Caring' and a 'Good Neighbour' " (BA Investor, 1997).

Evidence suggests statements such as these are useful in directing people efforts towards a central goal. Like vision and mission, once again short, sharp, and catchy, easy to remember slogans have been seen as key in memory retention: e.g. "Innovation and Technology, Customers, People, Performance, Partnerships" (BAe).

## 7.4 Context Factors

As mentioned in the introduction, Section 7.1, there were other elements that influenced the introduction of TQPs. During the development of the case studies, there were a number of factors identified, which had influenced the organisation's business activities. The concepts listed as the 'business drivers for introducing TQP' were drawn from the case study literature. A list was compiled of these and then the common themes emerging were composited. These are termed 'context factors' and are illustrated in Fig 7.10.

FIG 7.10 CONTEXT FACTORS

### Business Drivers for introducing TQP

improve customer-supplier relations  
grow the business  
build common understanding  
be competitive/meet market changes  
improve communications  
cost reduction/rationalisation  
changes in external market  
(inward influence)  
create business differentiation  
improve company image  
reward and recognition  
improve efficiency  
increase customer satisfaction  
identify new business opportunities  
make use of new technology  
reduce bureaucracy  
reduce complaints

Awards  
Competition  
External Environment  
Gurus  
Image/Integrity  
Privatisation  
Regulation  
Survival

Context  
Factors

**Key Business Issues:** The common business issues for the majority of the organisations sampled were competition (for seven of them - a direct result of the privatisation process), customer focus, improving quality of service, cost reduction, improving image, as well as creating a common language for organisation members. Interviewees' feedback confirmed some of the factors that contributed to their organisations push for TQP. Their comments were listed and categorised as follows: senior management decision (BT, BAe, RM), to gain competitive advantage (BP, BT, BAe, Rover), increased customer demand (BAe, BT, BA, BS), necessary for quality standards registration, (BT, BAe (BAe - especially in suppliers)), to obtain customer feedback (BP), to maintain internal customer focus (BAA), competition (BT, BAe, BA, BP, BS), and privatisation (BT, BA). All organisations expressed a need to obtain customer feedback.

Evidence from the case studies shows there were a number of general themes emerging which defined or paved the way for the organisation to proceed in respect of these TQPs. Some of these context factors (awards, competition, gurus, and privatisation), shown in Fig 7.10 are discussed below:

**Awards:** "One of the features of the quality movement has been the growth of national and international quality awards and annual competitions organisational quality makers are prepared to subject themselves to critical scrutiny wishing to show that they are 'leading edge' and 'best in class' in the quality world, capable of being benchmarked against any external imposed standard" (Walton, 1999). Walton goes on to summarise the Deming Prize, first established in Japan in 1962, the Malcolm Baldrige National Quality Award originating in the US in 1987, and the European Quality Award (EQA) first launched in 1992. There is a strong emphasis of the Deming Award on statistical concepts whereas the Baldrige Award focuses on customer satisfaction, employee involvement and leadership. Achievements and the receipt of awards from prestigious bodies is the indication of the level of standard achieved by an organisation, and the knowledge that they have managed to attain credibility within their peer industrial sector. Irvine (1991) points out many companies are seeking registration to quality standards such as BS5750 to demonstrate they are in control of their business and have had it approved by a certifying body. ISO9000 registration is seen as a good way of measuring programmes and monitoring status.

During this research it became apparent that some organisations were actively seeking to achieve awards and recognition. Although the quality initiatives have been introduced within the organisations, it was not until the mid-1990s that companies achieved recognition by means of awards.

Of the eight organisations in the study, Rover was amongst the first to receive the British Quality Award in 1992 for product quality, efficiency and people management, which then led to Rover's application for the inaugural 1994 UK Quality Award. And in 1996, Rover became a joint winner of the award alongside TNT. In 1995, RM prepared its' submission for EQA; the finalists were BT Operator Services. In the same year, BA attained the British Quality Award for Business Commitment to the Environment.

BT has won many awards since 1994 regularly in different operational business units: e.g. SAS (Systems and Applications Support - part of BT Computing division) is one division of BT that achieved re-registration in 1996, and as such are required to meet the ISO9000 standards when supplying and delivering software support. Research highlighted that awards can be via many different forms: e.g.

'Queens Award for export achievement' - BS Stainless Division; 'UK Quality Award' - Rover; and, 'BSEN ISO9001 Aerospace Sector Certificate' - BAe.

Whilst some organisations seek to attain awards from certified bodies, BAA and BP have not consciously attempted to prepare submissions for the ISO9000 registration, etc., but have received awards from industry user groups. Sources at these organisations, during the interviews, indicated that they did not feel it necessary to obtain awards because, in their opinion, their organisation, had already achieved the desired quality *state*. BP purposefully does not apply for quality awards schemes, even though it is one of the founding members of the British Quality Award, *"we don't do it because if that is what you go for you're wasting an opportunity. We are IiP at some of our sites and have got very high accreditation but we don't go out shouting that we've got this. We don't go for EFQM etc. What will that give high profile? Image? We've already got a high profile and image"* (BP manager).

Some people noticed a change resulting from the accreditation process, indicated what attaining external awards meant, *"when we get recognition from outside it has much more impact on people than from inside. Certificates such as BS5750 etc. are not important. For senior management they are important - e.g. best managed company, particularly EQA, I'm sure Bob Ayling loves those"* (BA manager); and, *"you can never say that implementation is complete, as a result of BTs' activity in the Quality area from TQM to Company-Wide ISO9001 to the recent EQA award there is clearly much stronger focus by people on Quality than 10 years ago"* (BT respondent), and another indicated *"accreditation is important from an external viewpoint. The publicity is better and people feel valued"* (BA respondent). However one manager whilst acknowledging that awards were good to strive for, also reflected on the negative aspect by saying that *"awards need not be overt ... people may perceive too many awards are only being collected"* (BAe manager).

It became apparent that it is the different divisions/departments that contribute the greatest towards success and by attaining required standards, and achieving awards, sets the scene and benchmark for other parts of the organisation to follow.

Key points to note are that companies strive to achieve 'kite marks' or 'badges of approval' so that they affirm their status within the market place. These standards are a mark of achievement for other potential customers to be aware that their potential supplier will provide quality goods, products, and service.

Whilst senior executives expressed the desire for attaining such awards and recognition, the merits of doing so were made clear by Sir Iain Vallance, Chairman BT, at the Chairman's Conference in 1993 when he said, "I do not want to win any such award for its own sake, but I do want to be absolutely confident that we are pursuing our Quality Goals for our customers, our people, our shareholders, single mindedly and ruthlessly..." referring to the EQA awards.

**Competition:** As already stated, one of the common key drivers in the majority of sample organisations was competition (for seven of the organisation) - a direct result of the privatisation process. Senior management and corporate rhetoric highlighted the importance for people to understand how competition impacts upon their own organisation.

BT senior management emphasised the need for commercial reality by the following key message indicating, "we must all recognise the challenge and dangers posed by competition, the tight squeeze of regulation and the prolonged recessions in the economy; We must achieve the 'double' ": Substantial growth of revenue through increased sales and marketing effort; Substantial reduction in costs of running the business; and, Everyone is involved in this". Michael Hephner, Group Managing Director best sums this up, when he said, "... times are tough. Competition is not just a bogeyman for us to frighten our people in ... It is very real, and it is hurting". Iain Vallance, Chairman BT, also highlighted "the need for us to build customer loyalty is more important than ever as we face increasing competition in all parts of our business" (BT, 1992). Dr Alan Rudge, Managing Director, Development and Procurement, said, "to me, the situation is close to crisis. Competition is really biting us, as competitors are hungry for BT share of the market" (BT The Manager, 1992).

Others who recognised the need to be competitive and the likely effects of competition included, Bob Ayling, CEO BA, who stated "the best way to compete is to understand what the customer wants and give it at a fair price" (BA, 1991), and Sir Norman J Payne, Chairman BAA, who said "competition within Europe to attract air traffic is intense", (BAA, 1990). BAA was driven by commercial awareness of the airport management business because they provided customers with catering, retailing and duty free services.

Competition affected not just the privatised organisation but also the non-privatised ones - Cockburn recognised the effects of this for RM when he said, "every letter has a range of alternatives" to drive the message to the workforce that customers have a choice regarding the postal system (Appleyard, 1990).



Supporting the need to be competitive also came from the employees. Comments included, *“we came from competition not from a monopoly ... survival is the great motivator for change”* (BP respondent). One manager referred to privatisation as being competitive, saying, *“by becoming privatised we realised what competition is. Now you are an independent business and there is rivalry out there. Before we never really thought about whom we were competing with. No longer is 'Big Daddy' (i.e. Government) taking care of me ... we would never have felt the risks we are feeling now, e.g. vulnerable, and words like take-over are a real concern”* (BA respondent).

**Gurus (theoretical concepts):** As well as employing consultants, companies have incorporated segments from those parts of the strategies developed by the gurus, which they feel are best suited to their organisations.

Table 7.9 shows some of the key themes and strategies developed by quality management gurus that have been adapted within the sample study organisations as part of their programmes and working practices.

The names of some of these ‘gurus’ appeared during company training courses for reference purposes. For example, BTs training guide - ‘A Leaders Guide to Making it Happen’ provided information on Juran, Deming, Taguchi, and Crosby, in particular listing their steps for quality improvement, and the BS Tinline guide to Total Quality Performance booklet included references to Deming.

TABLE 7.9 STRATEGIES ADAPTED IN ORGANISATIONS DEVELOPED BY GURUS

Gurus	Key themes	Case study organisations adopting the key themes as part of their programmes
Deming	Employee participation	8
	Change culture	5
	Work smarter not harder	3
	Statistical methods to be used	3
Crosby	Generate awareness	8
	Do it right, first time	4
	Quality improvement teams	4
	Zero defects	3
	Quality councils	3
Juran	Focussed on continuous improvement	8
	Company wide quality management	8
	Planning and quality costs	8
	Quality circle / Quality Improvement Teams	6
	Fitness for use	2
Ishikawa	Simple tools	8
	Company wide quality	8
	Quality circles	4
Feigenbaum	Company-wide quality improvement scheme	8

**Privatisation:** As the case study sample consisted of seven privatised organisations it was important to ascertain if the privatisation process itself had created a change in the organisation culture and attitude of employees.

At the time BAA was privatised, Egan reminded staff that BAA were privatisation pioneers, as most of the world's airports were still publicly owned. This was happening against a backdrop of rapidly increasing demand with over 90 million passengers using BAA airports (Jones, 1996).

In the case of RM, as already indicated not privatised like the others in the sample, however does not sway RM senior executives from telling everyone what privatisation would mean for them, "privatisation would allow us to give shares and dividends to all employees, thus sharing the rewards of success ... privatisation would be a lot better than staying in the public sector without the freedom we need" Cockburn, and "Privatisation will enable us to deliver a world-class Post Office while maintaining all the present nationwide public services which we know our customers value" said Michael Heron, Chairman PO (Direct Marketing, 1994). This provides a good illustration of senior management's desire to create a change of mindset of its people in preparing them for any future change.

Feedback (from interviews) indicated that after their organisations were privatised, people had a greater focus on their customers, and that their organisations' were becoming more business oriented. Some of the key phrases the interviewees used to describe their organisations' status pre and post privatisation are given below:

	<b>Pre Privatisation</b>	<b>Post Privatisation</b>
(BT manager)	<i>"we were Civil Service, Bureaucratic, functional based organisation"</i>	<i>"Focussed on customer requirements and service delivery"</i>
(BAe manager)	<i>"we had an imposing attitude"</i>	<i>"Customer involvement in the design stages, more customer oriented"</i>
(Rover manager)	<i>"we were very much Process driven"</i>	<i>"we are now more open, and have a consultative style of management"</i>
(BA manager)	<i>"we had a Civil service attitude and it was an 'uphill battle' all the time"</i>	<i>"Shareholders changed perspective we become focussed on business and profits"</i>
(BAA manager)	<i>"we were a Civil Service, Bureaucratic, class conscious company"</i>	<i>"we are now becoming more 'business like'"</i>
(BP manager)	<i>"it was a need for survival because we were already part privatised"</i>	<i>"there is now a greater motivation for change"</i>
(BS manager)	<i>"we were process driven"</i>	<i>"we are now really focussing on teamworking"</i>

In RMs case although not privatised as the other organisations, the manager was keen to point out that *"previously we were afraid to mention anything ... we are now using terms like commercial freedom, and showing signs of being a privatised organisation, e.g. we acquired a German Parcel company recently, to boost our own parcel share in the world market share"* (RM manager).

Feedback that best illustrates the feelings of some of the respondents came from one manager who said, *“before privatisation it was a civil service, bureaucratic, male dominant organisation, and now post privatisation it is business like. Many people have left because they found it hard to move away from a Civil Service culture, e.g. focussing on profit and did not see the need for it”* (BAA respondent). He went on to say, *“we have been reactive to problems, we are now moving towards becoming proactive. Change workshops have been useful in doing this”*.

Another said, *“since 1987 when BA was privatised it has been an uphill battle - in some areas, new ideas have been taken on much faster than others, creating a culture of people taking responsibility for themselves”* (BA respondent). He also indicated that *“before privatisation it was a job for life, today this is not the case because of the number of job losses we have gone through”*.

One manager said that privatisation had *“not had an effect at all. I’ve been with the company since 1987. The only thing with the Government as shareholder involvement was our investment decision, not on the way that the company operated. That’s because the oil industry has been a global industry for 30 years. Unlike other British institutions that have been privatised such as BT and BA, by and large when they were privatised they were coming from a monopoly position. We were never in that monopolistic position”* (BP respondent).

## 7.5 Conclusion

Having looked at the different aspects and influences that go towards defining an organisations *raison d’être* for introducing quality initiatives, the following table was constructed:

TABLE 7.10 FACTORS INFLUENCING ORGANISATIONS TO OPT FOR TQPS

<b>Positive</b> <ul style="list-style-type: none"> <li>- ability to integrate for continued improvement</li> <li>- technically very competent</li> <li>- ingenuity to achieve at short notice</li> <li>- a ‘can do’ attitude</li> </ul>	<b>Negative</b> <ul style="list-style-type: none"> <li>- do not ‘gel’ together as one unit</li> <li>- upward feedback is not acted upon</li> <li>- not good communicators</li> <li>- not clear about our roles</li> <li>- low profile and too modest</li> <li>- bureaucratic nature/structure</li> </ul>
<b>External</b> <ul style="list-style-type: none"> <li>- improve internal communications channels</li> <li>- market ourselves as professional technicians</li> <li>- increase local portfolio</li> <li>- exploit opportunities outside the group</li> </ul>	<b>Internal</b> <ul style="list-style-type: none"> <li>- outsourcing</li> <li>- staff reduction</li> <li>- competition</li> <li>- loss of jobs</li> </ul>

From the study it is evident that most of the large privatised organisations were aware of the need to introduce TQPs, and that the programmes have taken a long time to stabilise. TQPs are not 'short-termism' or even 'interim projects' to be undertaken. They have been seen as 'building blocks' in the wider scheme of introduction of TQPs. The majority of people have come to accept the need for the introduction of TQPs, and some are even enthused by them.

The common theme running throughout all organisations irrespective of the type of programme they have introduced is that of changing employee behaviours via use of quality programme. TQPs can cut organisational boundaries, and in working to national/international accepted standards, people have come to realise that these quality standards are worldwide. Whilst the programmes may be named differently, the underlying/underpinning approach and ethos for bringing about change and quality improvements are very much the same. Each organisation has a unique formula for success based upon judgement evaluated in terms of its current status in its market and industry sector, and aligned with their targets.

In the study sample, majority of the organisations TQP and associated programmes to bring about change were introduced post privatisation, with the exception of RM. In RM change has already happened, in similar context to other companies and TQP have already created a success story.

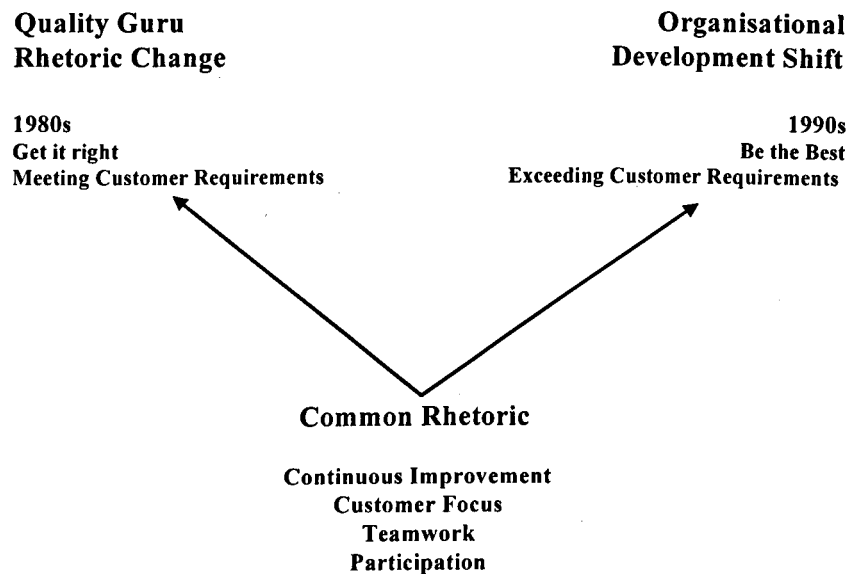
Companies are under pressure to innovate products and services, increase revenue, reduce costs, etc. (see illustrated in Fig 7.10 – business drivers for TQP). So, it is important to consider that the success of any programme of change depends on the commitment from senior management and how they view the work. Management, particularly senior management, has a critical role in heralding changes as their actions are symbolic and can impact on the behaviour of their staff. From the research it was apparent, that no matter what the industry type, activity conducted focussed on key areas such as:

- Adopting an integrated approach
- Continuous training and education of employees in developing own skills and competencies
- Customer focus, customer first
- Effective leadership styles
- Improving Processes
- Involving everyone
- Leaders with people handling skills
- Learning (including training)
- People oriented
- Rewards and recognition systems that support the new culture and peoples efforts

During the period of study there has been, as already indicated, a shift in the rhetoric both within literature and from an organisation viewpoint. The commons stands emerging between the two over the

period of study, were continuous improvement, customer focus, teamwork, and participation. Fig 7.11 illustrates the shift over the period of study in terms of rhetoric change and organisational development.

FIG 7.11 COMPARISON OF SHIFT BETWEEN RHETORIC CHANGE AND DEVELOPMENT SHIFT



As already mentioned each organisation is unique and there is no pre-defined formula, and real change is difficult. Results need to be achievable because if they are set at too high a target then it is set to fail.

By the end of the research period, and at the time of writing this document, delivering higher levels of availability and service using fewer people and smaller budgets was a prominent feature in all these organisations. No matter what type of company, or the business sector it is competing in, there is a programme of change, which exists at any given time, be they quality related, attitudinal or cultural related. The different types of quality related programmes have been known as 'Business Efficiency Programmes', 'Continuous Improvement Programme', 'TQM', and 'QMS', to name but a few. It is true to say that these programmes highlighted to employees the corporate value, and focus for people in moving in the same direction and towards the same goal. Some people expressed that there was really no alternative to ensuring quality and service as being key strategic issues.

For the case study sample TQP have created:

- strong customer focus
- effective communication
- common language
- teamwork
- training focus
- common approach.

To summarise the drivers for implementing change have been:

- Competitive threat, knock on from Privatisation
- Financial pressures to improve bottom line results
- Improve employee attitude and generate greater involvement
- Improve greater customer satisfaction
- To be world leaders;

And the drivers for TQPs have been:

- Training, both soft and hard issues
- Consultants employed to conduct training
- Senior management undertake training up front
- Senior Management commitment
- Costs - being cost effective, providing value for money
- Business Imperatives
- Desire to create a common understanding.

**Chapter 8****conclusion**

## 8.1 introduction

Previous chapters have analysed the different types of TQPs initiatives in a sample of privatised (and one not privatised) organisations in the UK by means of a detailed case study approach. Now what remains is to review the findings in the context of the original research objectives outlined in Chapter 1.

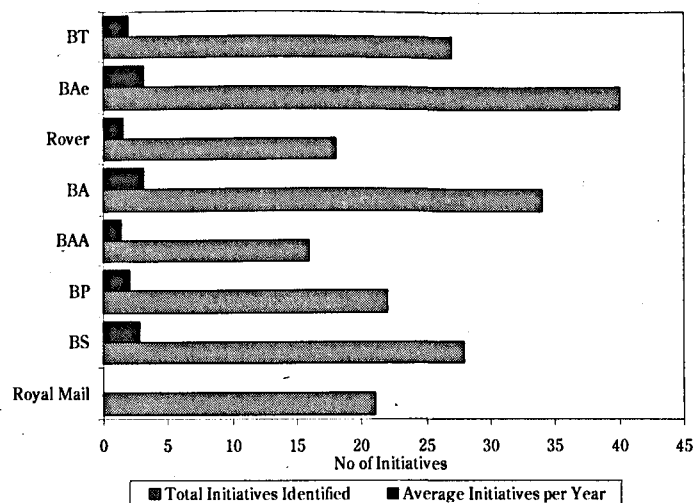
The main thrust of the analysis focuses on objective 1 - identifying and comparing the TQP initiatives within large privatised corporations in the UK between 1983 and 1997 - which pulls together the core themes emanating from the research. The analysis of objective 2 - the mechanisms used to deliver, and the language used to embed quality, and of objective 3 - how the concept of quality has changed over the period being investigated - contribute to the overall comparison.

## 8.2 to what extent have the research objectives been met

### 8.2.1 Objective 1: to identify and compare the TQP initiatives within large key privatised corporations in the UK between 1983-1997

**Identify:** All companies introduced TQPs during the period under study, even though they did not have the same name or label (as illustrated in previous chapters). The research identified an overall average of 25 TQ related programmes per organisation within the study sample with over 200 different names being used. Fig 8.1 illustrates the total number of TQ related initiatives identified per organisation for the period under investigation, together with a mean average of the number of initiatives per year, based on the number of years each organisation has been privatised. This excludes Royal Mail for whom only the total number of initiatives identified is shown, for the period covering the research.

FIG 8.1 TOTAL NUMBER OF TQ RELATED INITIATIVES IDENTIFIED





Programmes ranged from covering one or more of:

- Introduction of Quality tools, techniques, and principles as part of continuous improvement
- Culture/Attitude change
- Re-structuring/re-organisation
- Customer oriented.

Technical names for the initiatives included 'Operational Efficiency Improvement', 'Continuous Improvement Programme', 'TQM', and 'QMS'. More inspirational names included 'Vision 2000', 'Prosper 2000', and 'Leadership 2000' (as mentioned in Chapter 6).

The themes underpinning these initiatives are highlighted in Table 8.1. There were programmes, which though not specifically, technical or inspirational, were deemed to encompass both of these aspects.

These are shown under the categories organisation/cultural, customer focussed, and employee focussed.

TABLE 8.1 THEMES UNDERPINNING THE TQP INITIATIVES

INSPIRATIONAL / ASPIRATIONAL PROGRAMMES:	TECHNICAL PROGRAMMES
<b>Visionary:</b> <ul style="list-style-type: none"> <li>• BAA - Sharing the Vision - 1993</li> <li>• BAe - Prosper 2000 1994-95</li> <li>• BP - Fit for the Future - 1994</li> <li>• BA - Vision 2000 - 1995</li> <li>• BS - The Way Forward - 1995</li> <li>• BP - Towards 2000 - 1997</li> </ul>	<b>Benchmark:</b> <ul style="list-style-type: none"> <li>• RM - Benchmarking TQ - 1990</li> <li>• BP - Benchmarking - 1990</li> <li>• Rover - Benchmarking EFQM - 1992</li> <li>• BAe - Benchmarking BAe - 1993</li> </ul>
<b>Leadership:</b> <ul style="list-style-type: none"> <li>• Rover - TQ Leadership - 1987</li> <li>• BT - Leadership for Managers - 1992</li> <li>• BA - Leadership 2000 - 1995</li> <li>• RM - Agenda for Leadership - 1997</li> </ul>	<b>Statistical:</b> <ul style="list-style-type: none"> <li>• BS - Statistical Process Control - 1989</li> <li>• BP - Alignment and Simplification of Process- 1993</li> <li>• BP - Integrated Performance - 1994</li> <li>• BAe - Statistical Process Control - 1995</li> <li>• BAe - Operational Efficiency Improvement - 1995</li> <li>• BAe - System Engineering Excellence - 1995</li> <li>• BP - Statistical Process Control - 1997</li> </ul>
<p style="text-align: center;"><b>Organisational / Cultural</b></p> <p style="text-align: center;">BP - Project 1990 - 1990 BT - Project Sovereign - 1991 BS - Culture Change - 1993 BA - Business Efficiency Programme - 1996 BAe - Project Axis - 1997</p> <p style="text-align: center;"><b>Customer Focussed</b></p> <p style="text-align: center;">BA - Putting the Customer First - 1983 BA - Customer First Teams - 1986 BT - Putting Customers First - 1990 RM - Customer First - 1990 BA - Winning for Customers - 1991 BS - Customer Care - 1992 BAe - Achieving Customer Excellence - 1996 BAA - The Mystery Customer Programme - 1996</p> <p style="text-align: center;"><b>Employee Focussed</b></p> <p style="text-align: center;">RM - Employee Empowerment - 1988-91 BT - Involving Everyone - 1992 Rover - Develop Peoples Contribution - 1996 BAe - Personal Development Plans - 1992</p>	

Of the eight case studies organisations, only two (BA and Rover) had embarked on some form of TQPs prior to privatisation, as illustrated in Table 8.2.

TABLE 8.2 YEAR FIRST TQP WAS INTRODUCED AFTER PRIVATISATION

Organisation	Year of Privatisation	Year First TQP introduced
BT	1984	1985
BAe	1985	1988
Rover	1986	1985
BA	1987	1983
BAA	1987	1989
BP	1987	1987
BS	1988	1988
Royal Mail	n/a	1988

BA began its customer focus strategies as early as 1983 (well before its privatisation process in 1987), with the introduction of the 'Putting People First' programme - part of the 'Putting the Customer First' Campaign. The programme concentrated on providing service to customers and understanding customers' expectations. It was "aimed at helping line workers and managers understand the service nature of the airline industry, it was intended to challenge the prevailing wisdom about how things were to be done at BA" (Goodstein and Burke, 1991).

Rover began its TQ activities a year prior to privatisation. The focus was on concentrating on areas for improvement across the different parts of the business, using techniques (similar to Quality Circles) that they had gained awareness of during a visit to the Honda plant in Ohio, USA.

BP on the other hand, had begun its initiative 'Quiet Achiever' campaign in Australia, as a precursor to the UK programme 'Britain at its Best' which involved upgrading petrol stations. Its broader ranging TQ programmes followed after privatisation.

All of the other organisations introduced TQPs within 2-3 years after privatisation. Some of these programmes were similar to those introduced by BA: e.g. BTs 'Putting Customers First', and RMs 'Focus on Customer Satisfaction'. RM followed some of the initiatives adopted by other organisations seeing them as a proactive measure of improving QoS.

As the number of TQPs increased so too did the level of aspiration, and coming together of themes. For some of the organisations there was a growing desire for external recognition for the level of quality achieved. During the 1990s, each organisation adapted a quality framework, which incorporated elements

of the EFQM model: e.g. BAs Quality Framework model (BAQF), BTs Business Excellence model, and BSs Business Excellence model TOPICS. RM used the EFQM model as the basis to develop its own Business Excellence Review programmes (BER). The BER was furnished by dedicated resource within their Customer Services Group with senior staff becoming assessors.

In each of the organisations no single TQP associated activity is standalone. Collectively each forms a part of a whole set of interventions, which are designed to create a greater commitment and responsiveness in peoples' attitude to work, and to make the organisational operating systems - which form a part of the overall design archetype - more effective.

Although the degree of emphasis varied, each organisation had explicit aims to increase customer satisfaction because customer focus and quality of customer service are deemed key to business success.

Each organisation had examples that focussed on:

- creating models of customer first approach
- employee participation and involvement
- continuous improvement, and
- creating a sense of greater ownership.

Although there are no hard and fast rules, nevertheless the research indicates that TQPs have provided a framework and focus for developing management systems appropriate to the needs of the customers the organisations serve.

The research has also noted that during the mid-late 1990s, there has been a convergence across all companies in the sample towards the softer aspects of people process rather than statistics measurement processes (as mentioned in the case studies – there was an emphasis on people oriented initiatives). The evidence supports the contention that companies have come to realise that TQ is not possible without the commitment of the people who carry out the work and interface with the customer. It could be that TQPs have been instrumental in supporting a more, though not totally, *open learning culture*. With the introduction of TQP activity, departments have been encouraged to meet company-wide issues and not just local issues. TQPs re-enforced the culture shift involved in being a commercial undertaking with shareholders, which changed people's perceptions of competition, and created an awareness of the possibility of financial benefits if the company does well.

Some of the feedback indicated that irrespective of TQPs change would have been a natural progression, *a phenomenon of the era!*

The overall aim expressed by all organisations was the desire 'to be the best' - part of the mission and vision. Each organisation focussed on key areas by which to engage their people, towards achieving the desired goal of 'being the best'. Key features that were common amongst the study sample organisations are illustrated in Fig 8.2 and Table 8.3, and are discussed below. What became apparent was the links emerging between the desired central focus of 'to be the best' and the features identified in achieving that goal (shown by the dotted line in Fig 8.2). For example: the BA vision of 1986 was to be "The best and most successful in the field of air travel, tourism and transport". The company outlined its commitment to achieve this by saying that it was by creating, "an organisation climate that encourages open communication, teamwork, flexibility and close identification with the customers, suppliers, and the community. A caring, open and consistent style which recognises individuals as trustworthy, responsible, valuable and deserving of respect, and which provides equal opportunities for everyone. Training and education to achieve continuous improvement in quality, productivity and individual skills" (BA News, 1988). As can be seen there is a direct association to teamwork, flexibility, training and education, continuous improvement, focussing on individuals. Such statements also featured within the other case studies.

FIG 8.2 COMMON FEATURES IDENTIFIED IN TQPS

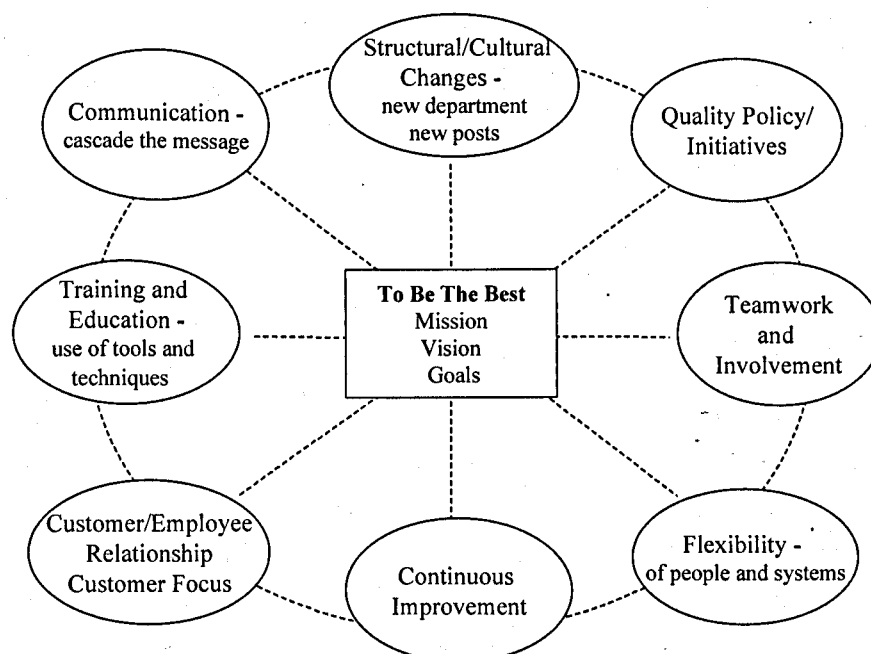


TABLE 8.3 SIMILARITIES IDENTIFIED WITHIN THE STUDY SAMPLE

SIMILARITIES	ORGANISATIONS
<b>To be the best</b> <ul style="list-style-type: none"> <li>To be No. 1, No 1 Leader</li> <li>Best in Class</li> <li>Strive For Excellence</li> </ul>	<b>BT, BAe, Rover, BA, BAA, BS, RM</b>
<b>Structural Changes</b> <ul style="list-style-type: none"> <li>Re-organisation</li> <li>Role clarification</li> <li>New departments created</li> </ul>	<b>BT, BAe, Rover, BA, BAA, BS, RM</b>
<b>Cultural Changes</b> <ul style="list-style-type: none"> <li>Understand the desired focus of the customer</li> <li>To be open and honest</li> <li>To become service led</li> <li>New culture - new behaviours and new motivation</li> <li>The use of common language</li> <li>Ownership of problems/issues</li> <li>Team building for process change</li> <li>The way we do things round here</li> </ul>	<b>BT, BAe, Rover, BA, BAA, BP, BS, RM</b>
<b>Quality Policy</b> <ul style="list-style-type: none"> <li>Everyone to receive training on Quality</li> <li>Sustain quality in everything</li> <li>A way of working throughout the organisation</li> </ul>	<b>BT, BAe, Rover, BA, BAA, BS, RM</b>
<b>Teamwork and Involvement</b> <ul style="list-style-type: none"> <li>Extraordinary customer service</li> <li>Meeting customer requirements</li> <li>Customer action teams</li> <li>Customer care teams</li> <li>Corrective action teams</li> <li>Quality improvement teams</li> </ul>	<b>BT, BAe, Rover, BA, BAA, BS, RM</b>
<b>Flexibility</b> <ul style="list-style-type: none"> <li>Managing customers</li> <li>Being resourceful</li> <li>Being innovative</li> </ul>	<b>BT, BAe, Rover, BA, BAA, BS, RM</b>
<b>Continuous Improvement</b> <ul style="list-style-type: none"> <li>Value for money</li> <li>Improve effectiveness</li> <li>Reduce costs</li> <li>Safety and security</li> </ul>	<b>BT, BAe, Rover, BA, BAA, BS, RM</b>
<b>Customer - Employee Relationships</b> <ul style="list-style-type: none"> <li>Customer partnership/Business partners</li> <li>Customer loyalty</li> <li>Working with customers towards continuous improvement</li> </ul>	<b>BT, BAe, Rover, BA, BAA, BS, RM</b>

Table 8.3 cont.

<b>Education and Training</b> <ul style="list-style-type: none"> <li>• Training in coaching, counselling and group dynamics.</li> <li>• Business Executive Skills Training - BEST</li> <li>• Centres of Excellence</li> <li>• Training to be Quality Champions</li> <li>• Training to be Quality assessors</li> <li>• Training in quality techniques</li> <li>• Training in tools and techniques</li> <li>• Attitude training</li> <li>• Customer focus training</li> </ul>	<b>BT, BAe, Rover, BA, BAA, BS, RM</b>
<b>Communication</b> <ul style="list-style-type: none"> <li>• Cascade method</li> <li>• Quality champions</li> <li>• Quality Circles</li> </ul>	<b>BT, BAe, Rover, BA, BAA, BS, RM</b>
<b>Customer focus</b> <ul style="list-style-type: none"> <li>• Winning for customers</li> <li>• Putting the Customer First</li> <li>• Delighting customers</li> <li>• Extraordinary customer service</li> <li>• Meeting and exceeding customer requirements</li> </ul>	<b>BT, BAe, Rover, BA, BAA, BS, RM</b>

**To Be the Best:** All the organisations paid great attention to corporate values and goals often in the form of mission and vision statements, supported by CEO Road-shows and other communication devices.

These were used as mechanisms to deliver the message of the organisations' intent in an inspirational way to the workforce. Key phrases which sum up the desire to be the best are, 'to achieve world-best-in-class', 'to achieve world best standards in management', 'best practice management', 'to be the best of the best', 'to be recognised as the best', and be 'internationally renowned for extraordinary customer satisfaction'.

**Structural Changes:** A range of initiatives introduced related to changes in the organisation structure: e.g. in BP - 'Project 1990'; BT - 'Project Sovereign'; BAe - 'AXIS'; and RM - 'Business Development'. These had an underlying theme to meet demands of the changing market. The restructuring focused on creating Business Units and had, as one of its aims, becoming an increasing customer-focussed operation. They also included changing business process and systems towards achieving a greater integrated approach.

**Cultural Changes:** Cultural changes were focussed on engendering a change in attitude and approach, BTs Project Sovereign was one such example. Other examples include, BAe's, and BSs - Culture Change, and BPs - 'For All Our Tomorrows'. BAs approach to achieving a change in attitude was to

focus on the customer, supported by initiatives such as 'Creating First Impressions' and 'Serve to Win'.

Embedded in these cultural change initiatives are elements that focus on creating a change in mindset, e.g.

- 'Say what you do, Do what you say, Do it, Improve it'
- 'Get it right' and 'Check it is right', 'Do what we say, and say what we mean'
- 'The way we do things round here', and 'the way we want to do things'
- 'Improve what you do'

To promote culture change people must be free to contribute their ideas without fear of reprisals, and there must exist an environment where involvement in decision making and problem solving becomes the norm. The case study organisations have attempted to adopt this approach.

**Quality Policy** - A quality policy is the very fabric of the programmes determining the means by which any change programme will be governed. A number of the companies established policies specifically dealing with quality, which supported the TQ initiatives. The words used in policy statements give a flavour of each organisation's understanding of TQ. Examples of keywords and phrases from such policy statements include:

- BT - policy was to "drive quality from the top". Support BT people in achieving TQ - 1991. "We aim to delight our customers ..." - 1995
- BAe - quality goal was to provide "customer satisfaction at competitive cost" - 1995. "Maintain Exceptional Satisfaction" - 1996
- Rover - "Our success depends on satisfying our customers ... we shall achieve it through TQ in every part of our Company" - 1985-86
- BA - "Quality means to exceed our customers satisfaction!" - 1993
- BAA - "achieving continuous improvements in the cost and quality of all process and services enabling employees to give their best - 1993
- BP - "we must build on our higher levels of customer satisfaction and create longer term customer loyalty" 1997
- BS - "Everybody to receive training in TQ" - 1988
- RM - "A way of working ... consistent with values" - 1990

**Teamwork and Involvement** - To engender this approach and behaviour, organisations introduced programmes such as 'Creating Successful Teams', 'Leading through Teamwork', 'Involving Everyone', and 'Quality Improvement Teams'. Rover, RM, BP, BA, and BT have attempted with some success to increase people participation by *ownership of task* and *accountability for actions*. BS, BAe, BA and BT have implemented employee involvement schemes to generate participation and encourage motivation. BA began as early as 1982-83 within specific divisions with programmes dealing with external customers, such as Cabin Crew and Ground Reception staff. The aim of these activities was to raise the

organisation's profile and focus people's mindset towards a common goal and approach. In particular the need to work across departmental boundaries and to improve the work processes was emphasised. The need for teamwork is fully supported by senior management - Sir Colin Marshall, when he said, "in an industry like ours, where there are no production lines, people are our most important asset. Everything depends on how they work as a team" (Goldsmith and Clutterbuck, 1997).

Overall the underpinning theme of teamwork suggests teamwork works well where there is: senior management support, visibility, involvement is voluntary -generates enthusiasm, supportive environment, and people manage issues from beginning to end - therefore are able to see full impact and results of their activity.

**Flexibility:** The case studies revealed that one of the underlying aims for introducing initiatives was to have greater flexibility in terms of managing customers and their expectations. Again this was by way of change in mindset, and is well illustrated by Rover's New Deal programme that introduced measures to include "total flexibility". Flexibility was not just perceived in terms of customers. The BA mission in 1988 statement included the observation that "BA will be a formidable contender in all the fields it enters, as well as demonstrating a resourceful and flexible ability to earn high profits wherever it chooses to focus". The BA company goals also included its' aim was to create "an organisation climate that encourages open communication, teamwork, flexibility and close identification with the customers, suppliers, and the community". The BP mission in 1990 also promoted the need to adopt a flexible approach, "We believe in continually developing a style and climate, which liberates the talents, enthusiasm and commitment of all our people. We can then respond positively to the increasing pace of change in a rapid and flexible way to achieve real competitive advantage. With our bold, innovative strategic agenda BP will be the world's most successful oil company in the 1990's and beyond" (Harrison, 1992).

**Continuous Improvement:** Continuous improvement efforts are usually coupled with the trying to create an awareness of change, focussing on meeting customers' needs, improving the internal culture, and responding to external forces (as illustrated in the case studies). A number of initiatives incorporated elements of providing value for money, cost effectiveness, reduce error rates, in an aim to improve customer satisfaction. Programmes such as BAAs 'CI' and BAe's 'Continuous Improvement Activity



Groups' are prime examples. One element of BT's mission statement was, "We will constantly improve the quality and capability of our products and services", and its values included, "we are committed to continuous improvement". BAA concentrated on Teamwork initiatives and the philosophy based around Continuous Improvement. Its programme linked together Customers, Staff, and Processes with a quality focus drive, in order to create a strategic mindset to become a world class learning organisation. Companies like BA, BAA, and BT believe heavily in continuously improving internally by ensuring all employees are made aware of the changes taking place, and how improvements and changes are being introduced externally.

**Customer-Employee Relationship:** Relationships are deemed to be important and there has been much focus on understanding the customers needs and meeting requirements. TQPs have further aimed at increasing participation in the decision making process at all levels, and including external customers in the process. There are a number of examples of how the transition to a privatised status has created a more customer involvement attitude: e.g. BAe involves the customer at the earliest opportunity which is the design stage of a project.

The case studies surfaced a number of programmes introduced which served the specific purpose of fostering relations with external stakeholders, such as the 'Mystery Customer Programme' and 'The Airport Challenge' - both part of the Partnership Programme between BAA and its concessionaires. RMs Quality Systems initiative element, 'External Customer Relationship' involved identifying requirements, product development, measurement, communications, image, partnerships and delivery. Its 'Focus on Employee Relations' programme of 1989, concentrated on the welfare of the individual. Phrases that best illustrated these are: 'We each care about ... All our fellow employees and their needs for Respect, Training and Development, Involvement, and Recognition and reward', and 'caring about its people and its customers', and, 'to develop the welfare of participators', 'personal training plan for everyone', and, 'provide information to all employees on development opportunities'.

BA's cabin crew training 'Serve to Win for Everything', and, BT's 'Coaching for Retail Professionals' - for BT employees in BT shops, were means of encouraging stronger customer-employee relations. These are included as examples here because they support and strengthen the customer focus approach. It is reported that the BT programme was successful in that, productivity rose by six percent, increased

personal development, and formed part of the induction programme for every employee. Greenwood (1990) writes being “nice to people not only can be but ought to be profitable”.

**Customer focus:** All companies in the sample were keen to promote customer focus strategies (e.g. customer service, customer retention) because they perceive that these directly affect the organisation’s image and credibility (as already highlighted in previous chapters). Service strategies emerge where organisations remain alert for service in continuous programmes of improvement and the need for change to increase their market standing. Not only is the desire to meet customer requirements important for these companies, but they aspire to exceed customer expectations. Over the period of study the rhetoric on customer focus has moved from ‘understanding the customer’ to ‘delighting the customer’. Bob Ayling of BA, provides a useful reminder which helps explain the need for customer focus strategies - “Without customers we do not have a business. Service excellence must always be our goal” (BA AR 1995-96).

**Education and Training:** Training has been an important feature throughout the implementation of TQPs. It has been important to provide the type of training that is fit for purpose. It has been a key strategic driver in setting the root for change and introducing processes for handling issues, problems, and complaints. All organisations embodied a strong training element. Irrespective of the type of organisation, a common element of training was that of introduction to TQ tools and techniques and generating awareness of quality (see Table 8.4). Programmes included attitudinal change training, customer focused training: e.g. in BT, ‘Creating Customer Confidence (aka 3Cs)’ was customer focussed at managing diversity and relations internally whilst understanding that this had an affect externally (see Table 8.5). The overall philosophy towards change lies between normative re-educative and empirical-rational as per Chin and Benne (1976).

It has been difficult to identify total expenditure of TQ training programmes. Those that were identified were BA - ‘Insight’ cost £500m in 1995, BAe - ‘BEST’ cost £15m in 1997, and BT with £8m cost between 1987-90. The RLB in Rover has been reported as having a budget of £35m (Day, 1993), and BS’s staff training estimated at £30m (BS, 1988-89), and BT staff training estimated at £260m a year (BT, 1992). However it has not been possible to establish what percentage of the overall training budget has been devoted to TQP’s.

The underpinning theme of the training has been to encourage and improve - team skills, problem solving, and improving customer/supplier relationships.

TABLE 8.4 TQ TOOLS AND TECHNIQUES USED WITHIN THE ORGANISATIONS

TQ TOOLS and TECHNIQUES	ORGANISATIONS
Brainstorming	BT, BA, BS, RM
Force Field Analysis	BT, RM
Cost Benefit Analysis	BT, BP
Departmental Purpose Analysis	BT, BS
Quality Function Deployment	BT, BAe, BP, BS
Statistical Process Control	BA, BP, BS
Causes and Effects diagram Ishikawa diagram	BS, BP, RM
Pareto Analysis	BT, BS, RM
Right Drawings Right Process sheets Right Tools and Materials Right Training Right Supervision	BAe
Quality Circles Group Dynamics	BT, BA, Rover

TABLE 8.5 AWARENESS OF QUALITY TRAINING WITHIN ORGANISATION

Awareness of quality	Organisation
Attitude	BT, BAe, Rover, BA, BAA, BP, RM
Customer focus	BT, BAe, Rover, BA, BAA, RM
Technical	BAe, Rover, BS

**Communications:** Communication (as mentioned in the previous chapter) has taken various forms and guises ranging from, publication of various types of internal company literature, to providing videos and audiocassettes to staff, electronic mail and also the Intranet websites, as well as senior management holding road-shows. Other forms of communicating information has been by cascading key messages top-down. In companies such as BT, BA, and RM quality champions cascaded the quality message. Rover's TQI cascade initiative claimed that it worked through a 'cascade of responsibilities' and not

through a 'cascade of documents'. In BS it was the team leaders that were cascading the information at a local working level.

In organisations such as BA, BAe, and Rover, senior managers were trained as internal assessors (in EFQM) over a two-year period. In BAe each Business unit employed the guidelines for working practices by way of a Unit Plan, which had to be registered for Self-Assessment.

**Differences:** There were also a number of different features in the way that organisations approach TQPs. Some of these are illustrated in Table 8.6 and discussed below. However the greatest difference is in emphasis on some themes over others in the TQPs.

TABLE 8.6 DIFFERENT APPROACHES IDENTIFIED

DIFFERENCES	ORGANISATIONS
Local initiatives	BT, BS, BAe
Process improvement	BS, BAe, RM
Evaluation of Initiatives by the Balanced Scorecard	BT, BA, BS

**Local initiatives:** One of the big strategic themes of the 1980s and 1990s has been the provision of local autonomy to Strategic Business Units (SBUs) and the organisations under study proved to be no exception to this. The consequence was a number of SBUs originated local initiatives, usually, but not always, based on corporate TQ philosophy. In the former case individual divisions would take the basic TQ structure and develop it for use at local levels interpreting the overall corporate philosophy. In the latter case divisions would anticipate the TQ philosophy. In all instances programmes at unit level were devised to allow people to develop processes to improve local working practices, generate team involvement and people participation.

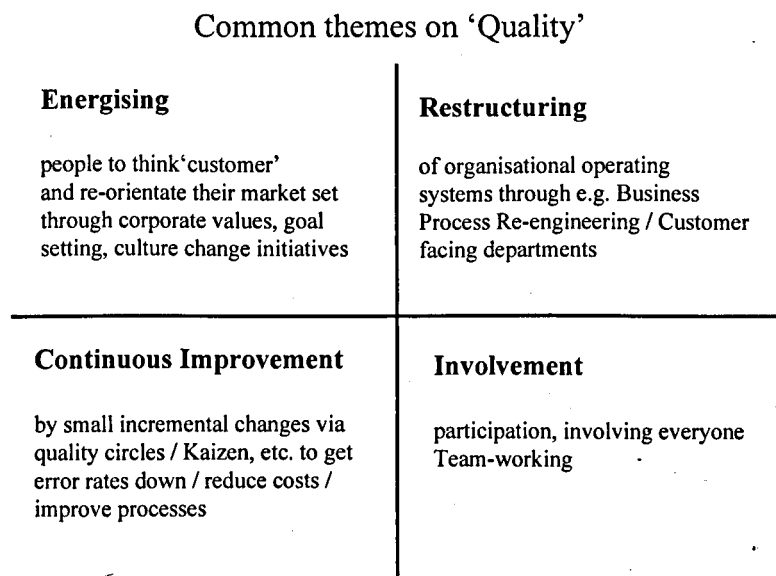
For example: BS Tinplate adopted a different approach to other parts of BS. This division originated its own programme as opposed to enacting a cascade process from the corporate centre. BAe MAL division also developed their own local programmes. This *localisation* of programmes came as no surprise because the functions in these units were different serving a different customer base. Feedback from the interviews suggests that it is often these local initiatives which have proved more successful than the full corporate programmes.

**Process Improvement:** Although there are a number of common features between the researched companies the programmes have not taken an identical emphasis. For example BS have concentrated more on process improvement whereas BA and BT have been more concerned with customer relationships. BS undertook its business commitment in TQ programme during the same year of being privatised. However, it was already using – and emphasising – terminology such as ‘TQ is No Accident’ and ‘Zero Defects = Zero Accidents’ as early as 1985. This difference in emphasis can be attributed to the fact that BA and BT as service industries have a much broader customer base than BS.

**Evaluation of Initiatives by the Balanced Scorecard** - A trend that is emerging but is not consistent across the organisation is the development of techniques to evaluate quality within an organisation at a broader holistic level. Particularly influential has been the Balanced Scorecard (based on Kaplan and Norton, 1992). It has been introduced in BT, BP, and BAe (where it is called the Values ScoreCard), and has helped people focus on core business areas. Others such as BA, BS, and RM customised the EFQM model to develop a local framework for their own organisations. It was apparent that not all organisations were using the scorecard (e.g. Rover, BAA).

To summarise the above analysis despite the differences there is a common approach emerging regarding quality for these organisations which are depicted in Fig 8.3 as follows.

FIG 8.3 COMMON THEMES EMERGING REGARDING QUALITY



### **8.2.2 Objective 2: to identify the mechanisms used to deliver, and the vocabulary used to communicate and embed the notion of quality**

**Mechanisms:** The overall framework used to deliver quality related programmes in the majority of organisations in the study has followed a similar pattern, broadly based upon the Transformational Change Model (e.g. Nadler, 1983; Tichy and Devanna, 1986; Kotter, 1995):

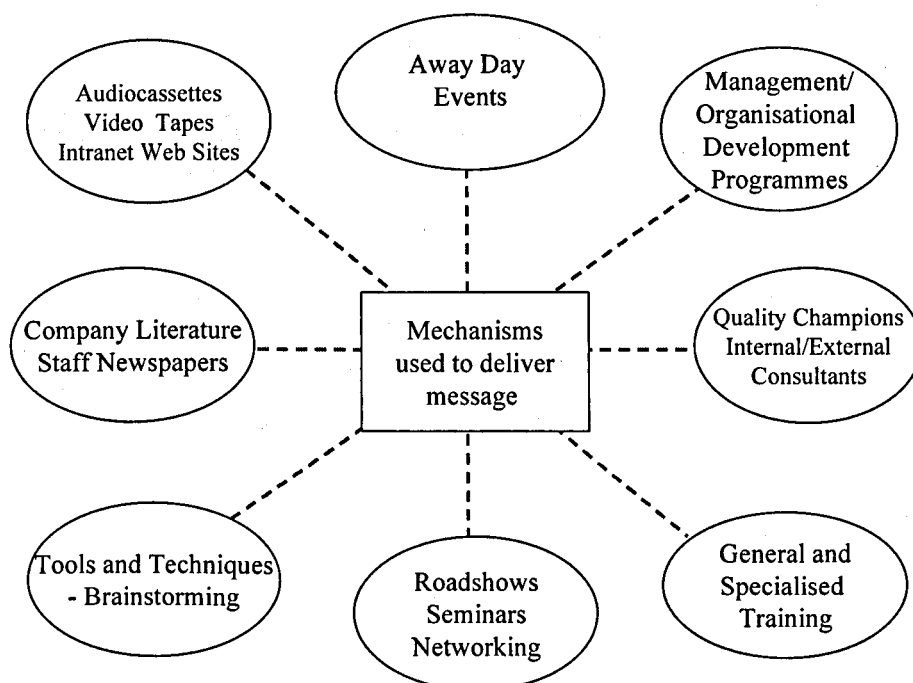
- Setting organisation strategic direction - mission and vision statements, values, quality policies
- Employing consultants as change agents in specialist areas
- Communication of programmes deployed to generate awareness
- Training provided to employees in both general and specialist areas
- Teams formed focussing on specific tasks - QIT, QIP
- Reward schemes introduced to recognise individual and team contribution of ideas for improvement.

Labels are a question of semantics. What is evident was the need felt by the top leaders of these organisations to introduce initiatives to create a change in behaviour and quality of output and service.

As already mentioned in previous chapters, within the overall framework, a number of communication mechanisms have been used to deliver and embed the notion of quality. A list was developed of the different modes of communication within the study sample. These typically include: Quality champions, Away Day Events, Management Development Programmes, Organisation Development Programmes, generic and specialised training courses, Networking, Use of tools and techniques - Brainstorming, Company literature, Staff newspaper, Newsletters, Intranet, Corporate Videos, Seminars, team meetings, noticeboard posters, memos, audio cassettes, and including Community and Charity events (Fig 8.4). All these are a very useful means of communication. The best 2-way approach is MBWA - management by walk about.

It was interesting to see the relationship emerging between the different modes identified. Each method identified can be linked with other methods to provide support in delivering and communicating the message; e.g. Quality champions used a variety of mechanisms to promote the quality message, such as seminars, training events, and away day events /workshops.

FIG 8.4 SPECIFIC MECHANISMS USED TO DELIVER THE QUALITY MESSAGE



There have been a number of instances within the study sample of internal change agents - key people or groups such as Quality Champions and Quality Councils - operating as a mechanism to drive the message of quality forward. They have:

- Given leadership by championing the cause for quality improvement
- Set the policy and plans necessary to drive quality improvement projects
- Monitored issues and progressed corrective action plans for way forward
- Ensured measurements are in place
- Undertaken necessary training
- Demonstrated commitment

In some of these companies Quality Councils were responsible for developing the strategy and for cascading quality processes company-wide - examples include Rover and BT.

But the evidence indicates a remarkably consistent use of external consultants (as identified in Appendix 7.3) to advise on the programmes, and in some instances deploy the training.

Another mechanism employed for TQPs has been the use of 'standards' such as ISO9000, BS5750, and IiP. Although not all of the organisations felt it was necessary to achieve quality awards, registration of ISO9000 and IiP were seen by some as important steps to achieve commonality and common practices.

- Other mechanisms used to identify gaps and determine the need for future TQPs has been through the use of surveys. For example:

- BT conducted CARE (Communications and Attitude Research for Employees) surveys on a regular basis throughout this period: 1991, 1992, 1993, and 1996. Results from each were scrutinised at many levels, Organisational, Departmental, as well as Teams. Action plans were then developed in an aim to tackle some of the lower scores.
- BAe conducted Employee Opinion Survey in 1995, and as a result, in 1997 the 'Involvement and Communication' programme was developed for team leaders.
- BP employed consultants during 1990, to conduct employee feedback surveys on the internal culture and climate. The results identified a need for upward feedback, which came into effect in 1991. These highlighted internal pressure for top management to change. Senior management used these results to set a benchmark of progress against future changes.
- BS employed Customer Services International to conduct their employee survey between 1994-95 in order to identify the number of people involved in teamwork activity. Results reported in the company literature in 1995 showed that 89% of the population in Tinplate were involved as a team, and 85% involved individually in Quality Improvement activity.
- RM used surveys to gauge employee satisfaction, and in most instances programmes have been introduced to show management are acting on findings: e.g. RM between 1988-91 employee satisfaction improved but 1992 saw a downturn. Their BD programme introduced in 1991-92 to reduce RM estate and flatten the organisation structure may have had an adverse impact on employee satisfaction across the board.

**Vocabulary:** Throughout the period of study there was a focus on aspirational and inspirational vocabulary that led to a heightening of rhetoric imagery across the entire organisation. The overall objective has been to instil into peoples' mindset key concepts through terminology and rhetoric - style - figures of speech such as metaphor and analogy; memory - how speech stays in the memory; and delivery - how the message is delivered and by what form. These are discussed below:

*Style:* There are an abundance of examples above of figurative language, which is the stylistic device most associated with rhetoric. "Our horizons need to expand still further" (RM); "competition is really biting us" (BT); "we want a nimble new culture" (BP); "the unwieldy telephonic dinosaur that came blinking into the light 10 years ago has evolved into a streamlined world class player" (BT 1994) - the list is endless. The words 'mission' and 'vision' featured throughout the study, are figures of speech, imported from a religious context.

*Memory:* Throughout the case study analysis, and implicit in many of the quotations mentioned in this research, were appeals to change based on reminding people of problems with the old, pre-privatised culture; its lack of responsiveness, its hierarchical nature, its inappropriateness to deal with new commercial demands such as competition and the need to retain customers. The ongoing swell of new programmes kept the perceived need for behavioural change in people's minds and enabled them to recall



previous initiatives. Phrases were chosen to stick in the memory, many originating from the quality gurus. Variants of 'Do it right first time' and 'zero defects' figured in seven of the case study organisation, i.e. BP's 'Get it right first time and better the next' in 1996. Other interesting slogans were 'vital few and useful many' (BT); 'the 5 rights to do the right job' (BAe). Programme titles were chosen with great care: 'Putting People First' (BA); 'For all our tomorrow's' (BP); 'The New Deal programme' (Rover); 'Continuous Improvement' (BAA).

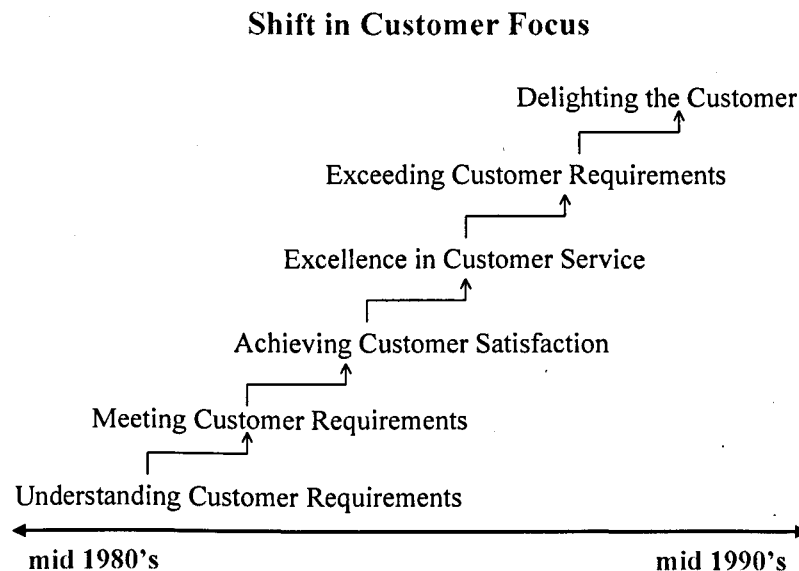
*Delivery:* In addition, there were a series of strategies to reinforce messages by repetition through a range of media. High profile 'roadshows' run by CEOs, audiocassette tapes, and videos buttressed the policy documents, line managers were trained in how to cascade the messages through their chain of command.

The vocabulary used focuses on the following six key attributes as illustrated in Table 8.7, with an overall objective to become the best and in everything that they do - as depicted in all the mission, vision, and goals statements.

TABLE 8.7 FOCUS ON ASPIRATIONAL AND INSPIRATIONAL ATTRIBUTES

<b>Objectives: Seeking perfection in a changing world</b> <b>Style : Aspirational and Inspiration</b> <b>Mode: Communication through use of rhetoric</b>	
<b>Customer Focus</b> <ul style="list-style-type: none"> <li>• Exceed expectation</li> <li>• Delight customers</li> <li>• Customer satisfaction</li> <li>• Customer is king</li> <li>• Providing value/true value/value add</li> </ul>	<b>Process Focus</b> <ul style="list-style-type: none"> <li>• Continuous Improvement,</li> <li>• Right 1<sup>st</sup> time Every time</li> <li>• Zero defects</li> <li>• Improving to Zero Defects</li> <li>• 'get it right, check it is right',</li> <li>• knowing the cost of 'getting it wrong'</li> <li>• 'get it right first and better the next time'</li> <li>• 'the way we want to do things'</li> </ul>
<b>Competitive Focus</b> <ul style="list-style-type: none"> <li>• 'best' in class</li> <li>• 'world' class</li> <li>• Cost effectiveness</li> <li>• Increasing our profits</li> <li>• Benchmark</li> <li>• Reduce overheads</li> </ul>	<b>Change Focus</b> <ul style="list-style-type: none"> <li>• Continuous Improvement</li> <li>• Value and Innovation</li> <li>• Creative thinking</li> </ul>
<b>People Focus</b> <ul style="list-style-type: none"> <li>• Our people values underpins all that we do</li> <li>• Involvement of our people</li> <li>• Customer is always right</li> <li>• Improving people relationships</li> <li>• Networking</li> <li>• Coaching</li> <li>• Teamworking</li> <li>• Sharing knowledge</li> </ul>	<b>Cost Focus</b> <ul style="list-style-type: none"> <li>• Value for money</li> <li>• Knowing the cost of 'getting it wrong'</li> <li>• Efficiency</li> <li>• Profitability</li> <li>• PONC - Price of non conformance</li> </ul>

Over the period of investigation the language did not stand still. The language emanated from CEOs and other senior managers, supported by authoritative documents, videos and roadshows. The message was reinforced by a heavy investment in training. There is strong evidence that the case study organisations adopted an incremental 'transformational change' methodology. Steps include establishing a sense of urgency of the need for change by examining market and competitive realities; creating a vision to help direct the change effort; communicating the vision throughout the organisation using every vehicle possible; consolidating improvements and producing even more change (Nadler, 1983; Kotter, 1995). To persuade others of their position top management drew upon a range of rhetorical devices through a variety of communication modes. To illustrate this the simple model of the shift in customer focus illustrated in Chapter 7, Fig 7.3, is repeated here.



Majority of the statements listed in the case studies emanate from CEOs or senior directors or are taken from company policy statements. They appeal to people's emotion. The case study analysis threw up a number of rhetorical flourishes in each of the companies in question to support a commitment or ownership orientation. Examples include: Working with pride (Rover). Inspire lifetime relationships (Rover). We will foster pride and integrity in the organisation (BT). Every BT employee is an ambassador for the company. BA will have a corporate charisma such that everyone working for it will take pride in the company (1986 Mission statement). Our reputation depends on everyone making a contribution and becoming involved (RM).

There is a strong theme throughout the case studies about responding to competition. “Times are tough. Competition is not just a bogeyman for us to frighten our people. It is very real and it is hurting” (BT Group Managing Director, 1992). “To me the situation is close to crisis. Competition is really biting us, as competitors are hungry for BT share of the market” (MD, Development and Procurement, 1992). “To become the best airport in the world we must have the best people in the industry and equip them to compete effectively” (BAA Take Off, 1996). “All parts of the company are involved in programmes to increase productivity to ensure we are competitive” (Horton, CEO BP, 1990).

Responding to change also emerged as a key theme. “It is not for us to inflict change, but for us to engage in a dialogue with our customers to determine their true needs and then to look at what we are doing and see if there is scope for change” (CEO RM, mid 1980s). “We need to recognise change as a way of life as we enter the 1990s. We need to be prepared to manage actively the surprises of an uncertain, complex, volatile and rapidly changing world” (CEO BP Company Video 1990).

Overall, the structure to achieve the aims is exhortative, sentences or clauses on many occasions prefaced by phrases such as ‘we need to’ or ‘we must’ or ‘we want’. There is also a growing tendency towards hyperbole – it is not good enough to satisfy, we have to delight and thrill, be exceptional, be number one, be the best without any sense of irony. At a more technical level, where problem solving techniques are explained for example, there is frequent use of simple explanatory diagrams, to show how logical and obvious the approach is.

All this highlights the importance organisations considered in delivering the notion of quality.

### **8.2.3 Objective 3: to identify how the notion of quality has changed for the organisations over the period of investigation**

Within the organisations in the case studies, quality at the outset was defined in various ways often based upon the terminology of the well-known quality gurus such as ‘meeting customers requirements’ or ‘fitness for use’ (Juran, 1989) and ‘customer satisfaction’ (Deming, 1982, 1986). However, just as each company developed its quality strategy differently so too did the notion of quality shift over the period investigated: e.g.

- BT - Early BT initiatives were based on meeting the customers’ needs. It began its quality campaign in 1986 with the Involving Everyone programme which was to generate the idea of working together and as the name suggests, to involve everyone working within the company, encouraging them to

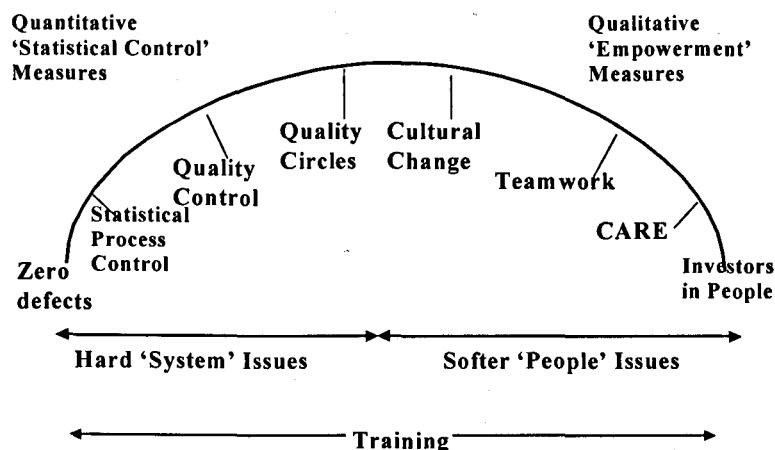
think of ways of improving their work activity locally. The focus was on meeting the customer requirements first time every time. By 1997 the focus was still the customer, with the aim of providing smarter solutions.

- BAe - Began its quality campaign in 1988. One of the early programmes was the CQI Executive programme, supporting the notion that “good quality is achieving customer satisfaction” (BAe MAL Handbook). BAe MAL also recognised that “quality is a Customer Need ... we must clearly establish the customer requirements. Meeting the customer’s need covers all aspects of work from the initial delivery standard to achievement of purpose of the product to post delivery service. As quality improves customer expectations will rise. We must therefore identify and act on these expectations better than our competitors” (BAe DPR, 1990). By 1997 the focus was on ‘value plan’ and ‘improving teamwork’.
- Rover - Began its quality campaign with ‘Working with Pride’ and TQP was launched in 1987 with TQ leadership. It emphasised that success depended on ‘satisfying our customers’ and that “We shall achieve it through TQ in every part of our Company”. Rover devised two main quality strategies, the first between 1991-1995, and a second between 1995-2000. By 1997 the focus was on systems processes for continuous improvement - attempt to create greater emphasis between product and organisation, and “inspiring lifetime relations”.
- BA - Began its quality campaign as early as 1983 but without using the word ‘quality’. A number of initiatives were undertaken to deliver a more personalised style of service, with an emphasis on understanding the customer viewpoint - ‘walking the customers’ shoes’. By 1997, the focus was on service delivery through integration and managing change. Ayling said, “we have built our success on a firm commitment to customer service, cost control and our ability to change with the times and new demands” (BA Investor, 1997).
- BAA - Began its quality campaign in 1989 with an objective to create a general awareness of the subject, followed by focusing on teams. Over the period BAA has concentrated on Continuous Improvement initiatives. By 1997 the focus was on integrating business systems and service delivery.
- BP - Began its quality campaign in 1986, but it was not until the launch of Project 1990 that the wider and broader quality related issues began to be implemented. In the early days, at the corporate group level the BP quality strategy focussed on quality of service and environmental responsibility. At operating unit level the divisions developed their own programmes for cultural change and quality. This was partly due to the fact BP did not encounter a transformation from a government owned to full private shareholder ownership until 1987. By 1997 the focus was to ‘get it right first and better the next time’.
- BS - Began its quality campaign in 1987 termed ‘Total Quality Performance’. The aim was to involve people to identify areas for improvement. The focus was on safety performance accident prevention. Throughout their campaign there has been concerted effort on teamworking. By 1997 the focus was on ‘the way we do things’, and ‘the way we want to do things’.
- RM - Began its quality campaign in 1987, with the strong belief that, ‘Everyone is a Customer’. To ensure this message was cascaded, RM introduced TQ through a variety of ways: Managing Director workshops, Diagnostic mission and vision, top team workshops, and Customer first steering groups. By 1997 the focus was on improving processes, and to maintain a system for continual improvement. Emphasis was also placed on development of quality networks.

TQPs have focussed on a number of key aspects. Fig 8.5 shows the range and scope of these. At one end there is the mechanical, hard quality issues, whereas at the other end, there are the softer people related issues. This was developed based on the programmes and their functions emanating from the case study.

Training featured across the full spectrum of programmes. The many activities associated with the introduction of quality initiatives were listed and categorised in broad terms - i.e. whether they were dealing with the hard system issues, or the soft people issues, as a key part of their function/process. These were then regrouped under two categories - quantitative and qualitative, in relation to their functionality.

FIG 8.5 DIAGRAM TO SHOW "HARD" AND "SOFT" ISSUES RELATING TO TQP



Features relating to the hard and soft issues illustrated in Chapter 6 are repeated here:

#### Hard 'System' Issues

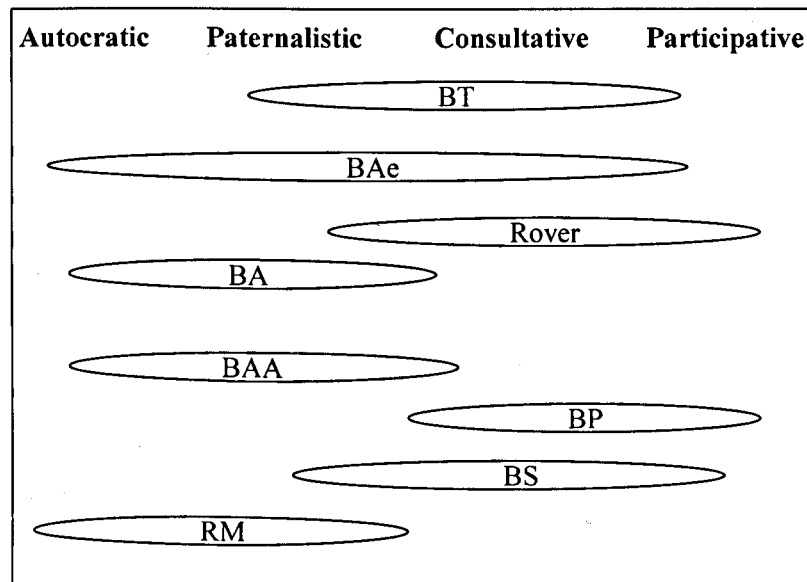
- Create new organisation structures
- Generate ongoing systemic change
- Improve business awareness at all levels
- Improve awareness customer awareness
- Increase productivity with less staff
- Develop process improvement mentality

#### Soft 'People' Issues

- Encourage greater accessibility to senior management
- Improve communication
- Increase involvement and participation
- Increase pride in work
- Increase morale
- Create a corporate identity that people can buy into
- Creating managers to have greater sensitivity to people issues

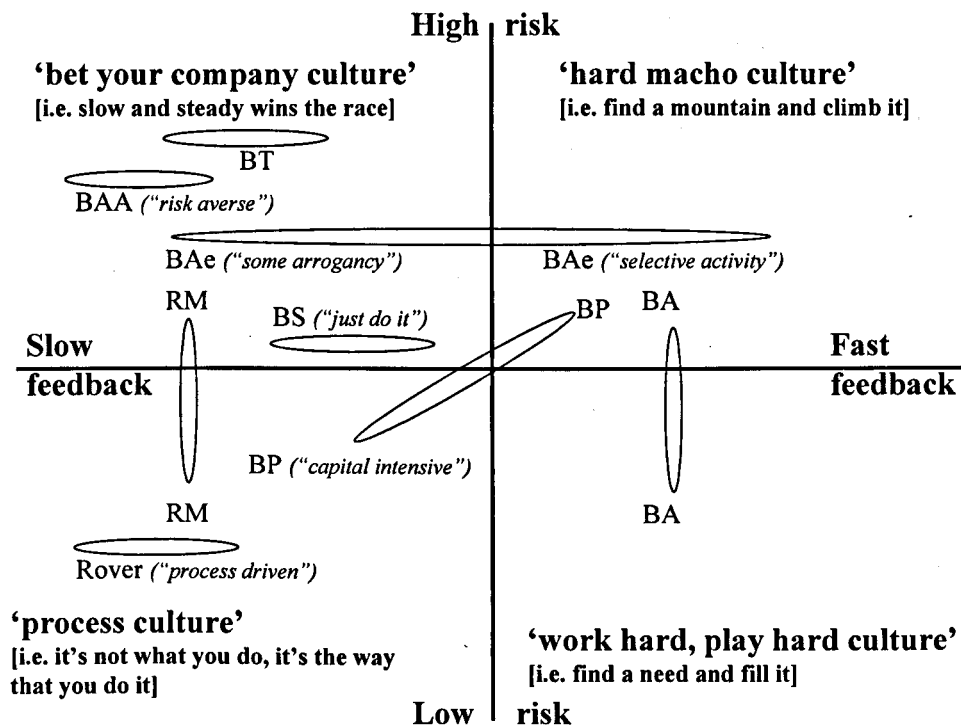
In general terms, all companies in the sample have moved from the hard systems towards the softer systems outlined above. Organisations such as BS and BAe have moved somewhat from the 'mechanical hard systems' and are beginning to include the 'softer people issues' to embed the thinking that one cannot take place without the other. However, their emphasis on softer people issues focuses heavily on creating a teamwork approach towards continuous process improvement: e.g. BS - improvement in blast furnace, and BAe - aircraft design.

Over the period of study, there has been a change in the action and behaviour of management as represented in the management styles. A number of authorities argue that the success of TQPs rests with the relationship between management and staff. Change can be a slow process, and dependent on 'buy-ins' from all the people, whether they are directly or indirectly involved. Responses in the interviews conducted as part of the investigation indicated there had been a shift in management styles. The perception of styles are illustrated in Fig 7.7, and repeated here.



The notion of quality has changed by responding to change via Customer Perception Surveys. These can be linked with Benchmarking using surveys, rejected products, and complaints, as quality measurement metrics and contributes. Companies have certainly become more focused on wanting to be world-class leaders in their business sector, more focused on core business, joint ventures (e.g. BT with AT&T, BP with Amoco), and creating partnerships to generate synergy with other companies.

The introduction of quality related programmes have promoted a change in attitudes: e.g. it is not technology but people who are making the transition into quality possible, together with the need to meet customer needs and expectations. The workforce it seems is getting the message. Responses in the interviews conducted as part of the investigation indicated their organisations were slow to change continuing to operate, as they had been - 'status quo'. Fig 7.6 repeated here illustrates a snapshot of the 'different organisations in terms of 'corporate culture' change as perceived by the interviewees.



Another area of an organisation affected by quality has been used as a drive to reduce costs whilst setting high standards and targets. A net effect of this has been downsizing. Downsizing organisation and outsourcing activities that were not essential to the core business is the response corporations have given to the structural and additional change in the 1990s. An example of this, is BAe, who outsourced its IT services to CSC for £915m in a 10 year deal (Computing, 1997). This led to job losses of IT staff by 1,200.

In conclusion, the notion of quality itself has changed, emerging from being a buzzword in the 1980s to incorporating a holistic approach in the 1990s. The changed perception is that of engineering a more open and supportive culture to meet the needs of the business. Quality has become an inherent part of the business and not standalone. There is some evidence of management moving away from an autocratic-bureaucratic style to one that is more informative and consultative, from a more constraining style that is restrictive on innovation to one of building cross-functional teams. Before their privatisation process, some organisations it seems were perceived as arrogant, dinosaurs and saw no real need to change to meet customer satisfaction. Privatisation according to the feedback has changed that.

There is evidence that TQPs have contributed to a change in the underlying beliefs and attitudes about the way things get done in organisations, with 'strategic change' being identified as creating the advantage to

exploit. Champions are selected to raise awareness, build teams to cascade the programmes throughout the organisations. TQPs have been a mechanism to facilitate organisational transformation and cultural re-engineering, with parallel changes in structure designed to meet customer requirements and business needs e.g. creation of customer facing divisions and restructuring organisational operating systems through programmes such as business process re-engineering.

Suffice it to say that in the early days the concept of quality was not fully institutionalised within these organisations, but as time went on and the TQPs communicated throughout the organisation, it became more and more acceptable.

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## **Chapter 9**

# **endpiece - additional reflections**

*The longest journey starts with a single step*, and so I commenced this research. As each day passed, with it ideas continued to develop. This journey wasn't easy. Each time I looked at my papers, my thoughts were changing, evolving, and questioning.

Critical reflections on the theory and concepts have been addressed throughout the text where appropriate. However, it is useful to consider some points regarding how the study was carried out and the value of it for my own personal development and learning. Below are some experiences from the journey:

### **Critical learning:**

- Firstly, there was too much literature research carried out on Quality, Privatisation, Change, Participation, and Motivation, which had to be excluded from the final version. This reflected the change and focus of the research, and the direction the research was taking, following ongoing discussions with my supervisor.
- Change of university, also led to a change in the focus and direction of the research.
- The choice of subject was relevant for the research but with each step of the way, there was a new dimension emerging. In the end it was decided that a 'cut off' point had to be made as to how much research could be conducted.
- During the course of the research a number of key decision were made regarding the methods adopted and data gathering process, namely:
  - That 'Privatisation' became more and more of a 'backdrop' as the research continued and organisation's adjusted to operating in a competitive market place. The decision was taken to reduce time spent on this part of the study, allowing time and effort to be concentrated on the TQPs. Discussions with key personnel during the interviews indicated that 'privatisation' was a key issue and concern with employees at the time when their organisation was being privatised. This was a result of the 'unknown'. However, once the process was complete, people focussed their attention on other organisational activities. So the theory of privatisation lost its significance as a day-to-day concern.
  - Limitations of gathering data were acknowledged in terms of 'observations' - It was not possible to conduct observations following similar guidelines, and so a decision was taken by myself to exclude any data that was gathered where some observation had taken place. This was to ensure – as much as possible – the process of data gathering was the same for each organisation.

- During the process of initial contact with key personnel, discussions revealed their organisations had undergone immense change and that there were plans to continue with initiatives to encourage everyone in the organisation to take part.
- Choice of case study organisation - the detailed case study organisations were chosen for the following reasons, firstly they represented the 'well known privatised organisations' and also because they covered a range of business sectors (e.g. manufacturing, service). A part of the approach taken within the case studies was to 'tell a story' of the TQPs and to understand why the organisation chose their particular path to TQPs and initiatives of change.
- During the course of the early organisational literature review references were detected to changes in the selected organisations. Themes began to emerge (some stronger than other) which covered a wide range of activities that were common amongst the organisations surveyed. Some of these formed a part of the case study approach (e.g. use of consultants, introduction of TQPs, training, etc).
- A new model was developed, emanating from the synthesis of literature review, organisation literature, survey feedback and interviews. This model helped clarify and understand the context of TQPs within the organisations.
- At every stage of the research, new ideas were generated which culminated in the format of the final work presented.

**Personal learning:**

- I found the whole experience very interesting and the exploration of new ideas very powerful. And innovative methods of conducting the research.
- Access into the different organisations has given me a broader knowledge and understanding that these companies too have encountered peaks and troughs when it comes to introducing TQP, very much like my own organisation, BT.
- I have learnt much by way of completing this research and the words ranging from 'uncertainty' to 'awareness' and 'understanding' come to mind.

- Interviewing members from other organisation opened my eyes to the complexity of issues that has been involved in and really just how much can be done to further improve quality.
- It was difficult to obtain internal 'access' for some organisations' even though initial telephone contact had secured access into the organisation. Some declined at the last minute. This meant that it was not possible for me as the researcher to operate in an ethnographical way within the case study sample.
- Due to various reasons I needed to change from the DMU Leicester to one within London area, so LGU was approached, and a transfer arranged during Dec 1997. This was agreed with my supervisor at DMU, Colin Eagan during August 1997, and he fully supported the transfer.
- During the last year John Walton and I wrote an article for the HRD, titled 'Continuous Improvement through TQM- A case study approach'. This proved to be a valuable learning experience in the art of writing material for publication in journals.
- As a result of the rhetoric analysis and discourse analysis undertaken, and the wealth of information emanating from the documentary sources, it became clear that the information collated will form the basis to furnish further publications.
- Finally, throughout the period of this research, I saw the 'passion' for it grow both within myself, and the excitement and exuberance conveyed from my supervisor. Despite the long hours involved, and the constant editing, and re-editing, at no time, did I lose interest in the study. As the results developed and the document became 'alive' the feeling I got was of sheer delight!

### **What Next!:**

- My next steps are to:
  - Write some more articles for publication
  - Present at a Conference.

Finally, to quote an old Chinese proverb, **Tell me and I will forget, Show me and I may remember,**

**Involve me and I will understand. Change cannot be forced.**

Prabhjot K Basra  
May 2002

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## Glossary

<b>Agreed requirements</b>	We must agree with our customers exactly what their requirements are, and either carry them out to the letter [or until a change is agreed], or state those which we are not able to provide, before taking the work.
<b>At lowest cost</b>	The provision of products and services without the additional costs of waste or re-work.
<b>Benchmarking</b>	A means of evaluating and comparing how key functions and processes are performed within one's own organisation and compared with other industry leaders (does not always have to be the same industry sector)
<b>Brainstorming</b>	A tool used to capture ideas generated by people in groups for making decisions.
<b>CARE</b>	Communications and Attitude Research for Employees - an annual attitude survey conducted on a sample of BT employees asking them how they feel about BT, their environment, and aspects related to work situation ranging from management to pay.
<b>Cause and effect diagram</b>	A tool illustrating the relationship between causes and problems. Also known as the 'fishbone' diagram.
<b>Continuous Improvement</b>	An effort to constantly improve the quality and capability of products and services.
<b>CSI</b>	Customer Satisfaction Index - is a formal monitor of customer opinion, which looks at the relative importance of aspects of the service to them and measures their satisfaction with these aspects.
<b>Culture change</b>	The shift from a traditional management practice to a total quality management practices through changing peoples' behaviour.
<b>Customers</b>	The people externally who provide our income and whom we want to be satisfied with our products and services, and internally, our colleagues to whom we provide a service and also wish to satisfy.
<b>Do what you say</b>	Involves having clearly defined procedures to ensure that work is carried out according to the instructions and that the product or service meets the required standard (Quality Control). This includes procedures for correcting failures and removing the root cause of them.
<b>DPA</b>	A structured process/technique in the development of quality improvement plans which establishes clarity of roles and goals, of customers/suppliers and their requirements, and of quality improvement opportunities, priorities and action plans.
<b>Employee Involvement</b>	Emerged as a management tool in recent years, aim to secure employee commitment and identification with organisational success.
<b>Empowerment</b>	A means of giving employees authority to make decisions and to take action towards satisfying customers and to improve processes.

<b>Goals (and Targets)</b>	A goal is a measurable component of a vision. It is also probable that to achieve the required goal a number of targets need to be set which represent a challenge and planned improvement from the initial level of performance and results in a positive step forward towards the goal.
<b>Improve it</b>	BT - Having clear quality improvement processes and procedures in place. This could include Quality Councils and reviews.
<b>LOVSTY</b>	Living Our Values Saying Thank You - BT's programme to enhance the verbal message. The programme was BT's policy to recognise behaviour and achievement that support the re-enforcement and establishment of the BT values.
<b>Mission</b>	Broadly describes the business the organisation is in at the corporate level, and the reason for being in business.
<b>Our people</b>	BT - we will ensure that each person who works for British Telecom knows what is expected of him or her and why. We will encourage each other to express views openly and honestly; we will give everyone the means to make a real contribution to British Telecom's success; all staff will be treated with respect and rewarded justly. We will foster pride and integrity in the organisation and trust amongst each other.
<b>Our suppliers</b>	BT - we will make sure we understand and improve the effectiveness of our suppliers so that they can meet our requirements first time. Many of the aspects highlighted above such as teamwork are currently very visible within the local centre. This is particularly true where lower management are involved in the training programme carried out for non-management staff. This enhances the motivation level and confidence from lower level managers and also gains further commitment. These all ensure that improvement is seen and recognised as being continuous and the individual gains self confidence and all the above adds to an individual's 'personal development'.
<b>PDCA</b>	Plan Do Check Act - the steps in a model for planning and problem solving as the Deming or Shewhart cycle
<b>Process improvement</b>	A continuous effort to learn about the cause and effect mechanism as part of a process to change the process in order to improve customer satisfaction
<b>Prove it</b>	BT - Being able to demonstrate to a third party that you actually do what you say. This could be to the BSI or other authority and concerns giving your customers confidence in your product or service. Audit is the means of proving it.
<b>QMS</b>	Quality Management System. QMS is defined as the process, controls and resources which serve to implement the Quality policy of the company. QMS provides systems for the control of Quality for all processes in the company; A controlled environment for the operation of these processes; The necessary disciplines to assure the Quality of the resource required i.e. people, materials, machines, and methods.

<b>Quality Circles</b>	<p>A form of employee involvement, having a bottom-up approach to problem solving, involving a cross section of employees in specific quality problems or issues.</p> <p>Members receive training in problem solving techniques. They choose through consensus, the problems they want to solve and control the problem solving sequence.</p>
<b>Quality Council</b>	<p>A quality council is established by senior managers from each key unit to champion the organisations' quality policy and quality improvement initiatives. It is responsible for assigning ownership and responsibility for resolution of key activities and reporting back.</p>
<b>Quality Improvement Project</b>	<p>A series of 'structured' steps used to solve problems and improve quality. Each stage must be completed before attempting the next.</p>
<b>Quality Improvement Teams</b>	<p>A group of employees who meet regularly to identify, analyse, and solve a specific problem that inhibits achievement of requirements, and/or business objectives.</p>
<b>Say what you do</b>	<p>BT - Includes stating and documenting the company/division/department quality policy, purpose, mission and vision, clearly defining roles, goals and responsibilities to individuals, having clear processes and procedures to work to. Every person in the organisation should know what their job is, how they are to do it and what their resources are.</p>
<b>SPC</b>	<p>Statistical Process Control - a philosophy that uses statistical techniques in all areas of a company to make continuous improvements in quality and productivity by reducing variation in all processes.</p>
<b>Teamwork</b>	<p>BT - we will make sure we understand and meet the needs of our colleagues, to enable us to operate as an effective team.</p> <p>Generally accepted as a management tool associated with quality management. Can be used to reduce resistance to change and increase morale amongst members.</p>
<b>The market place</b>	<p>we will compete strongly but fairly in the marketplace; we will keep our business by looking after our customers in an expert and helpful way and by meeting their requirements first time, every time.</p>
<b>TQC</b>	<p>Total Quality Control - technique, like the Quality Circle, for helping to maintain a desired level of quality in the production of a product.</p>
<b>Vision</b>	<p>Articulate a desired future state. A statement of where the organisation wants to be over a time frame of usually 3-5 years. It is a description of the desired Business characteristics, performance, standards and values.</p>

**Appendices**

## **Appendix 3**

### **3.1 – Privatisation schedule and proceeds from sales in UK**

## APPENDIX 3.1 PRIVATISATION SCHEDULE AND PROCEEDS FROM SALES IN UK

Year	Month	Assets privatised	Company	Industry	Proceeds £m
1979	Nov	Shares 43.7%	BP	Oil	564
		Shares 25%	BTGH - ICL	Chemicals	549
1980	Mar		Fairey (British Technology Group Holdings) (BTGH)	Chemicals	15
	Jul		Ferranti Thomson Sonar System UK Ltd (BTGH)		43
			North Sea Oil Licences	Oil	349
1981	Feb	Shares 100%	British Aerospace	Aircraft	390
		Shares 94.4%	Cable & Wireless	Telecommunication	89
1982		Shares	Amersham International	Radio Chemicals	64
			Associated British Ports	Ports	52
	Feb	Employee Buy out	National Freight Company	Haulage	354
			British Sugar Corporation		44
1983		Shares	Associated British Ports	Ports	45
	Mar	Trade Sale	British Rail Hotels	Hotels	45
	Mar		British Airways - International Aeradio		60
	Sep		British Airways Helicopters		14
1984	Nov	Shares	British Telecom	Telecommunications	3,685
	Jul	Shares 100%	Jaguar	Car Manufacturer	297
	May		British Gas - Wytch Farm		82
	Jul	Sold to British Ferries	British Rail - Sealink UK Ltd	Ferries	66
	Jun	Shares 100%	Enterprise Oil plc	Oil	392
	Aug		BTGH - INMOS		95
	Nov		Britoil	Oil	549
1985	May		British Shipbuilders - Brook Marine		
	May		British Aerospace plc	Aircraft	363
	Jun		Yarrow Shipbuilders Ltd		34
	Nov		Vosper Thornycroft Holdings		19
	Dec		Cable and Wireless plc		602
	Aug	Shares	Britoil	Oil	504
	Dec	Shares	Cable & Wireless	Telecommunications	1,021
1986	Jan		British Shipbuilders - Swan Hunter		5
	Mar		VSEL		60
	Dec	Shares 100%	British Gas	Gas Supplier	7,720
		MBO/Trade Sale	National Bus Company		325
			BA Helicopters		13
	Oct		Royal Ordnance		15
1987	Jan		Rover Group - Leyland Bus		4
	Jan		Rover Group - Unipart Group Ltd		52
	Jun		Rover Group - DAB		7
	Jun		Rover Group - ISTEEL		26
	Jul	Shares 100%	British Airports Authority	Airport	1,225

		Shares 100%	British Airways	Airline	854
	Apr	Sold to BA	Royal Ordnance	Arms Manufacturer	190
	May	Shares 100%	Rolls Royce	Engine Manufacturer	1,032
	Sep		National Seed Development		66
	Oct	Shares	British Petroleum	Oil	6,137
Various		Trade Sale/ Employee Buy Out	British Shipbuilders	Shipyards	
1988	Dec	Shares 100%	British Steel	Steel Producer	2,500
	Aug	Sold to BAe	Rover Group	Car Manufacturer	150
	Oct		Yorkshire Rider		23
1989	Dec	Shares 100%	Water / Sewerage Companies	Water Supplier	3,400
	Apr		British Rail - BREL (1988) Ltd		14
	Aug		British Rail - Horwich Foundry Ltd		2
	Jun	Sold to Canadian company	Short Brothers	Aircraft	30
			Holdings of British Technology Group • ICL • Fairey • Ferranti • INMOS	Computers Engineering Electronics Silicon Chips	
	Dec		Cable and Wireless plc	Telecommunication	275
1990	Nov	Public offers 100%	Regional electricity companies	Electricity Supplier	10,200
	Feb	Private	Girobank leasing sold to Norwich union £342m	Bank	650
1991	Mar	Public offers	National power [60%] £1.34bn	Electricity Supplier	2,278
	Mar	Public offers	Powergen [60%] £820m	Electricity Supplier	1,395
	Jun	Public offers	Scottish power £1.96bn	Electricity Supplier	3,665
	Jun	Public offers	Hydro electric £920m	Electricity Supplier	1,720
	Dec	Public offers	BT [22%] £5.35bn	Telecommunications	9,990
	Oct	Private	Ntl to mam £70m	Telecommunications	120
	Oct	Private	Scottish bus group £96.2m	Transport	180
1992	Mar	Public offers	Forth ports authority [90%]	Airport	45
	Jan	Private	Port of tees & Hartlepool	Ports	275
	Mar		Medway Ports	Ports	13
	Mar	Private	Ports of Tilbury, Medway, & Clyde	Ports	135
	Apr-Jun	Private	Ireland electricity assets	Electricity Supplier	540
	Apr	Private	British technology groups		43
1993	Jun	Public offers	Northern Ireland electricity [100%]	Electricity Supplier	520
	Jul	Public offers	BT [20.7%]	Telecommunications	8,060
	Jul	Private	East midlands international airport [100%]	Airport	40
1994	Feb	Private	Forward civil services catering [100%]		7
	Mar	Private	Dtels [100%]		9
	Jul	Private	Belfast international airport [100%]	Airports	53
	Dec	Private	British coal [100%]		960
	Dec	Private	London bus company [100%]	Transport	233

Note: Source privatisation yearbook 1990-94 [UK stats only], The UK Economy & Europe by Bruce R Jewell 1993 Source: Privatisation the Facts - Price Waterhouse, 1989; Various literary material



## **Appendix 4**

**4.1 - List of companies surveyed**

**4.2 - Letter accompanying the questionnaire**

**4.3 - Questionnaire**

**4.4 - Interview schedule**

**APPENDIX 4.1 LIST OF COMPANIES SURVEYED**

Amersham International  
British Aerospace  
British Airports Authority  
British Airways  
British Gas  
British Petroleum  
British Rail  
British Steel  
British Telecommunications  
Britoil  
Cable and Wireless  
Ferranti Thomson Sonar  
Jaguar Cars  
Powergen  
Rolls Royce  
Rover Group  
Short Brothers  
Thames Water  
Yorkshire Rider

Royal Mail

## APPENDIX 4.2 LETTER ACCOMPANYING THE QUESTIONNAIRE

.....

Miss P K Basra  
1st Floor  
Colnbrook ByPass  
West Drayton  
Middx UB7 0HA

Date: October 1996

Dear Respondent

**Subject: Quality Questionnaire**

**OH NO NOT ANOTHER QUESTIONNAIRE !**

As part of my PhD studies I enclose a copy of the questionnaire related to Total Quality Management. This questionnaire is being sent to candidates selected at random from a selection of privatised companies.

It is suggested that if service quality [or quality of service] is to work, it has to be continually reviewed and improved. It is important that feedback is received from employees who make the service quality happen. This particular survey is concerned with the *internal* quality of service, i.e. that given and received by all employees as customers of each other. I would appreciate your opinions about the effects which service quality programmes has had on your organisation to date, and what can be done to keep quality a continuous process.

Quality related programmes are introduced under a variety of guises, for example Total Quality, Total Quality Management, Total Service Quality, and so on. For the purposes of this questionnaire, the quality programmes will be referred to as 'Total Quality Programme [TQP]'.

Many privatised companies claim to be committed to the quality philosophy. Furthermore, privatisation is generally perceived as being synonymous with quality. Assumptions are made that once an organisation has been privatised it will introduce programmes, which will affect the organisation, and its infrastructure. Part of this research will look at the interlink between elements of privatisation and the introduction of the Total Quality Programmes.

The information you give will be treated in confidence and if you wish you can keep your reply anonymous. If you are unable to respond for any reason, would you kindly pass it on to a colleague who can complete it. Please do not be put off by the length of the questionnaire. Most of the questions are of a tick box variety, and should not take more than 20 minutes of your time.

The success of the PhD research is very much dependant on the returns received, so please take the time from your hectic schedules and complete this questionnaire and return it to me in the pre-addressed envelope provided. In return for your co-operation we will be happy to forward a copy of the key findings upon completion of the project.

Your assistance is appreciated

Thanking you in advance

Prabhjot K Basra  
PhD Candidate

Colin Egan  
Professor of Strategic Management

## Total Quality Programmes

Each organisation faces an important role in the way in which it introduces and implements change ideas and programmes to its employees. Any programme of change will bring about some concern, apprehension, etc., and so the organisation is faced with cajoling and steering its members towards the change process. It is these issues that this research aims to address in relation to Quality, its connectedness with Participation, Motivation, and Communication. The questionnaire is divided into 5 categories as follows:

- A. Company Knowledge**
- B. Attitude and Awareness**
- C. Communication**
- D. Effects of the Quality Programmes**
- E. Respondent Information**

**Now please continue with the questionnaire**

**SECTION A: COMPANY KNOWLEDGE:**

*This section deals with how much the Total Quality Programme[TQP] has improved your knowledge and understanding of your own organisation. The issues under investigation are to gauge how much impact the TQP has had in improving the awareness and understanding of "Where the organisation has come from" & "Where it is going". The business issues facing the organisation and how it responds to them through a structural and cultural focus.*

*There are no right or wrong answers, most questions give you the opportunity to show the extent to which you agree or disagree by marking the appropriate box. If you are unable to respond to any item, please leave it blank.*

*Please answer by selecting ONE box for each statement unless instructed otherwise.*

**Q1 Since the introduction of the TQP, how has your knowledge and understanding improved regarding the infrastructure of your organisation in:**

	Much Higher	Slightly Higher	About the same	Slightly Lower	Much Lower
a) The structure of the Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) The sections / groups that make up your organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) The history and development of the organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) The names / locations of key people e.g. Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) The functions of the main divisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q2 Since the introduction of the TQP, how has your knowledge and understanding improved regarding your organisation in:**

	A Lot Better	Better	About the Same	Worse	A Lot Worse
a) The products and services offered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) The financial environment in which it operates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q3 Since the introduction of the TQP, how has your knowledge and understanding improved regarding your organisation's strategic commitments:**

	A Lot Better	Better	About the Same	Worse	A Lot Worse
a) The overall aim and activities of the organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) How the quality programme fits into the organisation's philosophy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Where your organisation is heading - its corporate mission	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q4 Since the introduction of the TQP, how has your knowledge and understanding improved regarding your organisation's communication channels:**

	A Lot Better	Better	About the Same	Worse	A Lot Worse
a) Within your own Division	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) With other Divisions within your organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q5 What has the TQP meant for your organisation? [Select MORE than ONE if necessary]**

- |   |                          |
|---|--------------------------|
| a) Satisfy <i>external</i> customers    | <input type="checkbox"/> |
| b) Satisfy <i>internal</i> customers    | <input type="checkbox"/> |
| c) Gain competitive advantage           | <input type="checkbox"/> |
| d) Encourage teamwork                   | <input type="checkbox"/> |
| e) Employee involvement / participation | <input type="checkbox"/> |
| f) Employee development                 | <input type="checkbox"/> |
| g) Continual process improvement        | <input type="checkbox"/> |
| h) Efficiency improvement               | <input type="checkbox"/> |
| i) Partnerships with customers          | <input type="checkbox"/> |

**Q6 To what extent do you agree with the following statements:**

- |  | Strongly Agree           | Agree                    | Neither Agree nor Disagree | Disagree                 | Strongly Disagree        |
|--|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|
| a) The TQP changes were brought in at the right time for my organisation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| b) The TQP provided a new and better model of management activities      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| c) The TQP provided a new management structure                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |

**Q7 Each organisation considers different reasons for introducing quality programmes. What importance do the following have for your business organisation:**

- |   | Very Important           | Fairly Important         | Neither Important nor Unimportant | Not Very Important       | Not at all Important     |
|---|--------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|
| a) Always maintain high standards                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Do what is necessary to keep customers happy       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Encourage more customers to use our service        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Give our customers confidence in what we do        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Meet the standards of our industry                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Avoid making mistakes                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Monitor all procedures [Quality Control]           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| h) Make sure that everyone is committed to their work | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| i) Obtain Quality Registration                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| j) Get personal commitment from employees             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |

**Q8 Each organisation concentrates on improving certain aspects of itself as part of a long / short term strategic plan.**

**a) Which of the following *has* your organisation addressed during the last five years:**

- |  |                      |
|--|----------------------|
| i) Customer service                        | <input type="text"/> |
| ii) Marketing                              | <input type="text"/> |
| iii) Internal Communications channels      | <input type="text"/> |
| iv) Concentrate on improving core business | <input type="text"/> |
| v) Information processes                   | <input type="text"/> |
| vi) Formulate strategic development plans  | <input type="text"/> |
| vii) Other, please specify:                | <hr/>                |

**b) Which of these key areas do you think your organisation *should* address for the future?**

- |  |                      |
|--|----------------------|
| i) Customer service                        | <input type="text"/> |
| ii) Marketing                              | <input type="text"/> |
| iii) Internal Communications channels      | <input type="text"/> |
| iv) Concentrate on improving core business | <input type="text"/> |
| v) Information processes                   | <input type="text"/> |
| vi) Formulate strategic development plans  | <input type="text"/> |
| vii) Other, please specify:                | <hr/>                |

**c) Which of your company's future strategy plans are you aware of?**

- |                                 |                      |
|---------------------------------|----------------------|
| i) No formal plans in existence | <input type="text"/> |
| ii) 3 year plan                 | <input type="text"/> |
| iii) 5 year plan                | <input type="text"/> |
| iv) 7 year plan                 | <input type="text"/> |
| v) Other, please specify:       | <hr/>                |

**Q9 Many people may question the cost of introducing quality initiatives or may not know what the costs are.**

- |   | Yes                  | No                   | Don't Know           |
|---|----------------------|----------------------|----------------------|
| a) Do you know the cost of the total quality programmes within your organisation? | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| b) Do you think the costs of total quality programmes are justifiable?            | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Comments: 

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**Q10** There are many reasons why an organisation looks towards quality programmes. In your opinion what most influenced your organisation to introduce the Total Quality Programme?

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a) External pressure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Internal pressure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Change at Chairman / Board level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Privatisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Competition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Other, please specify:	<hr/>				

**Q11** There are many problems experienced whilst implementing Total Quality Programme[s]. To what extent do you agree that the following contribute to these problems?

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a) Lack of senior management commitment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Lack of middle management commitment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Lack of human resource	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Lack of financial resource	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Lack of knowledge on quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Lack of customer needs knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Too much emphasis paid to internal politics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Too much lip service, not enough action	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q12** In your opinion what has been the overall impact of the implementation of the Total Quality Programme[s] for your organisation?

Very Satisfied	Satisfied	Neither	Dissatisfied	Very Dissatisfied
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please use the space below for additional comments you wish to make regarding this section that have not been covered by the above questions:

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**SECTION B: ATTITUDE AND AWARENESS:**

*This section deals with how much the Total Quality Programme[TQP] has affected you personally during and after the implementation stage: i.e. How the total quality programmes have encouraged you towards working in teams and towards all aspects of total quality.*

*Please answer by selecting ONE box for each statement unless instructed otherwise.*

**Q13** The TQP has been implemented within your section. What do you think about the programme now? [Select MORE than ONE if necessary]

- |   |                          |
|---|--------------------------|
| a) A waste of time                                    | <input type="checkbox"/> |
| b) Looked good in theory but did not work in practice | <input type="checkbox"/> |
| c) Has been beneficial - improvements are noticeable  | <input type="checkbox"/> |
| d) A Training facade                                  | <input type="checkbox"/> |
| e) A great idea - needs to be continued               | <input type="checkbox"/> |
| f) Why have a programme?                              | <input type="checkbox"/> |
| g) Was it worth it?                                   | <input type="checkbox"/> |

**Q14** When the TQP was first introduced what were your initial thoughts? [Select MORE than ONE if necessary]

- |  |                          |
|--|--------------------------|
| a) A waste of time                         | <input type="checkbox"/> |
| b) Looks good in theory                    | <input type="checkbox"/> |
| c) May be beneficial                       | <input type="checkbox"/> |
| d) A Training facade                       | <input type="checkbox"/> |
| e) A great idea - has potential for future | <input type="checkbox"/> |
| f) Could be worth it                       | <input type="checkbox"/> |

**Q15** One of the components of the TQP is that of encouraging positive mental attitude and it is widely accepted by management to be a good communication tool. From the list below indicate how important they are to you:

- |   | Very Important           | Fairly Important         | Neither Important nor Unimportant | Not Very Important       | Not at all Important     |
|---|--------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|
| a) Refresher training course required on positive mental attitudes            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Include positive mental attitudes in performance objectives                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Publish individual's achievements [i.e. acknowledge efforts for work done] | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Increase the number of advertising posters                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Groups to work on collective projects / successes                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Encourage a more positive grapevine  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>          | <input type="checkbox"/> | <input type="checkbox"/> |

**Q16** How often do you take the time to talk face to face to your internal customers where possible, rather than simply writing a memo or picking up the telephone?

Never  
☐

Rarely  
☐

Sometimes  
☐

Often  
☐

Always  
☐

**Q17** The TQP aims to promote a healthier positive mental attitude throughout your organisation. Has this programme encouraged you to approach a work situation in a different way from that which you are used to?

	Yes	No
a) To tackle a problem head on	<input type="checkbox"/>	<input type="checkbox"/>
b) To fight harder for what you believe to be right	<input type="checkbox"/>	<input type="checkbox"/>
c) To focus on approaching others with solutions rather than problems	<input type="checkbox"/>	<input type="checkbox"/>
d) To take time to really listen to those around you	<input type="checkbox"/>	<input type="checkbox"/>
e) To take responsibility / ownership for something not strictly part of your job	<input type="checkbox"/>	<input type="checkbox"/>
f) To explore new avenues / methods without the fear of making mistakes	<input type="checkbox"/>	<input type="checkbox"/>
g) To become actively involved in improving the quality of your work	<input type="checkbox"/>	<input type="checkbox"/>

**Q18** The TQP aims to emphasise and encourage 'positive strokes' and 'attitudes' [e.g. smiles, praises, thanks, etc.]. Since the implementation of the programme, have you:

	Yes	No
a) Received thanks for a job well done	<input type="checkbox"/>	<input type="checkbox"/>
b) Praised / Thanked others	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

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**Q19** The introduction of quality programmes aims to encourage employee involvement and participation. Since the implementation of the TQP, to what extent have you been encouraged to participate:

	Much Higher	Slightly Higher	About the same	Slightly Lower	Much Lower
a) Within your own team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) With other groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) With other Divisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q20** The TQP aims to emphasise and encourage good working practices and relations with others. What has been the impact of the implementation of the quality improvements initiatives meant for you:

	Yes	No
a) Working practices and understanding has been greatly enhanced	<input type="checkbox"/>	<input type="checkbox"/>
b) Good working relationships have been established with colleagues	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

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**Q21 One of the aspects arising from the implementation of a TQP is the importance placed on job descriptions.**

a) To what extent do you agree with the following:

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
i) A detailed job description will help me to do my job better.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) A detailed job description will improve the quality of my work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

b) How important do you feel the following are for you:

	Very Important	Important	Neither Important nor Unimportant	Not Very Important	Not At All Important
i) The availability of a job description will help me to do my job better.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) The availability of a job description will improve the quality of my work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q22 Total Quality Programmes emphasise that procedures should exist for all work in which you are involved. What is your opinion of such procedures, help or hindrance ?**

Help	Hindrance
<input type="checkbox"/>	<input type="checkbox"/>

Comments:

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**Q23 In your opinion does the organisation hierarchical structure enhance or hinder the quality process?**

Help	Hindrance
<input type="checkbox"/>	<input type="checkbox"/>

Comments:

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**Q24 To what extent do you agree the following statements are true with regard to ensuring good management practice are upheld?**

	Very Important	Fairly Important	Neither Important nor Unimportant	Not Very Important	Not at all Important
a) Concentrate on meeting targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) I consider the views of those I work with / work for / work for me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) We have set procedures that we stick to	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) People are told precisely what to do	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) I can use my line manager to help me achieve my goals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) People are given a chance to try their own ideas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) I am motivated by line management to do my job well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) TQP has motivated me to do my job well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q25 Which of the following do you believe to be important for good customer relations? [Select ONE from EACH pair]**

- ☐ or ☐

- ☐ or ☐

- ☐ or ☐

- ☐ or ☐

**Q26 In your own words please describe what you understand by the term 'TOTAL QUALITY MANAGEMENT'?**

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Please use the space below for additional comments you wish to make regarding this section that have not been covered by the above questions:

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**SECTION C: COMMUNICATION:**

*This section deals with how much internal communication has improved since the introduction of the Total Quality Programme within your organisation, the type of programmes in use, the degree to which they are linked with participation and the tools and techniques adopted to communicate the issues to the people in the organisation.*

*Please answer by selecting ONE box for each statement unless instructed otherwise.*

**Q27 What is your quality improvement programme known as?**

Total Quality Programme [TQ] ☐ Total Quality Management [TQM] ☐ Quality Management System [QMS] ☐  
 No Name - Business as Usual ☐ Other, please specify: \_\_\_\_\_

**Q28 Which of the following concepts are you familiar with? [Select MORE than ONE if necessary]**

Quality is free ☐ JIT method ☐ Kaizen ☐  
 Zero Defects ☐ TQ/TQM ☐ Kanban ☐  
 QMS ☐ PDCA cycle ☐ Other, please specify: \_\_\_\_\_

**Q29 Please indicate which of the following quality gurus you are aware of : [Select MORE than ONE if necessary]**

Armand Feigenbaum ☐ W Edwards Deming ☐ Joseph M Juran ☐  
 Phillip B Crosby ☐ Tom Peters ☐ Peter Drucker ☐  
 Claus Moller ☐ Kaoru Ishikawa ☐ Genichi Taguchi ☐  
 Shigeo Shingo ☐ Other, please specify: \_\_\_\_\_

**Q30 There are many tools and techniques available for use when introducing and implementing Total Quality Programmes. [Select MORE than ONE if necessary]**

a) Which of the following tools and techniques are you familiar with ?

Problem Wheel ☐ Cause & Effect Diagram ☐ Solution & Effect Diagram ☐  
 Decision Analysis ☐ Pareto Analysis ☐ Force Field Analysis ☐  
 Brainstorming ☐ DPA ☐ Quality Function Deployment ☐  
 Other, please specify: \_\_\_\_\_

b) Were you introduced to the quality tools and techniques as a direct result of the introduction of the Total Quality Programme[s]?

Yes ☐ No ☐

Comments:

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**Q31 Which one of the following quality related standards are you aware of?**

BS5750 series ☐ ISO9000 series ☐ ISO14000 series ☐ Other, please specify: \_\_\_\_\_

How were they introduced to you? \_\_\_\_\_

**Q32 With the implementation of the TQP, how has your communication been affected regarding:**

	A Lot Better	Better	About the Same	Worse	A Lot Worse
a) Easier access to higher level management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Management's acceptance of new ideas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Your involvement in the decision making process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) A means of putting ideas and suggestions to higher management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Actively participating with higher management in the decision-making process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Other, please specify: _____					

**Q33 An organisation undergoes many changes to adapt its communications channels to a quality standard. As a direct result of the TQP, to what extent do you agree the following to be most effective or beneficial to you?**

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a) Full comprehensive staff directory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Training programme, Involving Everyone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Quality seminars	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Use of notice boards - formal / informal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Team briefings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Employees newsletter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Team building events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Visits to Head Office, Regional Offices, etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j) Job rotation [regular rotation of duties among staff in related activities]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k) Job shadowing [accompanying a member of staff on their job]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l) Secondments [spending time in a different department]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m) TQP has improved the standard of quality of working life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n) Other, please specify: _____					

**Q34 Team brief meetings are considered an important forum for communicating with others.**

- a) How often do you attend briefing meetings called by your line management to discuss departmental related issues?

Never ☐ Sometimes ☐ Often ☐ Always ☐

- b) How frequently are they held?

Irregular Intervals ☐ Weekly ☐ Monthly ☐ Quarterly ☐

- c) Has the frequency of these changed since the introduction of the quality programmes?

Yes ☐ No ☐

- d) Is Quality an agenda item at each meeting you attend?

Yes ☐ No ☐

- e) Should Quality be an agenda item for all meetings?

Yes ☐ No ☐**Q35 Total Quality philosophy encourages teamwork by bringing together the different levels of the workforce towards generating ideas and ownership for tasks and responsibilities. By what form are you encouraged to participate in the TQP improvement activities? [Select MORE than ONE if applicable]**

- a) Quality Improvement Project teams

☐

- b) Quality Circles

☐

- c) Cross-functional work teams

☐

- d) Team meetings

☐

- e) Steering groups / committees

☐

- f) Total Quality Management teams

☐

- g) Other, please specify:

**Q36 The introduction of quality programmes aims to promote ownership and responsibility for the work you do. Since the introduction of the TQP, how confident are you that, you:**

- a) Are fully aware of what is expected of you regarding your work activities?

Fully Confident	Slightly Confident	About the Same	Slightly Unconfident	Not at all Confident
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- b) Are fully aware of what is expected of you regarding your responsibilities?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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- c) Have clearly defined goals of your job requirements?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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- d) Have a clearly defined job objectives / targets?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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- e) Have sufficient background information to do your job well?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**Q37 Participation and joint making are key elements to successful communication between management and workforce.**

- a) Are you involved in making decisions that affect your team?

Never ☐ Rarely ☐ Sometimes ☐ Often ☐ Always ☐

- b) Where decisions are made as part of a group, has the quality of work produced improved:

A Lot Better	Better	About the Same	Worse	A Lot Worse
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- i) For you as an individual

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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- ii) For your group

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

- c) To what extent do you have sufficient autonomy in the decision making process?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

**Q38 It is widely accepted that standards for maintaining quality exist to show conformance in what we do. They can be set by either external sources or internally by the company quality group. In your opinion:**

a) Do you work to any standards / specification set by your organisation?

Never ☐

Sometimes ☐

Always ☐

b) How clear are the organisations internal quality standards to you?

Not at all clear ☐

Reasonably clear ☐

Very Clear ☐

Please provide details of any 'Tools and Techniques' used : \_\_\_\_\_

**Q39 Training is a key part of any new programme of change to ensure everyone understands what is required and their involvement.**

a) How much quality related training have you received?

i) None ☐

ii) 1 day ☐

iii) 1 week ☐

iv) More than a week ☐

v) Regular Basis [e.g. 1 day/month] ☐

b) From whom have you received your quality related training?

i) External Consultants/trainers ☐

ii) Internal Company trainers ☐

iii) Both ☐

iv) No-one, trained myself ☐

c) How do you perceive the training you have received to do your job well?

Excellent ☐

Reasonable ☐

Adequate ☐

Inadequate ☐

None ☐

Relevant ☐

**Q40 One of the aspects the TQP emphasises are the links between customers and suppliers, and how these links can be improved. Has quality of communication identified clearly to you, who are your :**

a) Customers

Yes ☐

No ☐

Partly ☐

b) Suppliers

☐

☐

☐

c) What their expectations are

☐

☐

☐

In your opinion what can be done to improve communication in these areas \_\_\_\_\_

**Q41 Many people may comment that the TQP do not really concentrate on key issues. List any improvements YOU would make to the Total Quality Programmes:**

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

f) \_\_\_\_\_



	Very Good	Good	Average	Poor	Very Poor
a) Clarity of letters / memos / circulars / documents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Information provided via Staff circulars / bulletins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Response to mail / memos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Information provided in your Company newsletter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Your teamwork within your team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Teamwork within the different teams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Teamwork with other Divisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please use the space below for additional comments you wish to make regarding this section that have not been covered by the above questions:

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**SECTION D: EFFECTS OF THE QUALITY PROGRAMME:**

*This section deals with general effects the Total Quality Programme has had on you and your organisation. How you perceive the future of TQP's and how they are linked with the styles of management.*

*Please answer by selecting ONE box for each statement unless instructed otherwise.*

**Q43 In your opinion, where should Quality be headed now? To what extent do you agree with the following statements:**

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a) Stay as it is, cannot go any further	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Continue the path it has taken	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Implement more service quality to enhance standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Provide more comprehensive training in service quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Provide more employee participation [e.g. work-groups]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Identify a new Quality Programme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q44 From the list below, please indicate how TQP has assisted YOU in the following:**

	A Lot Better	Better	About the Same	Worse	A Lot Worse
a) Total Participation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Process Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Customer Focus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Continuous Improvement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Planning Process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q45 On a scale from 0-5 please indicate how you are applying your TQP knowledge in the following: [0=No knowledge, 1=Some knowledge, 2=TQM applied first time, 3=Regular process in place, 4=Working on improving systems, 5=Best known system]**

	0	1	2	3	4	5
a) Total Participation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Process Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Customer Focus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Continuous Improvement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Planning Process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q46 From the list below please indicate how important you think the following are for your section/division within the Business Environment:**

	Very Important	Fairly Important	About the Same	Not Very Important	Not at all Important
a) Total Participation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Process Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Customer Focus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Continuous Improvement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Planning Process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q47** There is a greater emphasis placed on understanding between customers and suppliers and the need for quality. As a direct result of the TQP, in your opinion do you:

	All the time	Some of the time	Improvement needed	Never
a) Receive quality work from your suppliers?	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
b) Provide quality products / service to your customers?	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Please indicate which area(s) improvements can be made \_\_\_\_\_

**Q48** Many people may equate the introduction of quality programme with privatisation. In your opinion has privatisation:

	Yes	No	Don't know
a) Influenced your organisation to introduce the Total Quality Programme?	<input type="text"/>	<input type="text"/>	<input type="text"/>
b) Affected the quality of service?	<input type="text"/>	<input type="text"/>	<input type="text"/>
c) Affected the quality of product?	<input type="text"/>	<input type="text"/>	<input type="text"/>
d) Become a key factor towards the success of your organisation?	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Q49** In your opinion, what effect has there been on the following as a result of the success of the TQP process?

	A Lot Better	Better	About the Same	Worse	A Lot Worse
a) Yourself	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
b) Your group	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
c) Company's image externally	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
d) Company morale internally	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
e) Marketing advantage	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
f) Competitive advantage	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
g) Other, please specify:	_____				

**Q50** By what form is success of your quality improvement initiatives measured? [Select MORE than ONE if applicable]

a) Reduction in Customer complaints	<input type="text"/>
b) Increase in Customer Satisfaction	<input type="text"/>
c) Increase in profits / sales	<input type="text"/>
d) Meeting audit requirements	<input type="text"/>
e) Reduction in waste / returns	<input type="text"/>
f) Customer Satisfaction surveys	<input type="text"/>
g) Other, please specify:	_____

**Q51 It is widely believed that there are many cost benefits related with introducing quality programmes. To what extent do you agree with the following statements:**

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a) Costs incurred justified the benefits gained by introducing TQP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) My organisation paid too much for the TQP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) My organisation was prepared for the TQP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q52 An organisation may introduce many initiatives to ensure that quality is uppermost in peoples' minds'.**

a) Do you know how many different quality initiatives your organisation has introduced within the last 5 years?		
i) None <input type="checkbox"/>	v) 4 initiatives <input type="checkbox"/>	
ii) Only 1 initiative <input type="checkbox"/>	vi) 5 initiatives <input type="checkbox"/>	
iii) 2 Initiatives <input type="checkbox"/>	vii) More than 5 initiatives <input type="checkbox"/>	
iv) 3 initiatives <input type="checkbox"/>	viii) Don't know <input type="checkbox"/>	
b) How many of these have been successful?		
i) None <input type="checkbox"/>	v) 4 initiatives <input type="checkbox"/>	
ii) Only 1 initiative <input type="checkbox"/>	vi) 5 initiatives <input type="checkbox"/>	
iii) 2 Initiatives <input type="checkbox"/>	vii) All of them [More than 5] <input type="checkbox"/>	
iv) 3 initiatives <input type="checkbox"/>	viii) Don't know <input type="checkbox"/>	

**Q53 Many people may say that the style of management is influenced by both quality programmes and privatisation. In your opinion, to what extent have the following styles of management been influenced as a direct result of:**

a) The Total Quality Programmes?					
i) Autocratic [i.e. policies are determined by the leader]	Much Higher <input type="checkbox"/>	Slightly Higher <input type="checkbox"/>	About the same <input type="checkbox"/>	Slightly Lower <input type="checkbox"/>	Much Lower <input type="checkbox"/>
ii) Democratic [i.e. policies are determined by group discussion and decisions]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii) Laissez-faire [i.e. minimal leaders participation, members left to make their own decisions]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv) Paternalistic [i.e. too much supervision by leader]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v) Other, please specify: _____					
b) Privatisation:					
i) Autocratic [i.e. policies are determined by the leader]	Much Higher <input type="checkbox"/>	Slightly Higher <input type="checkbox"/>	About the same <input type="checkbox"/>	Slightly Lower <input type="checkbox"/>	Much Lower <input type="checkbox"/>
ii) Democratic [i.e. policies are determined by group discussion and decisions]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii) Laissez-faire [i.e. minimal leaders participation members left to make their own decisions]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv) Paternalistic [i.e. too much supervision by leader]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v) Other, please specify: _____					

**Q54** Each person has a different way of interpreting what the introduction of quality programmes means within an organisation. Please indicate to what extent YOU agree with the following statements regarding the effects of these programmes:

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a) Maintain good leadership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Maintain high standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Encourage more customers to do business with your organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Keeping customers happy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Giving existing customers more confidence in products and services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Meeting financial targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Introduced more procedures to improve working practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Getting employee commitment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Getting senior management commitment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j) Too much paperwork generated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k) Redundancies / Reductions in workforce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l) Encourage greater ownership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m) Created a change in the organisation culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n) My organisation is learning from its mistakes all the time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o) My organisation is still paying lip service to the quality programmes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q55** Everyone in the organisation is affected to some degree when TQP are implemented. List the main areas in which the Total Quality Programme has affected YOU in your daily work.

- |          |          |
|----------|----------|
| a) _____ | b) _____ |
| c) _____ | d) _____ |
| e) _____ | f) _____ |

Please use the space below for additional comments you wish to make regarding this section that have not been covered by the above questions:

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If you wish to add any other comments regarding any aspect of quality, total quality, participation, privatisation, etc.. your involvement or your organisations involvement in these key areas then please do so here, otherwise continue to the next page:

**SECTION E: RESPONDENT INFORMATION:**

*For classification purposes, please complete the form below. The information will be used to profile the respondent set.*

Your Job title: \_\_\_\_\_

**How is this classified:**Senior Management ☐Middle Management ☐Junior Management ☐Non-Management ☐

Other: \_\_\_\_\_

**Your length of service:**up to 2 years ☐2-5 years ☐6-10 years ☐10 years + ☐**Organisation Information:****Annual turnover:**up to £100m ☐£1,001m-£5,000m ☐£101m-£200m ☐£5,001m-£7,000m ☐£201m-£500m ☐£7,001m-£10,000m ☐£501m-£700m ☐£10,001m-£15,000m ☐£701m-£1,000m ☐£15,001m+ ☐**No of Employees:**Up to 200 ☐10,001-20,000 ☐201-500 ☐20,001-50,000 ☐501-1,000 ☐50,001-70,000 ☐1,001-5,000 ☐70,001-100,000 ☐5,001-10,000 ☐100,000+ ☐**Type of Privatisation:**Small Business Auction [Direct sale of whole company to highest bidder] ☐Strategic Investors [Company sold bit-by-bit, case-by-case] ☐Initial Public Offering [shares sold to public] ☐

Other, please specify: \_\_\_\_\_

**Business Activity:**Services: ☐Manufacturing: ☐Energy: ☐Public Utilities: ☐Telecommunications: ☐Engineering: ☐

Other, please specify: \_\_\_\_\_

**Thank you for your time in completing these questions, your input is most valuable. The information you have supplied will remain anonymous and confidential. Please return the completed questionnaire in the envelope provided**

If you would like to receive a summary report of the key findings of this research, please complete the section below:

Name: \_\_\_\_\_

Organisation: \_\_\_\_\_

Address: \_\_\_\_\_

or alternatively write quoting ref: BB/PhD/TQP/Survey, to :

**Mr Colin Egan**

**Professor of Strategic Management, Leicester Business School, DeMontfort University, The Gateway, Leicester, LE1 9BH**

Name:

Organisation:

Date:

Doc Ref: Interview Schedule

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Taped: Y or N

#### APPENDIX 4.4 INTERVIEW SCHEDULE

##### Management

Is staff being trained to accept increasingly greater responsibility? Why?  
What management traits do you think are needed to encourage Quality/TQM in your company  
Which of these traits would you say 'BEST DESCRIBES YOU'?  
Do you think TQM is flexible enough to incorporate the practices of day work involvement?  
What are the underlying beliefs and attitudes about the way things get done in your organisation?

##### Organisation & Culture

Which culture describes your organisation?  
Who holds the real power in your organisation when it comes to Quality programmes?  
Can the organisation do anything to improve the culture?  
In your opinion is your organisation a 'Learning Organisation'?  
What effects has privatisation had on the quality of service we give our internal customers?  
Do your managers perceive the scale and pace of changes needed as being radical or natural development?  
How has staff morale been affected by these programmes?  
How has the culture changed from that before Privatisation to now post privatisation?  
In your opinion has communication improved since the Quality Programmes began? How?  
Do people have sufficient power to handle decision making to get things done? By what form?  
In your opinion how has privatisation affected the Quality of Service? How much did Privatisation affected people's motivation levels?

##### Effectiveness of QIP / Change Initiatives

Did any TQP exist prior to privatisation?  
Since the introduction of the quality Initiatives has the 'quality of working life' improved for your staff? Any noticeable changes?  
Do you believe assessment is important for gaining confidence in TQP?  
How do you manage quality in your section?  
How do you organise to achieve customer satisfaction and do you measure it?  
Do you have an integrated service strategy or is it a collection of pious hopes / too much vision not enough action?  
Who benefits from quality? How do they recognise they are benefiting?  
What are the key motivating factors of TQ?  
What are the major drivers for implementing change?  
What are the strongest characteristics of your quality programme?  
To what extent do you believe the change has been good for your organisation?  
Has there been a noticeable change in 'people participation' since the Quality Initiatives began?  
Is there anything stopping you giving total customer satisfaction?

##### Value of QIP / TQM

How have external events influenced the internal culture of the organisation? e.g. Privatisation, Competition, Downsizing?  
Did TQP follow the full cycle into implementation and post review/closure/success?  
Why do companies pay so much to private consultants? Using quality consultant - good or bad?  
What benefits are evident since the introduction of the programme?  
Are you satisfied with the way in which quality targets are set and measured?  
Many feel QIP projects introduced and slowly disappear. Why do you think this is so?  
Do you think your organisation got value for money from the TQM programme? How? What ways?

##### General

What are the mechanisms used to deliver TQP  
What is the vocabulary used to communicate and embed the notion of quality  
How has the notion of quality changed f situation and relationship  
That external factor directly influences an organisations total quality policy  
What do you think is the main purpose of the Quality Programme within our Division  
What do you think is the most motivating factor for encouraging staff towards TQM  
What do you think should be done to ensure that quality is prominent in people's mind

Is there anything else that you wish to add?

Thank You for your time and assistance ... much appreciated



## **Appendix 6**

**6.1 – BT Chronology Chart**

**6.2 – BAe Chronology Chart**

**6.3 – Rover Chronology Chart**

**6.4 – BA Chronology Chart**

**6.5 – BAA Chronology Chart**

**6.6 – BP Chronology Chart**

**6.7 – BS Chronology Chart**

**6.8 – Royal Mail Chronology Chart**

BT	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
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Appendix 6.1 BT Chart.

Note: Shaded areas represent pre Privatisation

BT TQP initiatives			Customer Care	Total Quality Management launched and established as a 'critical success factor in our way forward'	TQM - Process Best Practices Strategic System Plan  TQM  BT Business Model  Critical Success Factors	BT Business Model  ISO9001  TQM	BT Business Model  Business Model Architecture  ISO9001  TQM	Putting Customers First  Process Management Programme	Putting Customers First  Project Sovereign  Leading trough Teamwork  LOVSTY (Living Our Values saying Thank You)  EQA Self- Assessment  Change Management Forum	First EQA self assessment  Used the EFQM model for Business Excellence  Leadership and TQ Training (1991-93)  Business Process Re- engineering initiative  Leadership for Managers  Involving Everyone  Leadership Programme - Leading through Teamwork  QMS introduced throughout the company to meet ISO 900 quality standards.	Project Breakout  Customer Services Project (CSP)  Leading trough Teamwork  Process Management  Winning Matters  BT Corporate Scorecard devised  for a better life	BT wide ISO 9001  Corporate Scorecard  New Ideas  Project Breakout	Project Breakout  Corporate Scorecard - Complements the Business Excellence Model: (includes Customer Market Shareholder / Financial Process Organisational Learning)  New Ideas	Reward & Recognition  Internal Market Programme  Investors in People  Creating Customer Confidence	BT wide ISO9001  Over 200 competitors in UK
BT TQP Keywords				Continuous Improvement  Every BT employee is an ambassador  Employee participation  Critical Success Factors  Cost reduction	Continuous Improvement  Customer Focus  Every BT employee is an ambassador  Meeting the customer(s) (agreed) requirements at lowest cost ... first time every time  Quality of Service	Continuous Improvement  Customer Focus  Understand customer requirements  Improve effectiveness  Value for Money  Improve quality and capability  Understand and	Continuous Improvement  Customer Focus  committed to far reaching changes in our culture through TQM to enable us to meet customer s requirements first time, every time, as part of our normal business activity	Delight our customers  Customer Focus  Value for Money  Excellence performance  Guarantee Compensation  Customers Choice  Say what you do, Do what	Customer Focus  Living the Values  Customer is King  Culture change - understand the desired customer focus culture  Customers Choice  Obtain customer	Customer Focus  Living the Values  Customer is King  Continuous Improvement  Customers Choice  Delight and Thrill	Customer Focus  Living the Values  Customer is King  Continuous Improvement  Process thinking  Cut costs  Drive for Efficiency	Customer Focus  Business Process Re- engineering  Improve internal processes  Improve business results  Take action to Delight the customer	Customer Focus  Improve internal processes  Improve business results  We aim to delight our customers	Customer Focus  People focussed  Create customer confidence - Customer care  Handle inquiries in a professional, courteous and caring manner	Customer Focus

BT	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
					Competitive prices	improve effectiveness of suppliers Compete strongly but fairly Everyone is able to contribute Pride, Integrity and Trust Meet needs of customers as a team Management education and training	Say what you do, Do what you say, Do it, Improve it Value Add Do it right first time Invest time and resource to develop people	you say, Do it, Improve it Continuously Improving Focus on markets and delivering quality solutions	feedback Say what you do, Do what you say, Do it, Improve it Delight and Thrill Drive out costs Understand the Competition		Improve quality of service Personal accountability To delight our customers				
BT Quality Champions			Stafford Taylor Division Managing Director		Quality Councils Established Iain Vallance, Chairman & Chief Executive Graeme Odgers, Group Managing Director Colin Williams, director Quality and Management Systems	Lowry Stanage, John Jarvis, Director Quality Strategy  Quality Council formed to champion quality and recognise and reward achievement TQM Implementation Support Managers appointed	Lowry Stanage, David Pentecost, Group Director of Quality	Lowry Stanage, David Pentecost, Group Director of Quality  Stafford Taylor Managing Director Cellnet (Special Business)	Lowry Stanage, David Pentecost, Group Director of Quality Mike Grabiner Director Quality  Posts created to champion quality at local levels- Implementation Support Managers Quality Support Manager Improvement Support Manager	Lowry Stanage, Director Quality Organisation John Young, Manager Quality Programmes  Posts created to champion quality at local levels- Implementation Support Managers Quality Support Manager	Lowry Stanage, Director Quality Organisation Michael Hephher Group Managing Director Stafford Taylor Divisional Managing Director  Posts created to champion quality at local levels- Implementation Support Managers Quality Support Manager	Lowry Stanage, Director Quality Organisation John Jarvis Director of Quality & Organisation Stafford Taylor Divisional Managing Director  Improvement Support Manager	Lowry Stanage, Director Process Control & Measurement Sir Peter Bonfield Stafford Taylor Divisional Managing Director	Lowry Stanage, Director Process Control & Measurement Stafford Taylor Divisional Managing Director	Over 200 competitors in the UK  Stafford Taylor Divisional Managing Director
BT Gurus/ Consultant				Gerard Egan (Model B) P A Consulting	Gerard Egan (Model B)	Gerard Egan (Model B)	Gerard Egan (Model B)		Elements of Lewin FFA, Pereto Deming (OPDCA) Ishikawa (fish	P A Consulting	Dr Juran s thinking on project by project improvement	Gemini Consulting Group (for BPR			

BT	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
									bone diagrams) Wolf Olins		Gemini Consulting Group				
<b>BT Business Issues</b>		Competition	Competition  Reduce complaints  Unreliable service	Payphone not working  Reduce costs  To improve quality  Lack of structured procedures for doing the job	Management structure to become flexible  Establish a common language  Need to improve company image - as customer perception not high  Management structure to become flexible	Improve Quality of Service  Need to eliminate waste  Improve standards of performance  Lack of measurement processes in place  Insufficient Management and support and resource allocation	Competition  Improve Quality of Service	Competition  Need to better manage service delivery	Competition  Need to drive out costs	Competition  To drive out unnecessary costs	Competition  Process re-design Generate new revenue opportunities  Stock management  Reduce costs	Competition  Drive for efficiency	Competition	Competition  Organisation structure does not allow for Units to trade with each other	Competition  Over 200 competitors in the UK
<b>BT Vision</b>				To become the most successful worldwide telecommunications group.	as 1986	as 1986	as 1986	as 1986	as 1986	as 1986	as 1986	as 1986.	To be the successful worldwide Telecoms group	To be the successful worldwide Telecoms group	To be the successful worldwide Telecoms group
<b>BT Mission</b>				Central purpose is to: Provide world-class telecommunications information products and services; Develop and exploit its networks at home and overseas;  so that it can:  meet the requirements of its customers; sustain growth in the earnings of the group on behalf of its shareholders Make a fitting contribution to the communities in which it	as 1988	as 1988	as 1988	as 1988	as 1988	as 1988	as 1988	Our purpose is to: Provide world-class telecommunications information products and services; develop and exploit our networks at home and overseas;  so that we can:  meet the requirements of our customers; sustain growth in the earnings of the group on behalf of our shareholders Make a fitting contribution to the communities in which we	as 1994	as 1994	as 1994

BT	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
				conducts its business.								conduct our business.			
BT Values					Based on the foundations of: Our Customers  Continuous Improvement  The Market Place  Teamwork  Our People  Our Suppliers			BTs values: BT puts its customers first  BT is professional  BT people respect each other  BT people work as one team  BT is committed to continuous improvement	BTs values: we put our customers first  we are professional  we respect each other  we work as one team  we are committed to continuous improvement	as 1991	as 1991	as 1991	as 1991	as 1991	as 1991
BT Quality Policy / Strategy					Five strands of the Quality Improvement plan:  Training Culture and style - personal action plans  Meeting customers requirements - Departmental purpose analysis  Major breakthroughs - quality improvement projects  Communication - Motivation and Recognition	as 1987	as 1987	Quality Councils established to champion the principles of TQ in all operating units by: Managing the BTQ policy; Ensuring the successful implementation of its TQ strategy; giving leadership to all staff in pursuing business improvement  Four strategic imperatives: drive quality from the top  pursue excellence in customer service  support BT	as 1988	A network of Quality Councils led by senior management on the Business and Quality Council monitors the effectiveness of quality strategy.  BT aims to achieve and sustain quality throughout its activities worldwide and employs TQM as the strategic means by which to achieve this goal. In line with this strategy, which focuses both on people and systems, BT has set itself four imperatives; to drive quality from the top to pursue excellence in	We aim to delight our customers: we will continually strive to provide customers with quality product and services which they recognise as good value, and service that excels we will ensure our customers requirements first time every time We depend on our relationships with suppliers. We will work with them in meeting continuously improving quality standards we are committed to managing our people and processes in	as 1993	as 1993  We aim to delight our customers	as 1993	as 1993

BT	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
								people in achieving TQ  set and achieve world-best standards of management		customer service to support BT people in achieving TQ to set and achieve world-best standards of management  The QMS has been designed to: meet customer requirements at lowest cost reinforce BT values be relevant to the user and add value facilitate continuous improvement	ways which release the creativity, resourcefulness and enthusiasm of all our people, and produce results which satisfy all who have a stake in the company we continuously review our performance against the European Quality Award framework for self assessment				
BT Other Aims/ Objectives / Goals						To provide its customers with a quality service at a competitive price  Every BT employee is an ambassador for the company		Personal feedback from customers Improve leadership styles for managers	BT's goal is to achieve and sustain quality in everything it does.  TQ is the strategic means by which BT is changing its culture to achieve the attitude of Putting Customers First.	To achieve and sustain quality throughout					
BT Awards												BT Northern Ireland Irish Quality Award Supreme Champion	EQA Finalist BT Operator Services  ISO9001 achieved company-wide	EQA prize winner BT Group	EQA prize UK Quality Award (BT Business Division & BT Northern Ireland)

BAe	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
-----	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

## Appendix 6.2 BAe Chart

Note: Shaded areas represent pre Privatisation

BAe TQP initiatives						TQP launched Strategic Focus  MAL Quality  CQI Executive Training Programme Road Map	Prosper 2000 (to support CQI)  Management Development Programme	Team Briefing  KPS (Dynamics)  Assessment against EFQM	Critical Success Factors (CSF) Framework 1991-96 included: Costs Management information Performance Quality Technology Product base Sales Suppliers Customers  CIAG - Continuous Improvement Activity Groups	(CSF)  Engineering for Manufacturing Excellence  Integrated Military Aircraft Business Plan  Business Excellence model  ISO9000 registration	(CSF)  Military Aircraft Business Plan  Business Excellence model  Benchmark BAe - development of Values  Culture Change  Value Plan	(CSF)  Design for Product Excellence  Fit for the Future  Benchmark BAe - development of Values  Investors in People  Manager as a Developer  Management Development Programme	(CSF)  'Benchmark BAe'  liP  Vision 2000 (Personnel management strategy)  System Engineering Excellence (Dynamics)  Operational Efficiency Improvement (OEI) project launched  Statistical process Control (SPC)  KUDM model  Business Awareness Programme  Business Leaders Programme  Value Behaviours	(CSF)  'Benchmark BAe'  Value Plan 1996 (replaced CSF)  SPC  BPR  Enterprise Resource Planning  Business Scorecard  Achieving Customer Excellence (ACE)  Leadership for Change  Manager as a Developer  Involvement And Communication	'Benchmark BAe'  Project AXIS  BEST rollout  Quality of Service (QOS)  Supplier Excellence Programme (SEP) (for 1998) - 'Mystery shopper'  Business Scorecard  Achieving Customer Excellence (ACE)  Value Based Management (VBM)
BAe TQP Keywords			Cost of Quality		Natural work teams  Develop effective behaviors  Deploy common sense  Establish effective measures	CQI - delivery standards future competitiveness Product liability  Cost of Quality  Delivery standards  Future competitiveness  Product library  Technical	Business Planning  'Right First Time'  Product Quality  Supplier Quality  Technical Quality  Cost of Quality	closer links between the business units  Right Drawings, Right Process sheets, Right Tools & Materials, Right training Right Supervision  Teamwork  Manage delivery	CSF (Cost)  Management Information, Performance, Quality, Technology, Product Base, Sales, Suppliers, Customers)  Get it right and To check it is right  Focus on core	as 1991  Customer Focus Product Improvement Process Management Staff Competence Empowerment  Value Plan  PDP  Customer	as 1991  get a common structure for consistency  create greater customer and supplier relationships	As 1991  Increase autonomy  Increase customer orientation  Improve Quality Customer satisfaction  Create a learning organisation	as 1991  Continuous Improvement  Focus on People  Customer Partnership  Innovation  Delighting Customers	As 1991  delighting customers  Customer satisfaction  Leadership training  Improve quality order fulfillment	as 1991  Leadership training  Teamworking  Common Development  Create common goals  Create clear objectives

BAe	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
						quality Supplier quality Product quality		standards Improve operating efficiency Product quality Technical quality Supplier quality Management quality Financial accountability Cost of future competitiveness	business selling non-core operation	accountability					
<b>BAe Quality Champions</b>				Sir Austin Pearce, Chairman	Professor Roland Smith, Chairman	Professor Roland Smith, Chairman  John Weston Managing Director MAL  Steering Group and Continuous Improvement Committee set-up	Professor Roland Smith, Chairman  Sir Raymond Lygo CEO	Sir Roland Smith Chairman  Dick Evans CEO	Dick Evans CEO  Sir Graham Day Chairman	John Cahill Chairman  Dick Evans CEO  Ross Bradley Project Director	John Cahill Chairman  Dick Evans CEO	Bob Beauman Chairman  Dick Evans CEO	Bob Beauman Chairman  Dick Evans CEO	Bob Beauman Chairman  Dick Evans CEO	Bob Beauman Chairman  Dick Evans CEO
<b>BAe Gurus / Consultants</b>				Warner Burke	Warner Burke  'Strategic Architect' styles of McKinsey - established direction and manages business portfolios.	McKinsey & Co.  Teal Group  Forecast International  Booz-Allen & Hamilton  Merryl Lynch  Jane's Information Group	as 1988	Price Waterhouse  Industrial Society (for Teamwork)  as 1988	Price Waterhouse  as 1988	Price Waterhouse  as 1988	Price Waterhouse  as 1988	Price Waterhouse  as 1988	Price Waterhouse  Ron Byron - SPC Consultants  Ross Bradley Project Director of OEI  The Alexander Consulting Group	Price Waterhouse  Mark Hamlin Psychologist  Cutting Edge consultants	Price Waterhouse  P A Consultants  Deming & Baldrige philosophy
<b>BAe Business Issues</b>						Profit driven business  Improve quality  Improve performance	Cost of Quality  Inappropriate Management Systems	5 Rights to do Right Job  Innovative Products  Eliminate waste	Major market changes  Maintaining schedules adherence  Achieving cost	as 1991  Achieve ISO9000-3 across the business, Customer focus	as 1991  Project process to replace functional procedures  Create a	as 1991  Measure Business change  Create a	as 1991  Integrate approach to Business Improvement	as 1991  Improve external customer satisfaction by 25%	as 1991  Improve external customer satisfaction by 25%



BAe	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
						Each Unit handled its own activity differently - no common approach		To attain clear business focus Reduce vertical integration Need to meet market needs	reduction achieving lead time reductions Improving supplier performance Maintaining a viable workload (Business winning)		common structure	common structure			Meet market changes
BAe Vision													At British Aerospace we are dedicated to working together, and with our partners, to become the Benchmark for our industry, setting the standard for customer satisfaction, technology, financial performance and quality in all that we do.	Become the Benchmark (MAA)	
BAe Mission									"To be number 1 in Europe and world leader in the Military Aircraft Business" (MA)	as 1991	as 1991	as 1991	as 1991	as 1991	"To be the benchmark military aircraft (Aerostructures) company by the 21st century" (MA)
BAe Values							Five strategic vales : Customers People Performance Partnership Innovation & Technology	as 1989	as 1989	as 1989	as 1989	as 1989	as 1989	as 1989	as 1989
BAe Quality Policy / Strategy						Steering groups and Continuous Improvement committee setup		Dynamics Quality Strategy (monitoring customer supplier Employee attitude)				10 point Quality Policy devised: -use EFQM to measure excellence -use ISO9001 to secure	Customer satisfaction at competitive cost  Data Quality Strategy: Effective &	as 1995	as 1995

BAe	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
												performance -understand customer requirements -everyone has responsibility for quality -establish controlled processes -apply continuous improvement -quality assurance focussed on problem prevention -measure and review to improve -work with suppliers -everyone needs to contribute	Satisfied people Financial return Orders at the right price Customer satisfaction  To maintain exceptional customer satisfaction through continuous improvement whilst maintaining national and international Quality Systems Standards Approvals'		
BAe Other Aims / Objectives / Goals										Project Boards set up to establish customer accountability			OEI - demands values in terms of performance, people, customers, partnerships and innovations.		Focus on: To increase shareholder value To meet and exceed target margins in all our contracts To delight our customers To grow the business to increase added value To achieve our vision of becoming the benchmark
BAe Awards										ISO9000 registration	Tick IT	BSEN ISO9001 Aerospace Sector Certificate ISO9001 registration  ISO14001 BAerospace Samlesbury (Green Team)	Queens Award for Industry for Export  McDonnell Douglas Accreditation	Silver level Certificate for Process Control  Gold level for SPC	

Rover	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
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## Appendix 6.3 Rover Chart

Note: Shaded areas represent pre Privatisation

<b>Rover TQP Initiatives</b>			"Working with Pride"	"Roverisation" - strategy for moving Rover products up-market  Employee attitude Survey  TQM Policy Deployment	TQP launched - training 35,000 people on philosophies & tools of TQ  TQ Improvements implementation progressed  TQM philosophy  TQ Leadership programme	TQI Audits  TQ Leadership programme	TQI Audits  TQI awareness - basic Quality Improvement tools training for people  Critical Success Factors  TQI cascade	TQI Audits Reinforcements workshops for managers organised  Rover Tomorrow - the New Deal  EFQM / BQF model used TQ driven by 'Visualising Improvement'	New Deal  Rover Learning Business launched  Quality Strategy 1991 - 1995	Self Assessment  Benchmark / EFQM  New Deal  Quality Strategy 1991 - 1995	Self Assessment  Quality Strategy EFQM method adopted  Quality Strategy 1991 - 1995		Quality Strategy stops - not a rolling plan  Quality Strategy 1991 - 1995	New 5 year Quality Strategy developed 1995-2000  Develop Peoples Contribution	Quality Strategy developed 1995-2000
<b>Rover TQP Keywords</b>			Improvement in communication recruitment training, a suggestion scheme will create motivation and commitment to quality	Customer Satisfaction  Profitability  Efficiency  Customer satisfaction  Produce volume	Understand Quality  Teamwork  Create new business opportunity  Create cultural breakthroughs	System, organisation, people, product and specification, purchasing, product manufacture, customer service  Customer Satisfaction	'Customer driven More up-market Grow in Europe Reduce Breakeven'  CQTS (Customer Quality Tracking Surveys)	Deming cycle - Plan, Do, Check, Act  Add Value  Cost efficiency  Participation  Education  Kaizen - Continuous learning  Teamwork  Creative Thinking  Improve customer service  Create learning environment  Be open and honest	Deming cycle - Plan, Do, Check, Act (DO process running) Flexibility Teamwork Continuous Local Improvement  Benchmarking - Corporate Key Business Process (5 year plan)  Quality Action Plans (QAT)	Deming cycle - Plan, Do, Check, Act (Review process in place) Flexibility Teamwork Continuous Local Improvement  Participation in QAT	Flexibility  Teamwork  Continuous Local Improvement  Process Monitoring	Flexibility  Teamwork  Continuous Local Improvement  "The way we do things down here"	4 operational processes (1996-2000) Develop New Products Generate Demand Fulfill demand Inspire Lifetime Relations	as 1995	as 1995
<b>Rover Quality Champion</b>			Rover Group Quality Council	Graham Day Group Chairman & Chief Executive  John Towers CE	Graham Day Group Chairman & Chief Executive	Graham Day Group Chairman & Chief Executive  Liddle Hart Joe Cullen,	Graham Day Group Chairman & Chief Executive  Joe Cullen, Director Strategy	Graham Day Group Chairman & Chief Executive  Joe Cullen, Director	Joe Cullen, Director Strategy  George Simpson (takes over responsibility)	Joe Cullen, Director Strategy	Joe Cullen, Director Strategy	Joe Cullen, Director Strategy	Joe Cullen, Director Strategy	Joe Cullen, Director Strategy	Joe Cullen, Director Strategy

Rover	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
				Quality Councils established		Director Strategy		Strategy	from Graham Day)						
Rover Gurus / Consultants					Colin Price, Price Waterhouse  Policy Deployment of Hoshin Kanri is based on ideas of Professor Yogi Akas of Japan										
Rover Business Issues				Need to improve efficiency  Improve customer satisfaction  Produce high volume  To be more profitable  Improve image and status  Competition  Move product up-market	new business opportunity  create cultural breakthroughs		Increase customer satisfaction  Grow in Europe  New product introduction; logistics; maintenance; sales and service; corporate learning; management of people; product improvement; Business planning.  Need to improve customer perception	Improve Customer service  New product introduction; manufacture; logistics; maintenance; sales and service; corporate learning; management of people; product improvement; Business planning.	Competition	Competition	Competition	Competition	as 1994	as 1994	as 1994
Rover Vision / Goals							to be "internationally renowned for extraordinary customer satisfaction"	as 1989	as 1989	as 1989	as 1989	as 1989	as 1989	as 1989	as 1989
Rover Mission															
Rover Values															
Rover Quality Policy /				Rover Group Quality Council formed: "Our	Our success depends on satisfying our										

Rover	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Strategy Statement				success depends on satisfying our customers. We shall achieve it through TQ in every part of our Company. Quality depends on the people in Rover Group. We all have customers: those who receive our products and services, and those inside the company who rely on the work we do. We are all involved in TQ. Our policy is that we all understand and meet our responsibilities as art of an effective team, which includes our Dealer and Suppliers. Customer' expectation are continually changing. TQ requires continuous improvements in everything we do, using and investing our resources effectively at all times to minimize total costs".	customers. We shall achieve it through TQ in every part of our Company. Quality depends on the people We all understand and meet our responsibilities as art of an effective team, which includes our Dealer and Suppliers. Customer' expectation are continually changing. Using and investing our resources effectively at all times to minimize total costs".										
Rover Other Aims/ Objectives / Goals						Grow in Europe Move up-market Reduce break-even Customer satisfaction	Obtain customer feedback CQTS - interviews conducted on sample of recent	RLB - develop people skills	QAT - reduce costs, continuous improvement						

Rover	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
							customers								
Rover Awards										British Quality Award (for product quality, efficiency and people management)  Queens Award for Technological Achievement		preparation for Rover's application for the inaugural 1994 UK Quality Award	joint winners of the UK Quality Award with TNT (Sales increased by 23%; Average revenue per employee up 46%; People satisfaction rates up 33% )		

BA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
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## Appendix 6.4 BA Chart

Note: Shaded areas represent pre Privatisation

<b>BA TQP Initiatives</b>	1. Putting People First -if we don't someone else will (people attitude towards customers / colleagues)	Managing People First (managers motivating & taking responsibility) Leading the Service Business Individual Action Programmes & Support group	2. A Day in the Life (awareness if work in other departments) 'SuperCare' campaigns Individual Action Programmes & Support group SMART (Service Materials And Resource Together (BA Engineering))	Leading the Service Business 1 Customer First Teams	3. To be the Best Brainwaves A Day in the Life IADOM (It All Depends On Me) in reservations unit 'We're setting the Standard' (service strategy for Ground Operations in London) Leading the Service Business 2 Awards & Excellence scheme	Fit for Business Creating First Impressions (for checkout staff) 'Serve to Win for Everything' (for Cabin crew) Skills for Quality Improvement (BA Engineering) Brainwaves	Brainwaves Key Result Areas	Brainwaves Key Result Areas	4. Winning for Customers	'Focus on Customer Retention' 'Winners' (corporate programme) 'Managing Winners' (Management programme)	'Focus on Customer Retention' Management Development programme 'Managing Winners' (Management programme) Impact Teams BAQF developed Operation Brainstorm	'Focus on Customer Retention' SQL 'Managing Winners' (Management programme)	Vision 2000 framework established SQL Leadership 2000 Insight Putting the Customer First - 2 Winning For Customers - (new strategy)	Breakthrough Business Efficiency Programme Leadership 2000	New corporate identity launched £6billion 'Leadership 2000' Vision 2000
<b>BA TQP Keywords</b>	'People Come First' (Marshall's golden rule) Putting the Customer First Teams: Brainstorming Problem Analysis Group Processes Presentation Techniques Customer Service Improving people relationships	Teamworking Caring for the Customer Highest Levels of Service, Preserve high professional / technical standards, Uniform image worldwide, Responding to changing needs of our present and potential customers, Market the airline, Create a service and people oriented work environment	Service Trust Listening Change attitude and behaviour Quality of service is paramount	Teamwork Focus on Customer Interfaces Problem Analysis Group Dynamics 'The World's Favourite Airline'	Communication Networking Teamwork Creating First Impressions Serve to Win Provide a uniform image worldwide Respond quickly to changing customer needs Provide a high level of service to customers Create a people oriented service	Competition Re-engineering (EQFM) Creating First Impressions Serve to Win	Caring Knowledgeable Value for money Trustworthy Service and Value Global Leader	Exceed customer expectation	'Zero defection' Exceed customer expectation Understand the Customer Customer loyalty is important Create competitive edge	'Zero defection' Exceed customer expectation Understand the Customer Quality Customer Service Maintain Customer loyalty Service recovery Take personal responsibility Increase individual ownership	'Zero defection' Exceed customer expectation Understand the Customer Involving and delegating Feedback Coaching Developing people Provide a common language Striving to exceed our customers expectations	Problem Analysis Managing Involvement Decision Analysis Value for Money	Service Delivery Continuous Improvement Change image and culture Maximise profits Value for Money Leadership Improve planning processes Service excellence must always be our goal	Value for Money Genuinely the world's favourite airline	Exceed customer expectations Citizen of the world To fly to serve Deliver, Recover, and Retain

BA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
											Deliver quality as a competitive advantage				
<b>BA Quality Champions</b>	<p>Sir Colin Marshall, CEO and advocate of 'I fly the world's favorite airline'</p> <p>Denis Walker, Customer Services Manager: Reputation of Poor Delivery Needs of the Marketplace</p> <p>Howard Phelps, Operations</p> <p>John Garton, Engineering</p> <p>Peter Bateson, Marketplace performance</p> <p>Lord John King, Chairman</p> <p>Joe Goasdoue, customer care and quality programmes</p>	<p>Colin Marshall</p> <p>Dr Nick Georgiades, Human Resources Director</p> <p>Denis Walker, Customer Services Manager</p> <p>Jim Harris, Marketing Manager</p> <p>Gordon Dunlop, Financial Officer</p>	<p>Sir Colin Marshall, CEO</p> <p>Denis Walker, Customer Services Manager</p>	<p>Sir Colin Marshall, CEO</p> <p>Denis Walker, Customer Services Manager</p>	<p>Sir Colin Marshall, CEO</p> <p>Denis Walker, Customer Services Manager</p>	<p>Sir Colin Marshall, CEO</p> <p>Denis Walker, Customer Services Manager</p>	<p>Sir Colin Marshall, CEO</p> <p>Denis Walker, Customer Services Manager</p>	<p>Sir Colin Marshall, CEO</p> <p>Tom Clarry, Head Worldwide Customer Service BA</p>	<p>Sir Colin Marshall, CEO</p> <p>Bob Ayling Director Marketing and Operations</p> <p>Charles Weiser Head of BA Customer Relations Department</p>	<p>Sir Colin Marshall, CEO</p> <p>Charles Weiser Head of BA Customer Relations Department</p>	<p>Sir Colin Marshall, CEO</p> <p>Charles Weiser Head of BA Customer Relations Department</p>	<p>Lord King, President</p> <p>Sir Colin Marshall, CEO</p> <p>Bob Ayling MD</p> <p>Charles Weiser Head of BA Customer Relations</p> <p>Cumming, Director of BAEngineering</p>	<p>Sir Colin Marshall, CEO</p> <p>Charles Weiser Head of BA Customer Relations Department</p> <p>Cumming, Director of BAEngineering</p> <p>Kevin Murry, Director of Communications</p>	<p>Bob Ayling, CEO</p> <p>Sir Colin Marshall non exec chairman</p>	<p>Bob Ayling, CEO</p> <p>Sir Colin Marshall non exec chairman</p>
<b>BA Gurus / Consultants</b>	<p>PCF programme run by Time Manager International (trained presenters and then monitored the programme) - Claus Moller</p> <p>Purchase Point (market services company which staged the programmes 'Day in the Life')</p>	<p>Purchase Point (market services company which staged the programmes 'Day in the Life')</p> <p>Deming philosophy</p> <p>Saatchi &amp; Saatchi for 'Manhattan' campaign</p>	<p>Saatchi &amp; Saatchi for Supercare campaign</p> <p>Purchase Point (market services company which staged the programmes 'Day in the Life')</p>	<p>Purchase Point (market services company which staged the programmes 'Day in the Life')</p>		<p>Price Waterhouse</p> <p>Kepner Tegue (BAEngineering)</p>			<p>Fay Fransella Center of Personal Construct Psychology</p> <p>Deming philosophy satisfying customers is not enough</p>	<p>Fay Fransella Center of Personal Construct Psychology</p> <p>Deming philosophy satisfying customers is not enough</p>	<p>Fay Fransella Center of Personal Construct Psychology</p>	<p>Kepner Tregoe</p>	<p>Kepner Tregoe</p>		
<b>BA Business</b>		Need to focus on Service	Need to create the		Competition	Service improvement	Competition	Competition	Cost of quality	Quality of service	Quality of Service	Value for Money	Improve company image	Meet market demands	Meet customer needs



BA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Issues		elements because complaints in: Queuing, transactions, telephone answering, baggage delivery, punctuality	right image - Marketplace Performance department created - unit looked at the market orientation concepts worked in practice		Increase Customer focus Efficiency	Improve company performance	Need for expansion Improve image	Need for expansion	Need to attract new customers Need to create customer loyalty	Customer relations Need to improve service Need to improve service delivery / recovery Need to improve customer relation	Customer retention We need continuous improvement in our products, processes and behaviours		Need to manage costs Need to manage the impact of technology on business Meet Global competition		
BA Vision		It is our intention to be the best airline in the world		The best and most successful in the field of air travel, tourism and transport. Known as the most efficient, the most customer-concerned as well as the safest at whatever it does. Sure that the term 'British Airways Manage' is synonymous with people-concern, high achievement and general business capability. Maintaining constantly improving targets as a good employer as well as manifesting concerns for social and community opportunities and environmental standards wherever the company			safe & secure; financially strong; global leader; service & value; customer driven; good employer; Good neighbour.	As 1988	as 1988	as 1988	as 1988	as 1988	as 1988	as 1988	BA is aiming to set new industry standards in Customer Service and innovation, deliver the best financial performance and evolve from being an airline to a world travel business with the flexibility to stretch its brand in new business areas'.

BA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
				operates. Achieving a level of the return on investments so that any shareholder will value his/her involvement with British Airways, and see it as an important and sound investment.											
BA Mission				BA will have a corporate charisma such that everyone working for it will take pride in the company and see themselves as representing a highly successful worldwide organisation. BA will be a creative enterprise, caring about its people and its customers. We will develop the kind of business capability, which will make BA the envy of its competitors, to the enhancements of its stakeholders. BA will be a formidable contender in all the fields it enters, as well as demonstrating a resourceful and flexible ability to earn high profits wherever it		To be the best and most successful company in the airline business.	To be the best and most successful company in the airline industry	as 1990	as 1990	as 1990	as 1990	as 1990	as 1990	as 1990	<p>To be the 'undisputed leaders in the travel world'.</p> <p>To ensure that BA is the customer's first choice through the delivery of an unbeatable travel experience</p>

BA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
				chooses to focus. We will be seen as THE training ground for talented people in the field of service industries. Whether in transport or in any of the travel and tourism areas, the term 'British Airways' will be the ultimate symbol of creativity, value, service and quality.											
BA Values												Trustworthy Professional, Caring Knowledgeable Value for money Enjoyment			
BA Quality Policy / Strategy	Marketing Policy Group created:- identified broad areas where change was needed.  Corporate objectives were identified	Quality Audits – managers looked at Service elements:- Queuing, transactions, telephone answering, baggage delivery, punctuality  Quality Auditing was the remit of the Department consisting of Senior Quality Executives	Marketplace Performance department created – unit looked at the market orientation concepts worked in practice.								Quality means striving to exceed our customers expectations. To deliver quality as a competitive advantage for BA, we need continuous improvement in our products, processes and behaviours.  Quality Board established in BA. A Cumming, Director Engineering said, "to migrate what Engineering has achieved"				
BA Other Aims/ Objectives / Goals	'To be the Best' Corporate objectives were: to provide the			'To be the best and most successful airline in the			'Global Leader: to secure a leading share of air travel	To achieve goals etc: deliver friendly			Our aim is to provide overall superior service and good value	Without customers, we do not have a business.	BA had 4 key objectives: to be genuinely the world's	To provide overall superior service and good value for	

BA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
	<p>highest levels of service to all customers, passengers, shippers, travel agents and freight agents; to preserve high professional and technical standards in order to achieve the highest levels of safety; to provide a uniform image worldwide and to maintain a specific set of standards for each clearly defined market segment; to respond quickly and sensitively to the changing needs of our present and potential customers; to maintain and where opportunity occurs, expand our present route structure; to manage, operate and market the airline in the most efficient manner; to create a service and people oriented work environment, assuring all employees of fair pay and working conditions and continuing concern for their careers.</p>			<p>world, earning good profits in whatever it does.'</p>			<p>business worldwide with a significant presence in all major geographic markets'.</p> <p>'Service &amp; Value: to provide superior service and value for money in every market segment in which we compete.'</p>	<p>professional service consistently through well-trained and motivated employees search continuously for improvement through the use of technology and decision-making processes that provide clear direction and sense of purpose foster a leadership style throughout the organisation which encourages respect for individuals, teamwork and close identification with customers strive constantly to achieve agreed standards of quality at comprehensive cost leader</p>			<p>in every market in which we compete (Service Delivery Department)</p>		<p>Service excellence must always be our goal</p>	<p>favorite airline; to be pre-eminent in customer service;</p> <p>to be truly global;</p> <p>To be the UK's best managed company by the year 2000.</p> <p>BEP - to achieve £1bn efficiency in 3 years</p>	<p>money in every market segment we operate'.</p>
BA													BQA for		

BA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Awards													Business commitment to the environment		

BAA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
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## Appendix 6.5 BAA Chart

Note: Shaded areas represent pre Privatisation

BAA TQP Initiatives							TQ Awareness	Creating Successful Team  Quality of Service Monitor	TQM  Process Management  Continuous Improvement launched	Continuous Improvement	Sharing the Vision	Growing the Business  Worldwide Guarantee (refund on all products sold at airports)	Creating Successful Teams	Freedom to Manage  Your Views Count  Partnership programme  The Mystery 'shopper' Customer Programme  The Airport Challenge	Project Enterprise  Roadshows  Speak Up  The Mystery 'shopper' Customer Programme  The Airport Challenge
BAA TQP Keywords								Participation  Empowerment  Improve Image  New style of management  Improve Communication  Manage performance of better teams	Continuous Improvement  Improve Image  Customer service  Staff involvement  Change culture  Teamwork	Improve Image  Focus on customer  Continuous Improvement  Cost of Quality	Focus on Leadership  Focus on Business Knowledge  Customer focus	Improve the business  Teamwork	Safety  Security  Customers Suppliers  Business partners  Shareholders  Environment  Teamwork	Leadership styles  People skills  Visibility - be seen, listen, respond  Empowerment  Communication - be open and honest  Continuous feedback  Partnerships with customers  Deliver excellent service  Working together can be fun	Communication  Continuous feedback  Partnerships with customers  Deliver excellent service  Working together can be fun
BAA Quality Champions	Sir Norman Payne, Chairman	Sir Norman Payne, Chairman	Sir Norman Payne, Chairman	Sir Norman Payne, Chairman  J E Boyd Deputy Chairman	Sir Norman Payne, Chairman  J E Boyd Deputy Chairman	Sir Norman Payne, Chairman  J E Boyd Deputy Chairman	Sir Norman Payne, Chairman  J E Boyd Deputy Chairman	Sir Norman Payne, Chairman  J E Boyd Deputy Chairman  J S Marshall Chief Executive	Sir Norman Payne, Chairman  J E Boyd Deputy Chairman  Sir John Egan Chief Executive	Brian Smith Chairman  J E Boyd Deputy Chairman  Sir John Egan Chief Executive	Brian Smith Chairman  Sir John Egan Chief Executive	Brian Smith Chairman  Sir John Egan Chief Executive	Brian Smith Chairman  Sir John Egan Chief Executive	Brian Smith Chairman  Sir John Egan Chief Executive	Brian Smith Chairman  Sir John Egan Chief Executive

BAA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
								Sir John Egan Chief Executive							
BAA Gurus / Consultants					Ideas from Eduard de Bono for adverts to launch BAA - sheep saying "BAA BAA" as it would be easier to remember				elements of: Drucker Peters Deming Ishikawa Crosby	as 1991	as 1991	as 1991 BSB Dorland for advertising	as 1991	As 1991 BDI Research Consulting  Henley Management College	as 1991
BAA Business Issues						Improve company performance	Improve Image	Improve Image	Improve Image	Concentrate on Core activity  Cost of quality  Service improvement	Cost of quality  Service improvement	Service improvement	Need to improve operating methods  Need to boost productivity	Need to manage technology better	Need to integrate business system across functional groups
BAA Vision / Goals														To achieve our mission we will: safety & security; give safety and security the highest priority all times by systematically assessing and managing our safety and security risks through audited, best practice management systems. Employees: provide a good and safe working environment, which attracts and retains, committed employees. Through training and two-way communication allow them to fulfill their potential and contribute directly to the success of the company.	

BAA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
														<p>Customers, suppliers and business partners: ensure our passengers and airlines receive excellence and good value for money in the services BAA provides and work together with our suppliers and business partners to create added value for all concerned.</p> <p>Strategy: concentrate on the core airport business, be prudently financed, continuously improve quality and cost effectiveness, become excellent in information technology, fully develop our property and retail potential, achieve world-class standards in capital investment and develop an international business which enhances the quality and growth prospects of the Group.</p> <p>Shareholder: encourage shareholders to believe in our company by giving them consistent growth in</p>	



BAA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
														earnings and dividends. Environment: recognise the concerns of the local communities, set challenging environmental targets and audits our performance against them.	
BAA Mission						We aim to achieve a consistent growth in earnings per share and in return on net assets employed which puts our performance amongst the highest of 100 largest companies in the UK. We will give safety and security the highest priority at all of our airports. We aim to remain the world's leading international airport group and intend to be recognised as such. We will keep our shareholders well informed about the development of our business. We will deal with customers, shareholders, staff, suppliers and other business partners with				To make BAA the most successful airport company in the world.	The mission of everyone in the Company - at every level - is to make BAA the most successful airport company in the world. Our values are based on: always focusing on our customers needs an safety; seeking continuous improvements in the costs and quality of our processes and services; enabling our employees to give of their best.  In developing our core airport business, safety and security will have the highest priority at all times. We will continuously improve quality and cost-effectiveness, fully develop our retail and property potential, and	Our mission is to make BAA most successful airport company in the world. This means: always focusing on our customers needs an safety; achieving continuous improvements in the costs and quality of our processes and services; enabling our employees to give of their best.  In developing our core airport business, safety and security will have the highest priority all times by systematically assessing and managing our safety and security risks through audited, best practice management systems.  Employees: provide a good	Our mission is to make BAA most successful airport company in the world. This means: always focusing on our customers needs an safety; achieving continuous improvements in the costs and quality of our processes and services; enabling our employees to give of their best.  "To achieve our mission we will: Safety & security; give safety and security the highest priority all times by systematically assessing and managing our safety and security risks through audited, best practice management systems.  Employees: provide a good	Our mission is to make BAA most successful airport company in the world. This means: always focusing on our customers needs an safety; achieving continuous improvements in the costs and quality of our processes and services; enabling our employees to give of their best.  "To achieve our mission we will: Safety & security; give safety and security the highest priority all times by systematically assessing and managing our safety and security risks through audited, best practice management systems.  Employees: provide a good	Our mission is to make BAA most successful airport company in the world. This means: always focusing on our customers needs an safety; achieving continuous improvements in the costs and quality of our processes and services; enabling our employees to give of their best.  "To achieve our mission we will: Safety & security; give safety and security the highest priority all times by systematically assessing and managing our safety and security risks through audited, best practice management systems.  Employees: provide a good

BAA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
						<p>the utmost integrity. We will constantly seek to improve the service we provide to our customers, including passengers, airlines and other airport users. We will strive to have an efficient, well-motivated and well-informed staff. We will seek to be a good neighbor to the communities surrounding our airports.</p>					<p>achieve world class standards in capital investment while remaining prudently financed.</p> <p>We will ensure that customers receive excellence and value for money in the services BAA provides. To do this we will provide a good and safe working environment, which attracts and retains committed staff. Through training and two-way communication we will help them to fulfil their potential and contribute directly to the Company's success. We will encourage shareholders to believe in our Company by giving them consistent growth in earnings and dividends as well as recognising the needs of local communities by demonstrating that the Company is a good neighbour with concern for the environment.</p>	<p>prudently financed. In addition, we intend to build an international business, which enhances the quality and growth prospects of the Group.</p> <p>We will ensure that customers receive excellence and value for money in the services BAA provides. To do this we will provide a good and safe working environment, which attracts and retains committed staff. Through training and two-way communication we will help them to fulfil their potential and contribute directly to the Company's success. We will encourage shareholders to believe in our Company by giving them consistent growth in earnings and dividends as well as recognising the needs of local communities by demonstrating that the Company is a good neighbour with concern for the</p>	<p>and safe working environment, which attracts and retains committed employees. Through training and two-way communication allow them to fulfil their potential and contribute directly to the success of the company.</p> <p>Customers, suppliers and business partners: ensure our passengers and airlines receive excellence and good value for money in the services BAA provides and work together with our suppliers and business partners to create added value for all concerned.</p> <p>Strategy: concentrate on the core airport business, be prudently financed, continuously improve quality and cost effectiveness, become excellent in information technology, fully develop our property and retail potential,</p>	<p>and safe working environment, which attracts and retains committed employees. Through training and two-way communication allow them to fulfil their potential and contribute directly to the success of the company.</p> <p>Customers, suppliers and business partners: ensure our passengers and airlines receive excellence and good value for money in the services BAA provides and work together with our suppliers and business partners to create added value for all concerned.</p> <p>Strategy: concentrate on the core airport business, be prudently financed, continuously improve quality and cost effectiveness, become excellent in information technology, fully develop our property and retail potential,</p>	<p>and safe working environment, which attracts and retains committed employees. Through training and two-way communication allow them to fulfil their potential and contribute directly to the success of the company.</p> <p>Customers, suppliers and business partners: ensure our passengers and airlines receive excellence and good value for money in the services BAA provides and work together with our suppliers and business partners to create added value for all concerned.</p> <p>Strategy: concentrate on the core airport business, be prudently financed, continuously improve quality and cost effectiveness, become excellent in information technology, fully develop our property and retail potential,</p>

BAA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
												environment.	achieve world-class standards in capital investment and develop an international business which enhances the quality and growth prospects of the Group.  Shareholder: encourage shareholders to believe in our company by giving them consistent growth in earnings and dividends.  Environment: recognise the concerns of the local communities, set challenging environmental targets and audit our performance against them"	achieve world-class standards in capital investment and develop an international business which enhances the quality and growth prospects of the Group.  Shareholder: encourage shareholders to believe in our company by giving them consistent growth in earnings and dividends.  Environment: recognise the concerns of the local communities, set challenging environmental targets and audit our performance against them"	achieve world-class standards in capital investment and develop an international business which enhances the quality and growth prospects of the Group.  Shareholder: encourage shareholders to believe in our company by giving them consistent growth in earnings and dividends.  Environment: recognise the concerns of the local communities, set challenging environmental targets and audit our performance against them"
BAA Values											Our values are based on: always focusing on our customers' needs and safety; seeking continuous improvements in the cost and quality of our services; Enabling all employees to give of their best.	as 1993	as 1993	as 1993	as 1993
BAA Quality Policy															
BAA Objectives /										The Company aims to					

BAA	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Aims										enhance the value of shareholders' investments by achieving steady and remunerative long-term growth. Its strategy for developing and operating world-class international airports that are safe, secure, efficient and profitable is based on a commitment to continuously enhancing the quality of service to passengers and business partners alike. This process of constant improvement includes cost-effective investment in new airport facilities closely matched to customer demand.					
BAA Awards													Best UK Airport (Heathrow)  Best International Airport in the World	Sword of Excellence for Business Space	No1 UK airport for Business Travelers (Heathrow)  Best UK Airport (Gatwick)  Trade Advertising Award (Stanstead)  Gold Award for Safety Excellence

BP	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
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## Appendix 6.6 BP Chart

Note: Shaded areas represent pre Privatisation

BP TQP initiatives	'Britain at its Best' campaign started in 1981 ( <i>'Quiet Achiever' in Australia</i> )			Introduction to Total Quality	TQ  (SPC)	TQ  'Price of Non Conformance'	'For All our Tomorrow's' - global - Culture & Behavior Change	Project 1990 Change Programme in BP' (focused on improvement & efficiency)  Behaviour Change (Subset of Project 90)  Benchmarking	Effectiveness of Processes  International Management Project  'Absolutes of Quality Management'  Benchmarking	Cultural change programme onwards 2000 based on TQM Performance Improvement  HR dept. attempts benchmarking process  Benchmarking	Performance Improvement'  Alignment & Simplification of Processes  Benchmarking	Balanced Scorecard  EFQM  SPC  BP Quality Improvement model  Integrated Performance Benchmarking	Pacesetter Network  Insight	Pacesetter network  Business Process Model  Einstein	Towards 2000
BP TQP Keywords					New management style  Build core values  'True Value'	Statistical Control Process  Right first time every time  Zero defects  Identify root cause of failure	Statistical Control Process	Networking  Flexibility  Teamwork  Coaching  Quality Improvement  Leadership  All parts of the company to be involved  Caring  Improve Efficiency  Cross-Functional communication teams	Open Style of Management  Framework for efficiency  Teamwork  Trust  Empowerment  Flexibility  Reducing overheads	Open Style of Management  Communication  Survival  TQM  Customer Satisfaction  Best in class  Continuous Improvement  Quality Reliability	'True Value'  Customer Service  Value chain  Add value  Leadership  Improve performance  Take ownership	Customer Service  Setting priorities  Value chain  Add value  Leadership	Sharing Knowledge  Partnerships  Performance Improvement  Take personal responsibility	Training  Job shadowing to understand the business  Get it right first time and better the next  Better practice  Best in class	We need to be more open and caring
BP Quality Champions				David Simon MD	David Simon MD  Laurie Stark, TQ Director for BP Chemicals	David Simon MD  Laurie Stark, TQ Director for BP Chemicals	David Simon MD	Robert Horton  John Browne  David Simon MD  John Orange CE BP Oil  Russell Seal Head of BP Oil	Lord Asburton Chairman  David Simon MD  Jorge Traveres Manager Planning	Lord Asburton Chairman  David Simon Group CE  Robert Horton, Chief Executive	Lord Asburton Chairman  (Mike Buzzacott, General Chemicals)  David Simon Group CE	Lord Asburton Chairman  David Simon Group CE  Dr Tony Priestley BP Chemicals  Laurie Stark Director Quality, BP Chemical	David Simon, Chairman  Peter Sutherland Deputy Chairman  John Browne Group CE  Humberto Vainirie Vice President BP	David Simon, Chairman  Peter Sutherland Deputy Chairman  John Browne Group CE  Russell Seal Managing Director  Laurie Stark General	David Simon, Chairman  Peter Sutherland Deputy Chairman  John Browne Group CE

BP	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
								David Pascall Head of BP Culture Review team						Manager, Communications, BP Chemical	
BP Gurus / Consultants					Crosby & Associates	Crosby & Associates  Juran philosophy	Crosby & Associates	Adverts by Saatchi & Saatchi  TQ principles of Juran & Crosby	Crosby & Associates  Siddall & Company	Crosby & Associates	Crosby & Associates  Deming philosophy	Crosby & Associates  Lucidus (devised a concept and created prototyping for continuous opportunities and inhibitors and a visual sharper focus'	Crosby & Associates  Humberto Vainieri, Vice President BP  Robert Hanig, Innovation Associates	Crosby & Associates  McKinsey  A D Little	Crosby & Associates  Pruss & Spencer
BP Business Issues						Competition  Business is too complex	Process driven  Need to manage environmental concerns  Need to remove complexities in business to be more flexible  Generate new revenue	Improve image  Generate new revenue  Inefficient systems - inflexible	High costs need to be managed  Competition  Inefficient systems - inflexible	Add value  Reduce paperwork  Slow to respond  Need to attract new investment	Investment planning  Performance improvement	Integration  Organisation needs to become flatter	Create Common language  Cost competitiveness  Lack of information sharing within the organisation for performance improvement	Customer satisfaction	Cost focus  Quality reliability  Delivery
BP Vision / Goals								Along the lines of: continually developing a style and climate, which liberates the talents, enthusiasm and commitment of all our people should perhaps be extended by - those who remain that is.		To achieve 'Best in Class' cost structure To ensure cost competitiveness to attract investment To provide competitive advantage for each product : i.e. Customer satisfaction Quality, Reliability, Delivery and Cost Continuous Improvement, and Survival.	As 1992				
BP Mission								BP is a family of businesses principally in				Through the skills of our people and the quality of our			

BP	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
								<p>oil, gas and exploration and production, refining and marketing, chemicals and nutrition. In everything we do we are committed to creating wealth, always with integrity, to reward the stakeholders in BP - our shareholders, our employees, our customers and suppliers and the community. We believe in continually developing a style and climate, which liberates the talents, enthusiasm and commitment of all our people. We can then respond positively to the increasing pace of change in a rapid and flexible way to achieve real competitive advantage. With our bold, innovative strategic agenda BP</p>				<p>science and technology, we will become the world's leader in our chosen sectors of the chemical industry - BP Chemicals</p>			

BP	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
								will be the world's most successful oil company in the 1990's and beyond.							
BP Values														Brand values: Innovation Performance driven Environmental leadership Be progressive	Brand values: Innovation Performance driven Environmental leadership Be progressive
BP Quality Policy / Strategy															We must build on our higher levels of customer satisfaction and create longer-term customer loyalty by focussing our efforts on other, less tangible elements of customer service.
BP Objectives / Aims	Campaign was to upgrade service stations and develop petroleum products							encouraging Networking across national borders towards building teams irrespective of location For All our Tomorrow's - global advertisement focused on environmental concern, community help research-based product development. Reduce layers of bureaucracy	'A radical change in the way we managed people' - Russell Seal, Head of BP Oil.  Team in Hull conducted a Benchmarking study led to radical re-focusing and restructuring of the site and philosophy.  Creating a 'Culture Change to manufacturing focus'  HR changed its ethos to a	Simplify systems making them transparent, easy to administer and relevant to business needs.		The Quality Oil Brand (BP Oil)		BP aims to deliver superior returns to shareholders through distinctive performance and quality growth, ... objectives are to avoid accidents, to protect people's health, and to avoid damage to the environment. On each of the relevant measures our health, safety and environmental performance has improved but we recognise there is still much more to do, and	



BP	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
								and make the company more responsive to market conditions.	functionally based organisation.					constant determination is essential.	
BP Awards															

BS	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
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## Appendix 6.7 BS Chart

Note: Shaded areas represent pre Privatisation

British Steel TQP initiatives			Top Team workshops	Top Team workshops	Top Team workshops	TQPerformance  ISO 9000 registration  Statistical Process Control (SPC)	Shelton model  SPC  TQP	Shelton model  Shelton model  TQP Audits  SPC	Shelton model  TQP  SPC  Phase I 1991/93 'Awareness / Awakening'	Shelton model  TQP Audits  SPC  BPR  TQ awareness campaign  Education on TQP  Customer Care initiatives launched	Shelton model  TQP  SPC  BPR  Phase II 1993/94 'Awareness / Action'  'Culture Change' 1993/94  'Route to Excellence programme' (QIT, Charter Teams, Joint Improvement Teams, (with Customers)  Teamworking project launched  liP	Teamworking continued	Phase III 1995/96 - 'Building'  Reward & Recognition  'The Way Forward'  EFQM model for Business Excellence TOPICS	Phase III - 'Building & spreading'  Employee Attitude Survey conducted	liP  Phase iv 1995/96 - 'Deployment ' Implementati on"  Quality Alert System  BS EFQM model
British Steel TQP Keywords			TQ is No Accident  Zero Defects = Zero Accidents  Problem Solving  Measuring Success	TQ is No Accident  Zero Defects = Zero Accidents  Safety Performance  Accident Prevention	TQ is No Accident  Zero Defects = Zero Accidents  Safety Performance  Accident Prevention	TQ is No Accident  Zero Defects = Zero Accidents  Process Improvement Customer Focus Attitude & Culture Costs Reliability Deliveries Stock levels Improvement in yield Product Performance	'Total Quality is No Accident' and 'Zero Defects = Zero Accidents'  Customer demand  Product improvement	Statistical Process Control  Focus on waste and rework	Statistical Process Control	Statistical Process Control Quality Yield Int/Ext Customers Communication Charters Quality Improvement Teams  Delivery to time  Computerised SPC (Tinplate)	Statistical Process Control  Quality Yield Int/Ext Customers Communication Charters Quality Improvement Teams  Business Improvement  Process Improvement	Statistical Process Control  Task Teams  Quality Yield Int/Ext Customers Communication Charters Quality Improvement Teams Customer focus  Attitude & Culture  Problem Solving Discipline (PSD)  Create a culture change	Create Natural Teams / Task Teams  Teamworking Communication  Quality Safety Customer Surveys Investors in People  Delight our customers Improving Communication  liP  Create a culture change	Employee Development, Customer Satisfaction, Continuous Improvement Integration  Pareto Analysis C&E model  Histogrammes  Problem Solving Discipline(PSD)	Teamworking  Business Imperatives  'the way we do things'  'the way we want to do things'
British Steel				Sir Robert Scholey	Sir Robert Scholey	Sir Robert Scholey	Sir Robert Scholey	Sir Robert Scholey	Sir Robert Scholey	Sir Brian Moffatt Chairman & CE	Sir Brian Moffatt Chairman & CE	Sir Brian Moffatt Chairman & CE	Sir Brian Moffatt Chairman & CE	Sir Brian Moffatt Chairman & CE	Sir Brian Moffatt

BS	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Quality Champions				Chairman	Chairman	Chairman	Chairman	Chairman	Chairman						Chairman & CE
British Steel Gurus / Consultants			Juran philosophy  Daisley Associates	Juran philosophy  Professor D Canter , Psychologist-University of Surrey	elements of: Deming Crosby Peters Juran Drucker Taguchi Shingo Ishikawa	PA Consulting Group	PA Consulting Group	PA Consulting Group	PA Consulting Group	PA Consulting Group	PA Consulting Group	Customer Service International (Cranfield) for Customer Surveys  'Practick' external consultants for Teamworking	as 1994  'Practick' external consultants for Teamworking	use of 'Shelton model'  'Practick' external consultants for Teamworking	as 1996  Cap Gemini  Professor D Canter , Psychologist-University of Surrey
British Steel Business Issues					Reduce cost base  Insufficient improvement in yield  Lack of product conformance  Lack of stock management  Profitability  Concentrate on Core activity	Market Competition  Profitability  Reduce manufacturing costs  Product reliability in question  High and unnecessary costs	Market Competition  Meet Customer demands  Profitability	Product improvement	Poor Performance  Meet customer demands  Process improvement	Profit  Need to stay ahead of competition  Efficiency  Volume production  Improvement in Delivery to time needed	Cost  Create a common language	Delivery  Performance  Lack of integration of people from different units	Integration needed for service improvement  Customer service  Customer satisfaction	Delivery to time Needs improvement  Product improvement required  Sustain competition in a commercial environment	Competition
British Steel Vision										to be "best of the best"	as 1992	as 1992	as 1992	as 1992	as 1992
British Steel Mission						Our aim is to provide all customers, internal and external, with quality products and services and strive for continuous improvement. This will be achieved through harnessing the capabilities of safety conscious, high caliber, technically aware and well-trained employees.				BS is a low cost and internationally respected steel producer, one of the most important in one of the world's key industries. Its strength and adaptability stem from constant attention to cost reduction, product quality and customer service at all times and through all market conditions. BS is the UK's sixth	BS is determined to remain one of the world's leading steel companies, providing its customers with quality products and a level of service to meet their requirements whilst maintaining its internationally competitive cost base. In this way BS will endeavor to provide proper returns to its shareholders	BS intends to remain one of the world's leading steel companies, providing its customers with quality products and a level of service to meet their requirements whilst maintaining its competitive cost base. In this way BS will endeavor to provide proper returns to its shareholders and to fulfill the	British Steel is a company with a workforce aiming for world class performance in every aspect of its business.  BS intends to remain one of the world's leading steel companies, providing its customers with quality products and a level of service to meet their requirements whilst maintaining its		

BS	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
										largest manufacturing exporter with overseas sales accounting for around half its total business.	and to fulfill the aspirations of its employees and the communities in which it operates.	aspirations of its employees and the communities in which it operates.	internationally competitive cost base. In this way BS will endeavor to provide proper returns to its shareholders and to fulfill the aspirations of its employees and the communities in which it operates		
British Steel Values															
British Steel Quality Policy						Everybody to receive training in TQ Philosophy and tools and techniques.					Principles of TQ included: Prevention not detection Management led Everyone responsible Cost of Quality Right first time Company-wide Continuous improvement				
British Steel other Aims / Objectives / Goals						Secure employees commitment to management's strategic aims'.				Delivery to Time' element introduced.	Teeside works will be a profitable, efficient, environmentally aware and innovative leader in the international volume steel market. Our aim is to provide all customers, internal and external, with quality products and services to strive for continuous improvement. This will be achieved through harnessing the capabilities of			By 1996 BS achieved: British Q Award, Business commitment to the environment IIP Japanese Industry standard BS5750 ISO14001	

BS	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
											safety conscious, high-caliber, technically aware and well-trained employees.				
British Steel Awards								BS Stainless awarded the Queens Award for Export Achievement	Ford Q1 Quality Award for SPC		Re-registration ISO	By 1996 BS achieved National Training Award,	British Quality Award, Business Commitment to the Environment	IIP Japanese Industry Standard BS5750 ISO14001	National Training Award received by the Lackenby Universal Beam Mill

RM	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
<b>Appendix 6.8 RM Chart</b>						<b>Note: Shaded areas represent pre Privatisation</b>									
<b>RM TQP Initiatives</b>					Beginning of TQ	TQ Process  RM Quality System  Customer Satisfaction Index introduced	Customer First - focus on employee relations  (TQM=Business Success  Business Development (increase efficiency and improve customer service and quality)  RM Quality System  Benchmarking TQ	Customer First - focus on customer satisfaction  'Business Development'  RM Quality System  Quality Improvement Projects (QIPs) - (e.g. forms of suggestion schemes)	Customer First cont. (focus on Organisational change)  Business Development  RM Quality System  QIPs	EQA/EQFM model (focus on key strategy Customer First Business Development) 6xday training programmes over 3 months looking at improvement opportunities  'Business Development'  Leadership Charter  Directions - Learning Strategy	Continuous Improvement  Leadership Charter  Business Excellence Review	First Line development cont. from 1992  1994-97 Initiatives (Business Process; Daily Management of Process; Measurement within management Process; Organisational self assessment; Quality Awards; Involvement; Development of Quality Network)  EQA - self assessment	First Line development cont. from 1992  1994-97 Initiatives  EQA - self assessment	First Line development cont. from 1992  1994-97 Initiatives  Shaping for Competitive Success  Managing the Integrated Pipeline Process programme  EQA - self assessment	First Line development cont. from 1992  1994-97 Initiatives  Agenda for Leadership (AFL)  EQF model  EQA - self assessment
<b>RM TQP Keywords</b>				Improve Customer relations	Value for Money	Recognition Involvement Continuous Improvement Empowerment Management Process Organisation Roles/ Responsibilities TQ training Communication Customer focused performance Management Activities / behaviors Customer relationships	as 1988 'Business Development' (reduce organisation structure, i.e. flatten it)  Involvement Empowerment Teamworking Increase efficiency and improve customer service quality,	as 1988 'speed of Service' 'time guarantees' 'regularity' 'security, efficient delivery and employee identification'  Personal accountability  Be more responsive at local levels	as 1988 Employee Participation measurement of Performance	Leadership Business process Self-Assessment improve - what it is you do.  Change in management Processes  Customer Focus accountability reduce overheads  Teamworking	Business Operations and Planning	Our reputation depends on everybody making a contribution and becoming involved  Business Plan	Benchmarking and training for measuring of processes	Continuous Improvement Unit Planning	Manage change  Manage growth  Improving the Business  Working with people  Communication
<b>RM Quality Champions</b>					Sir Bryan Nicholson PO Chairman  Ian Raisebeck, Quality Director  Bill Cockburn, CEO	'the Letters Management Committee' (LMC) going onto TQ	'Quality Support Managers' introduced (QSM)	Jerry Cope, Personnel Director	Jerry Cope, Personnel Director	Dr George Delafield, Quality Director  New posts created to manage TQ: Support Team Process Consultants from RM Consultancy Service   Group and Executive Team	Bill Cockburn MD  John Roberts, MD Group Services Keith Harrison - Quality Director	Ken Wright RM, Assistant Managing Director  I Raisbeck, Quality Director  Bill Nicolson, PO Chairman	Mike Pupius, RM Quality Director		

RM	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
RM Gurus / Consultants						Elements of- Deming Crosby Juran	Elements of- Deming Crosby Juran	elements of- Deming Crosby Juran	elements of- Deming Crosby Juran		Kepner Tregoe (future RM to year 2002)	Kepner Tregoe (future RM to year 2002) Lucidus	Kepner Tregoe (future RM to year 2002) Sampson Tyrell to co-ordinate and monitor new corporate identity	Kepner Tregoe (future RM to year 2002)	Kepner Tregoe (future RM to year 2002) Simmons Dickinson Consulting & Training
RM Business Issues				Exploit new technology  Improve customer relations	Become flexible in approach  Become more Customer focused  Need to be innovative	Competition threat  Improve quality  Reduce Inefficiency Complacency Customer Dissatisfaction Bureaucracy  Declining market share  Customer and Employee dissatisfaction	Process improvement  Cost of quality	Customer focus  Reduce overheads	Customer focus	lack of awareness of principle of Business Excellence high cost of learning and applying techniques  need to become profit oriented	Customer focus  Need to improve image	Customer focus  Need to improve image in the market place	Customer focus  Insufficient measurement systems in place	Customer focus  Competition  Need to identify and manage weak links and find solutions	Customer focus  Competition
RM Vision					We achieve this by: excelling in our collection, processing, distribution and delivery arrangements establishing a partnership with our customers to understand, agree and meet their changing requirements operating profitably by efficient services which our customers consider value for money creating a working environment which recognises and rewards the commitment of all employees to customer satisfaction recognizing our responsibilities as part of the second,						'achieve world class standards'				



RM	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
					industrial and commercial life of the country Being forward looking and innovative.										
RM Mission					To be recognised as the best organisation in the world distributing text and packages.		At RM our mission is to be recognised as the best organisation distributing text and packages.								
RM Values					We each care about Our customers and their requirement for: Reliability Value for money Accessibility Courtesy Integrity Security Prompt and timely response All our fellow employees and their needs for: Respect Training and development Involvement Recognition and reward The way we do our job and the way it affects our customers both inside and outside the business Our role in the community. We are proud to be part of RM (RM 1995).										
RM Quality Policy							EFQM	A way of working throughout the organisation to achieve its mission in a manner consistent with its values				Corporate Communication structure set in place - the Divisional management Executive Committee setup to share decisions on strategy and policy			
RM Other Aims						LMC agreed: Customer First (TQ Process for		Business Development re-							Our aim is to make the PO a world class



RM	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
/ Objectives / Goals						RM) describes the way of working that will enable the Business to achieve its mission objectives. The members commit on a team and individual basis to positively pursue all the actions necessary to fully implement the process.		organisation - improving management processes							benchmark of excellence in terms of Total Quality, customer initiatives, innovations, technology and product development
RM Awards													Prepared submission for EQA 1995		

## **Appendix 7**

**7.1 - Quality Initiatives - Comparative Study Of Keywords Used**

**7.2 - Change of Chairman/CEO and programmes initiated by them**

**7.3 - List of external consultants employed during TQP initiatives**

## APPENDIX 7.1 QUALITY INITIATIVES - COMPARATIVE STUDY OF KEYWORDS USED

Key Words	Up to 1990								1990 onwards							
	BT	BAe	Rover	BA	BAA	BP	BS	RM	BT	BAe	Rover	BA	BAA	BP	BS	RM
Attitude Change	✓			✓		✓			✓	✓	✓	✓	✓	✓	✓	✓
Audits/Assessments	✓		✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓
Behaviour/Personal improvement	✓			✓			✓	✓	✓	✓		✓			✓	
Benchmark			✓					✓	✓	✓	✓			✓	✓	✓
Best in class/To be the Best/To be No. 1									✓	✓	✓	✓	✓	✓		
Business Imperatives	✓										✓	✓			✓	
Business Process Model	✓	✓				✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Business Processes	✓	✓	✓	✓				✓	✓	✓		✓		✓	✓	✓
Caring (Caring for the Customer/Employee)	✓			✓		✓		✓	✓			✓	✓			
Commitment	✓		✓	✓			✓	✓	✓			✓	✓			
Communication	✓			✓				✓	✓	✓		✓	✓	✓	✓	
Competition	✓	✓		✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Continuous Improvement	✓		✓					✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Scorecard									✓	✓				✓		
Create (use) a common language	✓									✓	✓	✓		✓	✓	
Critical Success Factors	✓									✓						
Culture Change/Culture Style	✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Customer Focus	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Customer (Internal/External)				✓			✓	✓	✓	✓			✓			✓
Customer Choice									✓							
Customer Satisfaction	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Customer Service (Service to the Customer)	✓			✓			✓		✓			✓	✓		✓	
Delight the Customer	✓		✓						✓	✓					✓	
Employee Involvement	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Empowerment				✓		✓		✓					✓	✓	✓	✓
Establish / Use Common Language	✓											✓		✓	✓	
Flexible/Flexibility				✓		✓			✓			✓		✓		
Goals										✓						
Investing in our People/Investing in People			✓						✓	✓	✓	✓	✓	✓	✓	✓
Investors in People									✓						✓	
Leadership	✓		✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓

Learning and Development	✓	✓	✓					✓	✓	✓			✓	✓	✓	✓	
Markets (Internal/External)	✓		✓				✓		✓	✓		✓	✓	✓	✓	✓	
Mission	✓						✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Networking				✓		✓				✓		✓	✓	✓			
New Ideas Scheme (Innovation)			✓	✓					✓	✓	✓	✓	✓	✓	✓		✓
Participation			✓					✓	✓	✓	✓		✓		✓	✓	✓
Process Implementation	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓			✓	✓	✓	
Process Improvement	✓							✓	✓	✓		✓	✓	✓	✓	✓	✓
Quality Circles	✓		✓														
Quality Councils	✓	✓	✓														
Quality Improvement Teams																✓	
Quality Policy	✓		✓												✓		
Quality/TQ	✓	✓	✓	✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Responsibility/Taking Ownership									✓	✓	✓	✓	✓	✓	✓	✓	✓
Re-structuring	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Reward & Recognition	✓		✓	✓			✓		✓	✓	✓	✓		✓	✓	✓	✓
Statistical Process Control					✓	✓	✓			✓						✓	
Survival		✓										✓		✓			
Teamwork/Teamworking/Working Together	✓		✓	✓			✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
TQM tools & Techniques	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Training	✓	✓	✓	✓			✓	✓	✓	✓	✓		✓	✓		✓	✓
Trust/Trustworthy	✓			✓					✓				✓	✓	✓		
Two-way communication								✓	✓				✓	✓			
Upward Feedback (360 degree feedback)									✓	✓			✓	✓	✓		
Value For Money	✓							✓	✓				✓	✓			
Values	✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Vision	✓		✓					✓							✓		
Zero Defects/Right First Time/Process Improvement	✓	✓				✓	✓		✓	✓			✓		✓	✓	
	BT	BAe	Rover	BA	BAA	BP	BS	RM	BT	BAe	Rover	BA	BAA	BP	BS	RM	

Note: this is not an exhaustive list. There are many more types of programmes that have not been included.

## APPENDIX 7.2 CHANGE OF CHAIRMAN / CEO AND PROGRAMMES INITIATED BY THEM

Organisation	Chairman / CEO			Programme
BT Privatised 1984	Chairman	Sir George Jefferson	- 1987	Restructuring - the first customer focus initiative Sovereign; Breakout - cut costs, efficiency drive; Internal Market Programme - set up trading units
	Chairman	Sir Iain Vallance	1987 - current	
	Deputy Chairman	J M Raisman	1988	
	Deputy Chairman	Paul Bosonnet	1991	
	Deputy Chairman	Mike Bett	1993	
	CEO	Peter Bonfield	1992	
BAe Privatised 1985	Chairman	Professor Roland Smith	- 1990	Project Axis - downsizing to 45,000 staff
	Chairman	John Cahill	1990 - 1992	
	CEO	Sir Raymond Lygo	1992 - 1994	
	CEO	Sir Richard Evans	1990 - current	
	Chairman	Robert Beaman	1994 - 1997	
Rover Privatised 1986	Chairman & CEO	Sir Graham Day	1986 - 1990	
	CE	G Simpson	1991 -	
BA Privatised 1987	Chairman	Sir John King	1981 - 1993	Increase profits, downsizing 36,000 to 20,000  Customer Focus - rebuild morale, 2 separate restructuring programmes - increase accountability, focus on customers, emphasis on marketing and information technology BEP - downsizing by 5,000, Internal Culture changed
	President	Lord King	1993 -	
	CEO	Colin Marshall	1983 - 1993	
	Chairman	Colin Marshall	1993 -	
	CEO	Robert Ayling	1996 - 2000	
BAA Privatised 1987	Chairman	Sir Norman Payne	1977 - 1991	Expansion of UK airports
	Chairman	N Brian Smith	1992 - 1997	
	CE	John Egan	1990 - 1997	
	Deputy Chairman	J E Boyd	1985 - 1993	
	CE	J J S Marshall	1987 - 1990	
BP Privatised 1987	Chairman	Sir Peter Walters	1981 - 1986	Project 1990 - improvement efficiency drive, remove management layers to 5
	CE	Robert Horton	1990 - 1992	
	Chairman	Lord Ashburton	1991 - 1994	
	Chairman	David Simon	1995 - 1997	
	CE	John Browne	1995 - 1997	
BS Privatised 1988	CE	Sir Robert Scholey	1973 -	Efficiency drive resulted in job losses
	Chairman	Sir Robert Scholey	1986 - 1989	
	CE	Martin E Llowarch	1986 - 1990	
	CE	Brian Moffat	1991 - 1993	
	Chairman & CE	Brian Moffat	1994 - 1997	
RM -	MD	Bill Cockburn [MD of RM]	1986	Structure change PO divided into separate divisions
	CEO [& MD]	Brian Nicholson	1987 -	
		Bill Cockburn	1987 - 1993	
	Chairman	Dr Neville Bain		
	MD	Peter Howarth	1993	

## APPENDIX 7.3 LIST OF EXTERNALCONSULTANTS EMPLOYED DURING TQP INITIATIVES

Consultants	Employed by	Consultant's Area of Speciality
A D Little	BP BA	Technology, innovation, and management practices
Arthur Anderson Consulting	BT	For Customer Service Division
BDI Research Consulting	BAA	Customer focus
Booz-Allen and Hamilton	BAe	Data analysis for planning, conduct surveys
Bristol Quality Centre	BAe	European & Baldrige models used - launched Business Excellence Model
Cap Gemini Consulting	BS BT	Business Improvement Facilitator for Project Breakout, BPR
Centre for Personal Construct Psychology, Fay Fransella	BA	Employee Opinion Surveys
Crosby & Associates	BP	Crosby to deliver TQP training
Customer Services International	BS	Customer surveys
Daisley Associates	BS	Research
Design House	BS	Design of the 'S' logo
Development Dimensions International	BT	Customer Care, TQM
Dorland Advertising	BT	Advertising the BT sale campaign
Forecast International	BAe	Data analysis for planning
Frank Dick	BT	Coaching
Harvard Business School	BA	Part I of One Day Business Forum
Henly Management College	BAA	Management training
Industrial Society	BAe	Team Briefing
Innovation Associates, Robert Hanig	BP	Performance improvements
Insight, Andy Lothian	BA	Personal Styles
Kepner Tregoe	RM, BA	Future strategy Rational Problem Solving
Lucidus	BP RM	Improve organisation focus, setting priorities
Mark Hamlin	BAe	Psychologist
McKinsey & Co	BAe BP	Reorganising Reorganising for business profit
Merryl Lynch	BAe	Data analysis for planning
Micahael Walsh Associates	BT	Designing and implementing programmes of change in support of TQM, also helped prepare QMS
Newell & Sorrell	BA	Corporate identity and livery
PA Consulting Group	BS BT	Teamworking Deliver the Leadership programme, involving Everyone, Critical Success Factors
Practick	BS	Teamworking / Change
Price Waterhouse	BA BAe Rover	Company Wide Values
Purchase Point	BA	For 'A Day in the Life' programme
Ron Byron [SPC consultants]	BAe	SPC
Saatchi & Saatchi	BA BAe BP	Supercare campaign Adverts
Sampson Tyrell	RM	Develop new corporate identified
Sheppard Moscow	BAe	Facilitate Leadership for Change
Siddal & Company	BP	Review process change to reduce costs and develop framework for efficiency
Simmons Dickinson Consulting & Training	RM	Coaching, Training
Spencer & Pruss Consultants, John Spencer, Adrian Pruss	BP	Cultural change process for 2000 and beyond
Teal Group	BAe	Data analysis for planning
Time Manager International, Claus Moller	BA	Culture programmes Building human partnerships
The Decisions Group	BAA	Customer Service through use of telecommunications
University of Applied Psychology	BS	Accident prevention
Warner Burke	BAe	Approach to TQ
Wolf Olins	BT	Create the 'Piper' logo
Yogi Akas [of Japan]	Rover	Policy Deployment

*Note: This list is by no means exhaustive. There are probably many other consultants employed by different units.*