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## IMPACT OF ORGANIZATIONAL CULTURE ON TOTAL QUALITY MANAGEMENT PROGRAMS

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**PRESENTATION**

# **IMPACT OF ORGANIZATIONAL CULTURE ON TQM PROGRAMS**

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## **INTRODUCTION**

- TQM IS A MAJOR SOCIAL PHENOMENON.
- ORGANIZATIONS HAVE ACCEPTED TQM AS MEANS TO ACHIEVE EXCELLENCE.
- SOME STUDIES SHOW RELATIONSHIP BETWEEN TQM & HIGH PERFORMANCE.
- BUT EFFECTIVENESS OF TQM HAS NOT BEEN CLEARLY DETERMINED YET.
- REVIEW REVEALS MIXED RESULTS.

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## INTRODUCTION

- SUCCESS RATE VARY GREATLY.
- SOME STUDIES SHOW EFFECTIVENESS.
- OTHERS POINT TO DOUBTS AND APPARENT FAILURES.
- SOME ORGANIZATIONS 'BREATHE' TQM, OTHERS CRITICIZE IT AS BEING DEAD AND DOOMED TO FAILURE?

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## IMPORTANCE OF CULTURE

- TQM EMERGED IN JAPAN, HAS ROOTS IN CULTURE OF ANCIENT NIPPON.
- JAPANESE ETHICS LIE IN BUDDHISM, SHINTO, & TEACHINGS OF CONFUCIUS.
- HAVE VALUES LIKE DISCIPLINE, RESPECT FOR ELDERNS AND PRAGMATISM.
- JAPANESE MANAGERS ATTEND TO ALL TYPES OF EMPLOYEE NEEDS.

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## IMPORTANCE OF CULTURE

- TQM BASIS ON JAPANESE CULTURE ACCOUNTS FOR SUCCESS OF TQM IN JAPAN.
- COMPARED TO LOW SUCCESS IN WEST.
- TQM REQUIRES ENVIRONMENT IN ALIGNMENT WITH THESE PRINCIPLES.
- WILL INVOLVE CHANGE TO THE ORGANIZATIONAL CULTURE CONDUCTIVE TO THE TQM IMPLEMENTATION.

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## COMMON MYTHS

- CULTURE IS EASY TO CHANGE.
- EACH ORGANIZATION HAS ONE CULTURE.
- ONLY AN ACT OF GOD (OR MAYBE THE BOARD OR THE CEO) CAN CHANGE THE CULTURE.
- CULTURE CHANGE REQUIRES A MAJOR, SYSTEM-WIDE PLAN.

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## COMMON MYTHS

- CULTURE CHANGE IS A LOWER PRIORITY THAN OTHER INITIATIVES.
- CULTURE WILL STAY THE SAME UNLESS IT IS DELIBERATELY CHANGED.
- CULTURE CHANGE IS A VAGUE CONCEPT TO DO ANYTHING ABOUT'.
- THERE IS ONLY ONE WAY TO CHANGE ORGANIZATIONAL CULTURE.

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## DEFINITIONS

- AS MANY DEFINITIONS AS AUTHORS.
- COMMON DEFINITION 'THE WAY WE DO THINGS AROUND HERE'.
- SHARED ASSUMPTIONS BY EMPLOYEES.
- VALUES, BELIEFS, INFORMAL PRACTICES
- PHILOSOPHIES, IDEOLOGIES, CONCEPTS, CEREMONIES, NORMS, RITUALS.
- TASK SUPPORT, SOCIAL RELATIONSHIP & PERSONAL FREEDOM NORMS.

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## DEFINITIONS

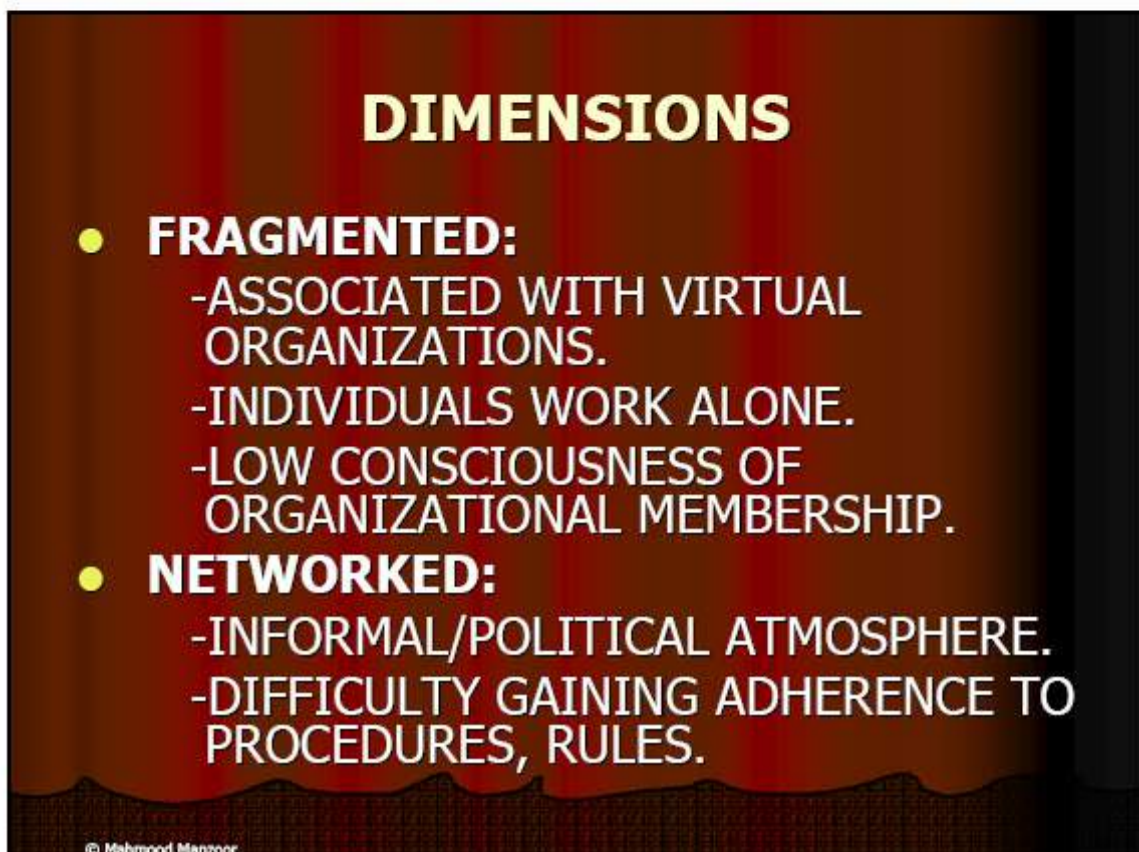
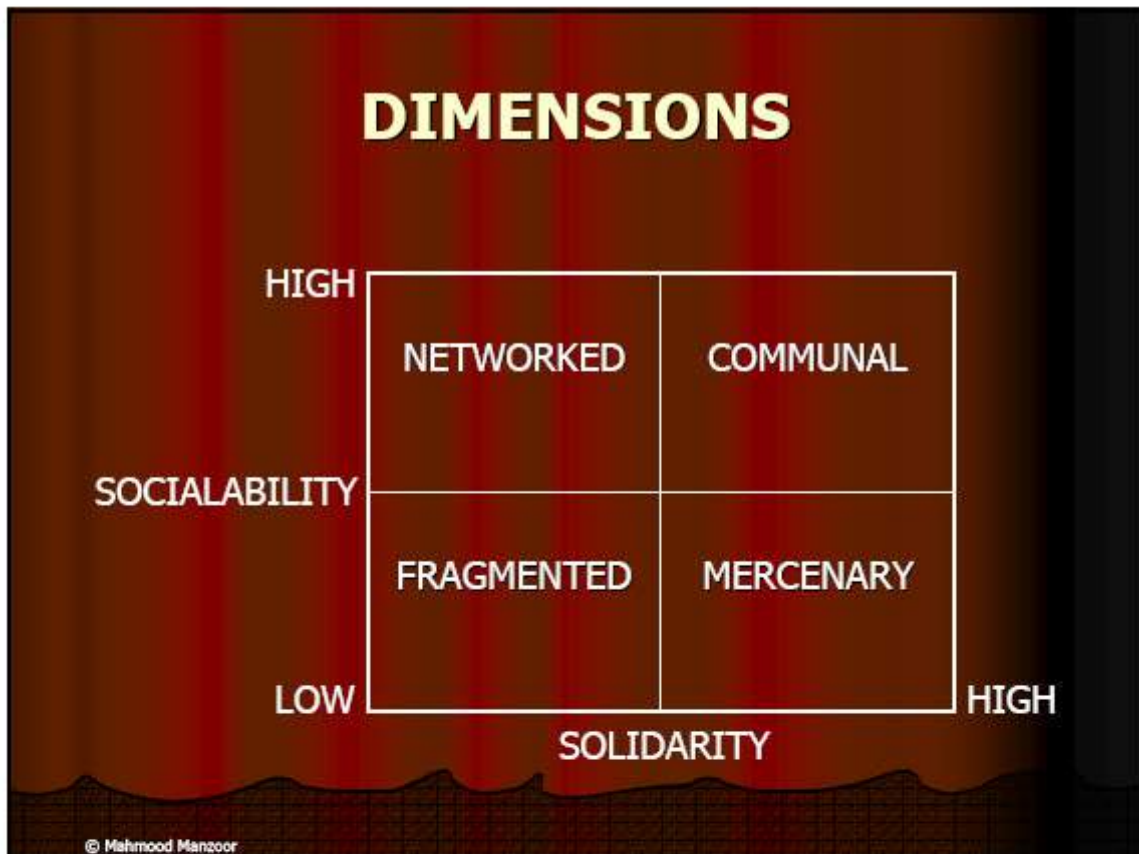
- CONSCIOUS & SUBCONSCIOUS CULTURE.
- AT SURFACE ARE BEHAVIORS & RITUALS, ARTIFACTS, LANGUAGES, & STORIES.
- AT LESS CONSCIOUS LEVEL ARE UNWRITTEN RULES, NORMS & SYMBOLS.
- AT TOTALLY SUB-CONSCIOUS LEVEL LIE FUNDAMENTAL ASSUMPTIONS AND CORE VALUES OF INDIVIDUALS, GROUPS, AND THE ORGANIZATION.

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## DIMENSIONS

- CULTURES VARY ALONG SOCIABILITY AND SOLIDARITY.
- SOCIABILITY REFERS TO EMOTIONAL RELATIONS WITHIN AN ORGANIZATION.
- SOLIDARITY REFERS TO DEGREE TO WHICH MEMBERS OF AN ORGANIZATION SHARE GOALS AND TASKS.
- BY COMBINING THESE DIMENSIONS, AN ORGANIZATION'S CULTURE CAN BE FRAGMENTED, NETWORKED, COMMUNAL AND MERCENARY.

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## DIMENSIONS

- **COMMUNAL:**
  - TYPICAL OF SMALL ORGANIZATIONS.
  - CLEAR UNDERSTANDING OF GOALS.
  - HIGH VALUES ON FAIRNESS.
- **MERCENARY:**
  - LOW LOYALTY TO ORGANIZATION.
  - LOW COOPERATION.
  - BUSINESS-FOCUSED.

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## CULTURE CHANGE

- CHANGE TAKES TIME AND EFFORT.
- CHANGE MUST BE MEASURED IN YEARS, NOT WEEKS OR MONTHS.
- CHANGE INVOLVES SIGNIFICANT COMMUNICATION.
- VISION NECESSARY TO MOTIVATE PEOPLE TO CHANGE.
- LINK WITH ORGANIZATIONAL GOALS REQUIRED.

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## CULTURE CHANGE

- HIGH LEVEL SUPPORT ESSENTIAL.
- MANAGEMENT TO LEAD BY EXAMPLE.
- MAKE CHANGE SO ATTRACTIVE THAT PEOPLE *WANT* TO BE PART OF IT.'
- CHANGES TO BE *GRAFTS* OF NEW VALUES TO THE OLD CULTURE.
- THREE SETS OF ATTRIBUTES CLEARLY ASSOCIATED WITH CULTURES:

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## CULTURE CHANGE

- ORGANIZATIONS WITH A HIGH SOLIDARITY AND HIGH SOCIABILITY CULTURE.
- ORGANIZATIONS WHICH EMPHASIZE FAIR PROCESSES AS WELL AS FAIR OUTCOMES.
- ORGANIZATIONS WHICH RECOGNIZE THEIR EMPLOYEES' WORK.

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## BEHAVIOR PROMOTION

- CHANGE IS A LONG-TERM PROCESS.
- IN SHORT AND MEDIUM TERM, EFFORTS BE TO PROMOTE A *BEHAVIOR*.
- PRODUCE SERIES OF VISIBLE SHORT-TERM IMPACTS IN DIFFERENT AREAS.
- 'THE KEY IS TO BUILD ISLANDS OF A CHANGED BEHAVIOR AND THEN TO BUILD BRIDGES BETWEEN THE ISLANDS.'
- CULTURE WILL CHANGE *AFTER* EMPLOYEES HAVE SEEN THE RESULTS.

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## SOCIAL CONTEXT

- MOST BEHAVIORAL CHANGES ARE CAUSED SOCIALLY.
- EMPLOYEES TURN TO COLLEAGUES RATHER THAN TO OTHER SOURCES.
- SOCIAL CONTEXT IS BEDROCK FOR ALL OTHER EMPLOYEE BEHAVIORS.
- ORGANIZATIONS NEED TO DEVELOP STRATEGIES TO INCREASE EXCHANGES BETWEEN EMPLOYEES.

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## **ORGANIZATIONAL CONTEXT**

- FACTORS INCLUDE RECOGNITION AND INCENTIVES, THE ROLE OF MANAGEMENT, GOVERNANCE AND ACCOUNTABILITY STRUCTURES.
- TWO MOST IMPORTANT PRACTICES ARE REWARDS & RECOGNITION AND MONITORING.
- REWARD & RECOGNITION PRACTICES CAN PROMOTE OR INHIBIT BEHAVIORS.
- TRAINING CAN SIGNIFICANTLY INFLUENCE BEHAVIOR.

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## **MANAGERIAL CONTEXT**

- MOTIVATING COOPERATIVE BEHAVIOR IS KEY MANAGERIAL ISSUE.
- MAKE EMPLOYEES TO COOPERATE VOLUNTARILY.
- MANAGERS CAN STIMULATE OR INHIBIT BEHAVIOR.
- MANAGEMENT TO LEAD BY EXAMPLE.
- FOCUS ON KEY INITIATIVES.

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## **TECHNICAL CONTEXT**

- SYNERGISTIC RELATIONSHIP EXISTS BETWEEN TECHNOLOGY AND BEHAVIOR.
- TECHNOLOGY MAKES CONNECTIONS THAT ENABLE SHARING.
- BUT DOES NOT MOTIVATE BEHAVIOR.
- TECHNOLOGY SHOULD ONLY COMPLEMENT OTHER ACTIVITIES.

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## **INTERACTION**

- TQM IMPLEMENTATION PROGRAM PROGRESSES FROM A PLANNING PHASE TO IMPLEMENTATION, AND EVENTUALLY TO INSTITUTIONALIZATION PHASE.
- CULTURE CAN INTERACT WITH THE TQM IMPLEMENTATION PROGRAM IN MANY WAYS AND IN ALL PHASES OF THAT PROGRAM.

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## **EFFECTIVE PRACTICES**

- **THREE C's OF LEADERSHIP**
- **COMMITMENT**
- **COGNIZANCE**
- **COMPETENCE**

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## **EFFECTIVE PRACTICES**

- **NOT ALWAYS POSSIBLE TO TRANSLATE BEST PRACTICES FROM ONE ORGANIZATION TO ANOTHER.**
- **YET SOME OPTIONS THAT SUPPORT A CULTURE CHANGE CAN BE IDENTIFIED.**
- **MOST DIRECT APPROACH IS TO REMOVE CERTAIN MEMBERS AND SELECT AND SOCIALIZE NEW MEMBERS.**

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## EFFECTIVE PRACTICES

- LEADERSHIP SUPPORT IS ESSENTIAL FOR A CULTURE CHANGE.
- LEADERSHIP'S THOSE LEVERAGE POINTS SHOULD BE IDENTIFIED WHERE THEY CAN IMPACT THE CULTURE CHANGE EFFORTS.
- COMPENSATION SHOULD BE LINKED TO SUCCESS IN TRANSFORMING CULTURE.

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## EFFECTIVE PRACTICES

- USING STORIES.
- EMPHASIZING HEROES/HEROINES WHOSE ACTIONS EXEMPLIFY THE DESIRED CHANGES.
- POSITIVE STORIES ARE MORE EFFECTIVE.
- GOOD STORIES RETOLD REPEATEDLY.
- GREAT STORIES CAN COME FROM ANYONE.

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## EFFECTIVE PRACTICES

- EMPLOYEES SHOULD BE INVOLVED.
- EMPLOYEES SHOULD BE UNDERSTOOD.
- EMPLOYEES ARE MEMBERS OF TEAM.
- EMPLOYEE SATISFACTION SHOULD BE MADE A KEY PERFORMANCE INDICATOR.
- EMPLOYEE REPRESENTATION SHOULD BE INCLUDED ON BOARDS AND IN PLANNING ACTIVITIES.

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## EFFECTIVE PRACTICES

- QUALITY INITIATIVES ARE EFFORTS TO CULTURE CHANGE.
- AN AWARD LIKE THE BALDRIGE AWARD SHOULD BE PURSUED.
- SIX-SIGMA METHODOLOGIES SHOULD BE USED.
- DASHBOARDS SHOULD BE SET TO MONITOR AND DRIVE CHANGE
- MAKE KEY PROCESSES MORE RELIABLE.

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## EFFECTIVE PRACTICES

- REDESIGN PROCESSES TO CHANGE CULTURE.
- MANY ORGANIZATIONAL CULTURES ACCEPT INEFFICIENCY AS INEVITABLE.
- LEAN MANUFACTURING.
- HUMAN FACTORS CONTRIBUTING TO ERRORS.

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## TQM PROGRAM EXAMPLE

- PIA ENGG LOST ITS FAA (USA) & CAA (UK) QUALITY APPROVALS IN MID 90's.
- PIA's ORG CULTURE THEN WAS RESISTANT TO CHANGE AND LACKED INITIATIVE.
- TOP MANAGEMENT WAS NON-COMMITTED TO QUALITY.
- THEREFORE PIA DID NOT PURSUE FOR ANY NEW APPROVAL.

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## TQM PROGRAM EXAMPLE

- SCENARIO CHANGED IN MID 90's.
- IATP RESTRICTIONS.
- DRY LEASE OF B747 FROM CPA.
- CAA (PAK) PLANS TO GO FOR JAR.
- GLOBAL QUALITY AWARENESS.
- PIA HAD TO GO FOR QUALITY APPROVAL.
- DECISION BY 'COMPULSION' RATHER THAN 'CHOICE'.

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## STRENGTHS & WEAKNESSES

- **STRENGTHS:**
  - WORKFORCE.
  - MAINTENANCE BASE.
  - TRAINING CENTER.
- **WEAKNESSES :**
  - TOP MANAGEMENT CHANGES.
  - INSUFFICIENT RESOURCES.
  - COMPLACENT WORK ATMOSPHERE.
  - ORGANIZATIONAL CULTURE.

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## OPPORTUNITIES & THREATS

### ● OPPORTUNITIES:

- HUGE BUSINESS OPPORTUNITIES.
- GOODWILL OF PIA ENGINEERING.
- REGULATORY REQUIREMENTS.

### ● THREATS:

- POLITICAL CONDITIONS OF REGION.
- FINANCIAL HEALTH OF AIRLINE.
- OPEN SKY AVIATION POLICY.

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## TQM STRATEGIES

- PLAN TO CHANGE ORGANIZATIONAL CULTURE TO MAKE QUALITY A PRIORITY.
- QUALITY POLICY & OBJECTIVES DEFINED AND PROPAGATED.
- DEDICATED JAR-145 PROJECT TEAM FORMED.
- CONSULTANTS APPOINTED.
- 'ACCOUNTABLE MANAGER' APPOINTED.
- MOE MANUAL DEVELOPED.

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## **TQM STRATEGIES**

- NEW ORGANIZATION STRUCTURE DEFINED AND IMPLEMENTED.
- TEAM OF INTERNAL AUDITORS FORMED.
- REQUIRED FUNDS SANCTIONED.
- ORGANIZATION-WISE JAR-145 TRAINING PROVIDED.
- ACTION PLAN DEVELOPED.
- A CONTINUOUS REVIEW BY THE TOP MANAGEMENT INITIATED.
- 'STORY-TELLING' EXERCISE.

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## **DIFFICULTIES ENCOUNTERED**

- FREQUENT TOP MANAGEMENT CHANGES.
- RESISTANCE & LACK OF PARTICIPATION BY THE MANAGERS.
- AUDITEE REACTIONS.
- RESOURCES NOT AVAILABLE IN TIME.
- TRAINING SHORTFALLS.
- ORGANIZATIONAL CULTURE CHANGE REQUIREMENTS.
- ORGANIZATION SIZE & TIME FACTOR.

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## LESSONS LEARNT

- RESULTS DIRECTLY PROPORTIONAL TO TOP MANAGEMENT COMMITMENT.
- MATURE, COMPETENT, COMMITTED & AGGRESSIVE TEAM REQUIRED.
- QUALITY POLICY & OBJECTIVES BE ESTABLISHED WITH INVOLVEMENT OF TOP MANAGEMENT.
- TRAINING SHOULD BE PROVIDED TO ALL PERSONNEL.
- ENGAGE A CONSULTANT.
- PERSONNEL SHOULD BE INVOLVED.

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## LESSONS LEARNT

- DOCUMENT HIERARCHY SHOULD BE KEPT LOGICAL AND SIMPLE.
- REVIEW MEETINGS SHOULD BE KEPT TO THE BARE MINIMUM.
- THE INTERNAL AUDITS SHOULD BE HANDLED WITH VIGILANCE.
- THE AUDITEES SHOULD BE HANDLED WITH PERSISTENCE AND TOLERANCE.
- ORGANIZATIONAL CULTURE WILL HAVE TO BE KEPT IN FOREMOST PERSPECTIVE AT ALL TIMES.

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## **SUMMARY AND CLOSURE**

- CULTURE IS AN INTEGRAL COMPONENT OF THE ORGANIZATION.
- CULTURE IS VERY REAL AND VERY POWERFUL FORCE.
- DIFFICULT TO MEASURE PRECISELY, IT CAN BE DISCERNED.
- ASSESSMENT OF CULTURE CAN GUIDE CHANGE FROM PALNNING A CHANGE TO SELECTING IMPROVEMENTS, FROM IMPLEMENTING TO INSTITUTIONALIZED.

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## **SUMMARY AND CLOSURE**

- LEADERS CAN SHAPE CULTURES IN HARMONY WITH DESIRED CHANGES.
- UNDERSTANDING, MEASURING AND CHANGING CULTURE IS PRE-REQUISITE.
- IF CULTURE CANNOT BE MEASURED, PRIORITIES CANNOT BE SET.
- TQM BE ACCOMPANIED WITH THE INFUSION & REINFORCEMENT OF A CULTURAL CHANGE.

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