Improving Government Administration Through TQM

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Improving government administration has been the battlecry of several managerial approaches such as reengineering, reinventing, and quality management, among others. These have captured the attention of public administration scholars and practitioners as now embodied in the literature, public policies and programs. Of these approaches, Total Quality Management (TQM) is a more operational tool for initiating positive and sustainable changes in government. While TQM has evolved from ideas and behavioral/management practices originating in the United States, its principles have been adapted, internalized and popularized by the Japanese. TQM is applicable to public organizations. Its main principles are: customer-centeredness, effective leadership, personal involvement and strategic partnerships, systems and process approach, continuous improvement and informed decisionmaking.

Getting on Track

Searching for solutions to problems of governance has never been the fairy tale that ends in a 'happy ever after' tone. At this point, it has become a bitter irony that governments, which are supposed to solve the problems of their respective societies, have become the problem themselves.

In the Philippines, if ever the promise of good governance qualifies as a story, it often begins with an "if I get elected" line. Thus, while increasing majority of the voting public starts to be perplexed with the results of the elections, politicians who think otherwise cling to the only solution they know—to get themselves reelected. And yet, this traditional mode of arriving at alternatives to public service is already being slowly overcome in the light of trendy themes that look not only at people, who are usually easier to blame, but also at systems and cultures that have not been questioned for quite a long time. We talk here of concepts like reinventing, reengineering, and total quality management (TQM), which have been embraced by many private and public organizations worldwide.

More than just a vogue, these concepts are heralded in order for public organizations to maintain their credibility to the public in the midst of

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globalization, increased competitiveness, democratization, and other global trends. The newly installed Estrada Administration for one is challenged with its own battlecry of a "government for the poor," which would be a tragedy in the face of poor governance.

Even earlier, the saliency of these organizational approaches captured the interest and imagination of the Ramos administration. A presidential directive (Memorandum Order No. 27) was issued in 1992, calling for the establishment of a well-functioning, better-performing, and responsive bureaucracy. On the other hand, the Presidential Committee on Streamlining the Bureaucracy (PCSB) was later created to study and identify the desired changes in the civil service system. In 1995, the PCSB published the guidelines for reengineering the public sector which draw heavily from the principles and ideas advanced by Osborne and Gaebler in their thought-provoking book, *Reinventing Government* (1993). These guidelines in turn served as the basis of at least seven bills filed in the last Congress to carry out organizational change in the government. These bills include: House Bill 5671 filed by Representatives Jose de Venecia, Feliciano Belmonte *et al.*, Senate Bill 1374 introduced by Sen. Leticia Shahani and S.B. 1111 by Sen. Franklin Drilon and S.B. 636 by Sen. Blas Ople.

Of course the efforts have not been free from further challenges, although noticeably, the various critiques provided by other experts in the field of public administration do not necessarily negate the rationale for such an effort but more specifically the manner by which they are to be applied and adopted. The Philippine experience on public sector reform reveals that the government falls short of fulfilling requisites related to identifying specific strategies in relation to reforming goals, obtaining political support, working out implementation details, sustaining efforts, and measuring results. Thus, after all that has been said and done to improve the Philippine system of governance, the public bureaucracy remains beleaguered.

This article reviews what was so far the critique on the application of reengineering trends in the Philippine bureaucracy. It explores what would be required if these potentially powerful management techniques are to take root and prosper in Philippine soil. It also argues that in view of the realities and peculiarities of the public administrative system, incremental approaches such as TQM, in contrast to radical programs, may prove to bring more tangible results towards a highly efficient and effective civil service. It is important for huge and complex organizations to fully appreciate the imperative for quality performance and develop a culture of excellence before embarking into the demanding requirements and tasks of reengineering. In a larger frame, this article also hopes to demystify that elusive goal of effective governance and leadership, by presenting long-enduring principles that anybody in the organization can apply.

Operationalizing Reengineering in the Philippines:
Varying Opinions and Critiques

What is Reengineering?

Reengineering is about rethinking and redesigning the organization of work that will deliver better products or services. It means tossing aside long-established procedures and inventing a better way of doing work. Hammer and Champy (1993: 32) defines reengineering as "the *fundamental* rethinking and *radical* redesign of business *processes* to achieve *dramatic* improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed" (italics supplied). Reengineering addresses not only the questions of what it *must do* and *how to do it*, but also *why do it* in the first place. It therefore delves more on *what should be* than on *what is*. Reengineering is about concentrating on processes and discovering innovative approaches. It is about *reinvention,* about discarding the old and replacing it with something entirely new. It is not about marginal or incremental improvements, but about realizing quantum leaps in performance.

As is inevitable for any idea that enjoys wide popularity among diverse professional groups, reengineering has come to mean different things to different people. Diverse activities are now being done under the name of "reengineering" though some of them have nothing to do with reengineering at all. The same can be said of other organizational change programs.

Reengineering and other incremental improvement methods (such as TQM, rightsizing or downsizing, restructuring or reorganization, and automation) are neither identical nor conflicting. Reengineering differs from and, at the same time, complements such incremental approaches. It is not just concerned with quality, but also with meeting customer needs and the processes that support it. It is not simply synonymous to downsizing and usually designed to enhance productivity. Reengineering is neither similar with restructuring, although it often requires organizational change; nor is it just automation, although it almost always uses technology in creative and innovative actions. Table 1 shows a comparison of these approaches in terms of assumptions questioned, scope of change, orientation, and improvement goals.

The reengineering process consists of five major components (Manganelli and Klein 1994: 18-43): preparation, identification, vision, solution, and transformation (Table 2).

Table 1. Reengineering Compared with TQM and other Programs

	Reengineering	TQM	Rightsizing	Restructuring	Automation
Assumptions Questioned	Fundamental	Customer wants and needs	Staffing	Reporting relationships	Technology applications
Orientation	Processes	Processes	Functional	Functional	Procedures
Scope of Change	Radical	Bottom-up	Staffing, job responsibilities	Organization	Systems
Improvement goals	Dramatic	Incremental	Incremental	Incremental	Incremental

Source: Manganelli and Klein (1994).

Table 2. Reengineering Stages and Underlying Tasks

Stages	Tasks
Preparation	• Mobilize, organize and energize people and resources • Identify program parameters (i.e. costs, risks) • Assemble and train reengineering management • Formulate preliminary management plan
Identification	• Develop a client-oriented process model • Define customers and performance measures
Vision	• Look for breakthrough performance • Determine prevailing process elements, issues and problems, existing measures, improvement opportunities and changes required
Solution	• Specify technical and social dimensions of the envisioned change
Transformation	• Realization of the process vision • Institutionalization of change mechanisms

Based on well-clarified reengineering goals and objectives, these steps are executed consecutively. The vision phase is further divided into technical and social designs that are carried out simultaneously. The technical design refers to descriptions of technology, standards, procedures, systems, and controls while the social design is concerned with recruitment, staffing, jobs, career

paths, education, training, and incentives. Each component comprises specific tasks, with the culmination of each stage corresponding to a major achievement in the reengineering project.

Will Reengineering Work in Philippine Government?

Immediately after the inauguration of the Ramos presidency in 1992, the country stood witness to another program of sweeping government reforms anchored on the principles of reengineering. The PCSB advanced "a new paradigm of governance" emphasizing the need to discard old government practices as well as the familiar methods of addressing problems in the public administrative system.

The PCSB reengineering framework puts forward three principles, namely: (1) frugality and prioritization; (2) steering, and (3) compartmentalization. From these, the proper scope, focus, and structure of government functions in society are defined. As such, the scope of government is limited to the exercise of its fundamental functions and government activities are prioritized and carried out within available resources. The government assumes minimal role in the sectors and intervenes through market mechanisms. Sectoral responsibilities are compartmentalized and apportioned between the public and private sectors. Government functions are distributed among levels of government and the appropriate administrative structural design is established.

There are three phases in PCSB's reengineering project for the Philippine government, namely: (1) framework development; (2) reengineering; and (3) implementation. The first phase lays the groundwork for the entire reengineering project. It basically involves an analysis of the problems of governance, study of past and ongoing reform efforts, review of relevant legal issuances, conduct of sectoral studies, and development of the design strategy that will provide direction during implementation. The second phase begins with the formulation of reengineering procedures. It identifies the required tasks, approaches, responsibilities, and schedules. This phase also clarifies the focus and locus of reengineering interventions. Furthermore, an impact mitigation strategy is prepared to address potential adverse effects of the project such as displacement of people. The implementation phase executes the plans and strategies developed in the earlier stages.

The PCSB's reengineering project shares a number of similarities with the major government change efforts implemented since 1946 until 1986. Resembling the past five reorganizations, the executive branch initiates the redesigning of the public administrative structure, with more or less the same goals in place. As such, Ramos' program aimed for the same criteria of

efficiency, effectiveness, economy, simplicity, and responsiveness in the government. Legislation was also initiated in view of the fact that the power to reorganize or reengineer is vested in the legislature unless delegated to the executive (Sta Ana 1996: 221). Hence, House Bill No. 5671 (by Jose de Venecia, Feliciano Belmonte, *et al.*) and its Senate versions Senate Bill Nos. 1374 (by Leticia Shahani), and 1111 (by Franklin Drilon), as well as 636 (by Blas Ople) would have been the bases of the enabling act for the reengineering effort.

Ramos' reengineering program borrowed heavily from the ideas and principles espoused by the forerunners of the reengineering movement. However, some consider the application of these principles to be under questionable interpretation and contextualization. Sta. Ana (1996: 221-223) observes that the recent efforts to reinvent and reengineer the Philippine government constitute attempts at following "a new paradigm of governance" without fully appreciating its conceptual core as well as its specific contexts and conditions. On the other hand, Reyes (1994: 89) notes that while reinventing along with other western organizational development propositions are quite specific in identifying problems and solutions, the Philippine bureaucratic reform programs present themselves as a "crowded shopping list of aspirations."

Moreover, Osborne and Gaebler's principle of steering was misconstrued as a relationship between government and the market sector wherein the former is subordinate to the latter. Ideally, the principle separates steering from rowing, with the purpose of separating policy decisions from service delivery, thereby allowing organizations to find the best methods to achieve their goals. Thus, steering organizations 'shop around' for service providers that would be allowed competition, flexibility, and accountability, towards effective and efficient results or services (Osborne and Gaebler 1993: 35). The ultimate service provider for a particular case is simply a choice among the public sector, the private sector and the nonprofit sector. Ramos' program, however, tends to delimit government's functions and in turn allows the private sector "to assume the primary responsibility for the production of public goods and services" (PCSB 1995: 6).

The minimalist perspective of the Philippine government for its role in society could be dismissed by Osborne and Gaebler (1993: 45-47) as a wrong starting point for the discussion and definition of the public sector's role. Although the principle of steering requires the government to concentrate its efforts on strategic planning, goal setting, and public policymaking, it is not precluded from providing social goods and services to the public. Even the hardest critics of government would concede to the fact that a great number of activities are better left to the public sector to handle. In addition, many of such activities are largely unattractive to the private sector in view of the huge capital requirements, high risks and low economic returns involved in their provision. Furthermore, while services can be contracted out, the exercise of

governance cannot be delegated. Similarly, shift of delivery of services does not mean shift of the responsibility for services.

The reengineering program as envisioned by the Ramos administration also fell short in addressing political, legal, operational, and cultural constraints. Reengineering is radical in scope and comprehensive in approach and as such may not fit well with the rule-bound culture and innovation-resisting habits of organizations, in general, and of public bureaucracies, in particular. A study of reengineering projects in over 100 private companies in the USA, conducted by Hall, Rosenthal and Wade (1994), reveals the difficulty in making these projects work. The researchers observe that in all too many companies, reengineering have been simultaneously a great success and a dismal failure. Successful projects, nonetheless, in well-known corporations such as AT&T, Siemens Nixdorf, IBM Credit, Ford Motor, Kodak among others, have inspired many other organizations to implement their own reengineering projects. But there are remarkable differences between these organizations and the public sector, especially that of the Philippine government, with respect to putting a reengineering project in proper context and perspective.

Legislating reengineering as in the case of the Philippines may be a self-limiting approach since it defeats its fundamental principle of finding out new and innovative methods in coming up with the desired results. Legislation has been known for its lengthy and highly politicized process that can shut down even well-meaning initiatives. The Tenth Congress, for instance, ended without the reengineering bills mentioned earlier being enacted. Reengineering teaches individuals to think creatively and act accordingly, but to what extent can the government undertake revolutionary approaches given its legal mandate and restrictions? To what extent will the stakeholders especially those who will be directly affected by reengineering allow it to happen?

Compared to their counterparts in the private sector, governments are regarded as notable laggards in the reengineering effort and this is rooted in the nature of how the public sector is run. First, governments lack client-orientation and the propensity to continuously improve work processes to achieve public satisfaction. Second, the provision of public goods and services is largely monopolized by the public sector that there is hardly any reason for it to be bothered by competition. Third, the highly structured, legalistic, and bureaucratic public sector tends to box in government activities and inhibit reforms and changes. Finally, innovation and success stem from the capacity and attitude of the organization to analyze and understand its work processes in relation to enhancing productivity. Unfortunately, it is easier to measure performance, quantify work processes, and build corresponding databases within a corporate setting than in the government. Furthermore, a considerable degree of preparedness in the value system is likewise required of the Philippine civil service to accommodate reengineering. Reengineering

1998

bureaucracy may also mean reorienting attitudes towards as well as building confidence in the capacity of the public sector.

Given the practical constraints confronting, if not encumbering the principles of reengineering in the Philippine context, the fact remains that the public sector must still address the need for a system-wide change.

TQM is presented here as one alternative towards a productive and quality service, which can find appropriate niches to start with in government. Its incremental approach to effecting change largely sets its difference from reengineering. From this characteristic alone, it may be said that for one, it would not be necessarily caught in the snag of the legislative mill, and second, is suggestive of appropriate changes conscious of existing subcultures in the administrative system.

TQM in Organizations

What is TQM?

Defining total quality management inevitably walks us through its evolution and how it was developed and adopted by particular nations like Japan and the United States. At the onset, total quality management was meant mainly for corporations experiencing the dire need to qualitatively improve their production, especially with the increasing competition vis-à-vis cost effective strategies in the market, and their influence over the satisfaction and dissatisfaction of customers.

Quality is the key word for the TQM principle, which emphasizes that such value needs to be inculcated all throughout the organization, whether on products or services, extending from supplier to customer. Hence the word— **total**. The American Society for Quality Control defines quality as "the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs" (Render and Heizer 1998: 90). One could derive from 'quality' several values that invoke positive intentions in shaping a more civilized society. For a particular private firm, the importance of quality comes in the form of increased market share and cost savings. However, aside from ensuring profitability, quality also attributes responsibility to an organization with respect to any product liability it may produce. In like manner, quality precedes reputation. While all these aspects may seemingly revolve around firms and corporations, the overall impact is on the millions of consumers worldwide. In this age of globalization, the international impression that quality can reach is therefore unlimited.

Evolution and the Japanese Legacy to TQM

TQM has gained wide acceptance by a great number of organizations after more than a decade since its core ideas were advanced by W. Edwards Deming, Joseph Juran, and Kaoru Ishikawa (Hackman and Wageman 1995: 309). Like the reengineering movement, TQM has spread out from its industrial origins to public organizations, nongovernmental organizations, educational institutions, and health care organizations. Early applications of TQM dates back to the organizational framework designed by Deming for organizations in the United States after the Second World War and in Japan in the 1950s.

Myths exist that TQM and quality circles (QCs) are unique to Japan or that they were developed by the Japanese to suit their management style. But a closer look at these management approaches reveals that they are derived from ideas that have been expounded and practiced for years by behavioral scientists and management theorists in the United States such as Peter Drucker, Douglas McGregor, Frederick Herzberg, Abraham Maslow, among others. The Japanese, however, deserves credit for adapting, internalizing, and popularizing the principles of TQM and QCs. Inaba (1992: 11) notes that Japan has been "very successful in transforming highly sophisticated and specialized knowledge into practical techniques for daily use by ordinary people." A glaring example of this is the statistical quality control which was originally the domain of industrial engineers, but was translated into the simple terminology of Total Quality Control (TQC) or simply TQM which is now widely used by non-engineers (Inaba 1992).

Japan's initial encounter with TQM can be traced to a seminar on quality control conducted by Deming for 50 top executives of Japanese industry under the initiative and sponsorship of the Japanese Union of Scientists and Engineers (JUSE). Deming, a statistician and interpreter of statistics for the U.S. federal government, came from a period where government was involved in working out the details of a mixed economy. In this regard, it can be said that TQM is consistent with the American mixed economy. While it started in the postwar period in the U.S., its practice was quickly abandoned for lack of interest and support. The Japanese, however, saw the potential in it to become the biggest success story ever of TQM. Their experience brought in a new wave of interest on TQM. Japan's economic stature today is a strong proof of the success of TQM and QCs.

In 1954, Dr. J.M. Juran, another noted quality control expert from the U.S. came to Japan for a lecture series. By 1960, QCs were formalized in Japan under the leadership of Dr. Kaoru Ishikawa. Japan continued to work on the QC concepts and found ways of applying them better to their culture. While the Americans and the Europeans abandoned the fundamental principles upon which TQM and QCs had been based, the Japanese innovated the approaches.

They began institutionalizing their own concepts, though not abandoning Deming's basic philosophy. These concepts are the ones today's TQM is known for. Some of the more popular concepts, termed in Japanese, are: (1) *Kaizen* or the making of continuous improvement, (2) *Kanban* or Just-In-Time (JIT), and (3) *Ishikawa* or the Cause-Effect Diagram.

Kaizen literally means "good change" but its essence is really the continuous improvements in outputs and processes (Roman 1993: 27). Its basic objective is to achieve quality rather than revenues, further promoting that the latter is just the result of the former. It likewise thrives on the motto that "If it works, it is obsolete." That is, if something right is done correctly, there must be another way of doing it better – it could be faster, cheaper, safer (Domingo 1992: 10). The Kaizen concept drives an organization to develop better outputs to replace their present line, which may have been already modified by competitors. It represents a process for educating managers and their staff with perspectives on quality.

Hence, TQM works on the assumption that constant improvement in quality is the key to success. The "quality" banner is interpreted not only as quality of product or service, but quality in its every manifestation, i.e., quality of work, quality of people, quality of objectives, etc. TQM considers defects as inefficiencies which if ignored would cost the organization much more had they been addressed earlier. TQM demonstrates that improvements in quality do not cost more in the long run, but can indeed reduce costs and lower real prices. Being directed toward client satisfaction, it lives by the maxim that clients are kings and queens, and are always right. Improvements of quality must be in consonance with the client's perception of quality and value. In the end, an organization's performance is measured not only in terms of outputs but also, more importantly, in terms of client satisfaction.

The **Just-In-Time (JIT)** principle means performing activities as and when needed (Roman 1993: 27). This concept is related to activities such as purchasing, inventory of work-in-process, and production of finished goods. It compels quality from suppliers and from every step of the service process because no inventory is available to absorb deviations. The system therefore forces organizations to function at high quality levels. Since JIT effectively stamps out aberrations, the service process is freed from scrap, rework, inventory investment, and wasted effort. This is precisely the reason why the Japanese instituted *JIT*, because they cannot afford to have materials wasted.

The *Ishikawa Cause-Effect Diagram* or the *Fishbone Diagram* is a problem-solving tool to: (a) analyze a process; (b) identify critical factors; and (c) improve quality of output (Roman 1993: 27). This principle provides a model to come up with possible solutions to a problem that may have different causes.

This involves a "quality circle" which is helpful in pinpointing causes to problems and in determining ways to eliminate them, and thus becoming a guide for concrete action. As an activity that requires group participation, the Diagram, contributes to the empowerment of the workers.

The direction involved in TQM is from top to bottom. It is the management that provides policies and motivation while it is the employees at the "bottom" level who ultimately make quality work. TQM concepts are founded on a long-term view, putting importance on technology and innovation. With its objective of *zero-defect* and *zero-inventory*, organizations gain the advantage of minimizing inputs or costs in the long run than spending much on rework.

In Japan, the long-term view is extended to the employment level of workers through lifetime employment. Lifetime employment is founded on the understanding that the company is responsible for the long-term welfare of its employees who are, in turn, responsible for the organization's overall success (Inaba and Chua 1995: 24).

TQM Principles: A Cultural Transformation

What the Japanese has done was to improve on a philosophy that encompasses wide ranging management thinking. The TQM philosophy stresses a management environment that fosters continuous improvement of all systems and processes, and likewise emphasizes involvement of everyone and everything (Saylor 1996). This comprehensive scope sets its difference from other organizational approaches.

On a deeper perspective, however, TQM transcends the organizational level and integrates its management purpose into the welfare of society as a whole. For Deming, the goal of all organizations in a social system should be to make the society, of which they are part of, work better so that social stability and general well-being will be promoted. To be part of such a societal change would require every organization to undergo a cultural transformation involving processes, values, and attitudes, precisely the areas that TQM is set to positively alter.

The TQM philosophy has also been referred as a way of life as manifested in the behavior of the people who adhere to it. Its success in the private sector lies in the fact that the people who use it have the discipline to practice it in all aspects. Interestingly, Roberts and Sergesketter (1993) extend the understanding of TQM to include the concept of "personal quality." This serves as reminder that quality improvement is not only an institutional responsibility, but also a personal or an individual obligation.

There are four major components of TQM, namely, empowerment, process improvement, customer obsession, and strategic planning (Anschutz 1996: 2–3). *Empowerment* relates to the worker-management relationship as key components of partnerships. Partnerships can likewise extend to suppliers and even customers themselves. *Process improvement* refers to the significant focus that must be given to any process employed by an organization. This reiterates that problems occur not just because of the level of performance, but primarily of badly designed processes. Some process improvement methods include benchmarking, setting up of process improvement teams, plan-do-check-act process improvement cycle, and other innovative methods that some organizations have developed.

Customer obsession conveys the primacy of client satisfaction as basis for all organizational efforts and goals. As mentioned earlier, quality improvements are geared towards the client's perception of quality and value. *Strategic planning* involves a long-term visioning of what and where the organizations should be three to five years after, as well as short-term operating plans. It is in here that relevant measures that would facilitate the improvements of the organization take shape. This further emphasizes that TQM is a management strategy, a way of doing business and not simply a program.

Translating these components into quality management principles, we have:

Principle 1: Customer-centeredness. This is in consonance with the customer obsession component. TQM has been defined as "a people-focused management system that aims at continual increase of customer satisfaction at continually lower cost" (Roberts and Sergesketter 1993: 2). The customers are accorded the highest importance and TQM compels an organization to constantly improve its processes and do better according to their respective needs and expectations. However, some literatures emphasize that while customers constantly go to the organization for service, it does not necessarily mean that they are satisfied. Accounts of monopolies can better explain this, which means customers have hardly a choice of where else to go. Therefore, the higher goal is to achieve customer delight, which is presumably more than client satisfaction. But a factor for instigating customer delight can only be effective when actually experienced. Measuring the factors influencing satisfaction and delight can help provide the links between the organizational targets and customer expectations.

Principle 2: Effective Leadership. Deming highlights the importance of good leadership, citing that "80% of quality problems is caused by management, and 20% by employees" (Domingo 1994: 9). This does not mean downplaying the equally important role of the employees, but it just stresses where the responsibility of establishing unity of purpose and direction lies. It is

up to the leaders to create an environment that fosters total quality. The operating level of a company looks up to their leaders for direction and motivation. Thus, leaders are required to promote open communication and clear organizational vision. If management fails in this responsibility, it is expected that discontinuities will follow.

Principle 3: Personal Involvement and Strategic Partnerships. Personal involvement substantiates the empowerment component of total quality management. Empowerment of the people involved, i.e. employees and customers, develops into lasting partnerships, especially when each has identified his/her own personal growth and development with the organization's vision. This important connection between personal aspirations and actual work responsibility defines a more productive outcome that is *personal leadership*.

Merill and Merill beautifully elaborate personal leadership as:

> having a deep harmony between the wants and shoulds in life and having increasing power to do. It is the connection of what you do in any given moment of your life to what you are, what you believe, what you deeply value (Merill and Merill 1987: 2).

On the one hand, strategic partnership refers to supplier and organization relationship, which when developed as mutually beneficial can be truly of good value and quality. The role of suppliers is indispensable as they provide the necessary inputs that can be considered as starting point of the whole quality process. Suppliers can also be considered as customers that the organization needs to satisfy, and to some extent, must involve and give them the opportunity to proactively act in relation to organizational objectives.

Principle 4: Systems and Process Approach. Process approach is deemed as an efficient manner of meeting requirements of both internal (employees) and external (clientele) customers. In this principle, there is the need to correlate the resources and activities involved with the responsibilities and interfacing of functions throughout the whole process. Troubleshooting of problems can be in the form of process improvements.

In a comprehensive manner, the systems approach interrelates the factors composing process approach. Total quality management's philosophical foundations include scientific methods and total systems approach, which encompass every aspect of the organization including its backward and forward linkages with the environment, particularly the clientele.

Principle 5: Continuous Improvement. Just like the *kaizen* practice of the Japanese, quality improvement should be seen as a continuous activity. Deming describes this through the Plan-Do-Check-Act cycle, which was said to have been first developed by Dr. Walter A. Shewhart (QMP 1998). The cycle,

which actually refers to planning of activities – implementing the plan – checking the result – improvement of the process, has now been standardized as benchmarks and criteria for several quality improvement efforts and practices.

Principle 6: Informed Decisionmaking. In the system approach, scientific method is cited as one of the philosophical foundations to quality and process improvements. There is a need to practice management by fact more than management by "opinion." Likewise, data and scientific reasoning have been employed to guide and evaluate performance and quality, in order to secure and build upon the gains from past improvements. This contends that only an informed decision can effectively guide the organization in achieving results.

In addition to these general principles, TQM works within the principle of competition based on a system of cooperation. Deming notes that product standardization is beneficial to everyone. Clients like to exercise their right to choose from various products or services but they would like their chosen product or service to have as much variety as possible and still have the same quality. This competition provides a venue for quality improvement. The challenge here is to have consistency in all the products and services.

When applied to organizational relationships, the above-stated principle differs from the institutionalized practice of market bidding in the public sector. While the least-cost-bid is the one chosen to be the supplier, TQM considers not the cost but the quality the supplier can contribute to their product and services. The TQM companies involve their supplier in the organizational process of product designing. It is believed that getting the supplier to understand the company's goals and processes would instill in the supplier a sense of responsibility to provide materials that are of perfect quality.

Within the TQM frame is the philosophy that each member and unit of the organization is both a customer and a supplier. The manufacturing of a product involves a series of steps. The activities in the first stage serve as inputs to the next stage. The group responsible for the next step acts as the customer. This view of the organization as having a seamless string of relationship between customers and suppliers is the reason why barriers between people and organizational units are removed. TQM in this way encourages the workers to do their best in making quality products, and helps them understand the overall direction of the company.

Thus, implementing the TQM principles depends largely on the type of environment that it is hoped to flourish in. Deming provides several pointers that aspiring organizations can consider for undergoing total quality management. These fourteen points were said to have also evolved through the years (Render and Heizer 1998: 95).

Deming's 14 points for Implementing Quality Improvement

1. Create consistency of purpose.

This constancy or consistency of purpose requires the TQM practitioner to focus on product and service improvement. This should be in great consideration with the increasingly competitive environment which Deming noted as just normal. However, the increasingly competitive grounds in the market is not just indicative of the expanding business opportunities and players, but more so reflective of the customer requirements and expectations that have grown more defined through time. The latter therefore should influence the direction of quality improvement.

2. Lead to promote change.

Recognizing that this era belongs to a new and different age calls for the adoption of a corresponding management attitude. The old philosophy that focused on profit alone will not work in a seemingly more empowered age for the customers and the employees. Likewise, the development of the organization or even the standards of quality does not depend solely anymore on its well-dressed managers. At present, there are new considerations and different context within which organizations must work, innovate and improve on. The key factor is dynamism without losing purpose.

3. Build quality into the product; stop depending on inspections to catch problems.

The prevailing purpose of inspections is to intensify quality by limiting defects. But what it fails to address, Deming notes, is that defects are not necessarily eliminated upon inspection. It is therefore for this reason that process improvements are there to achieve prevention rather than just wait for these defects to be detected.

4. Build long-term relationships based on performance instead of awarding business on the basis of price.

This implementing principle goes true for determining which suppliers to sustain partnership with. The key point here is to determine such partnerships not just in order to minimize the financial cost but also to minimize lifecycle cost.

5. Continuously improve product, quality and service.

Continuous improvement actually cuts across all other points that Deming promotes under quality management. While process improvement may lead to elimination of defects, as pointed out in no. 3, it can also lead to the strengthening of the organization itself. Constant improvement in every aspect of the organization, especially in support areas, can build up and institutionalize incremental improvements along the way.

6. Start training.

Training is one of the most important inputs leading to quality management and quality people. But Deming emphasizes that for training to be optimized, it should extend to all members of the organization and not just to a chosen few. Also, training is considered to be just as wasteful if not immediately followed with implementation.

7. Emphasize leadership.

It is imperative to review leadership practice under the auspices of TQM, wherein an authoritarian form is highly discouraged. Corollary to the goal of empowering the workforce, the focus on hierarchies must shift to a horizontal type of management which Deming finds to be more facilitative.

1998

8. Drive out fear.

Fear is the major stumbling block to an organization's growth. For Deming, fear is costly to the organization given the fact that it inhibits the taking of risks which is necessary for change. It is for this reason that the reality of fear must first be recognized within the organization, and to mitigate this would mean achieving a more relaxed environment and relationships among the various organizational levels.

9. Break down barriers between departments.

Traditional organizations are characterized by divisions or departments that correspond to specialized tasks or work. This specialization of functions further defines the loyalties that some workers or employers hold on to with respect to their work. In such case, barriers naturally arise and limit the worker's appreciation of their contribution to the organization's overall vision. This is what TQM seeks to address by promoting team building in the workplace.

10. Stop haranguing workers.

TQM promotes empowerment of the workers and therefore seeks to eliminate any form of tirade that only insult the employees rather than empower them. It is for this reason that communication is one important aspect to the exchange of information, and therefore, there must be conscious effort to refrain from slogans and exhortations.

11. Support, help, and improve.

Deming assails Management by Objectives as ineffectual and that in application, only reduces work to numerical goals or standards. In this manner, quality cannot be assured. However, TQM does not totally junk the concept of setting objectives but simply gives emphasis on the support required for achieving it.

12. Remove barriers to pride in work.

One primary example of removing barriers to a worker's pride is the abolition of the annual performance appraisal. This recognizes the fact that a worker's performance does not solely reflect an individual's capacity but also includes the processes being implemented by the management itself. It is for this reason that a performance appraisal is prone to damage a worker's pride rather than to inspire. Moreover, it can be counterproductive as it inhibits the employees to undertake risks.

13. Institute a vigorous program of education and self-improvement.

Because the goal is to promote change, the members of the organization must likewise open its doors to own individual changes, especially in cases of alterations in functions and work assignments. A program of education and self-improvement assures that these changes need not be detrimental to each one's development, but rather provides vitality and even strength to the organization as a whole.

14. Put everybody in the company to work on the transformation.

While leadership provides the direction, it is only when everyone, every function and every level of the organization is involved that full transformation can be achieved. With involvement and understanding, the workers can be relied upon in attaining product integrity, quality and productivity. In so achieving, the TQM organization can now be considered as self-sustaining and on its way to a productive cycle.

Source: Anschutz (1996: 17-28).

TQM Tools

There could be two simultaneous ways of looking at so-called quality management tools and techniques. One perspective is their use in effecting TQM implementation at present, while the other is viewing them as tools for empowerment and sustaining continuous improvement in the future.

Examples of these tools are: (1) quality function deployment (house of quality); (2) Taguchi techniques, (3) Pareto charts, (4) process charts, (5) cause-and-effect diagrams (fish-bone charts), and (6) statistical process control (Render and Heizer 1998: 98).

Quality function deployment is used at the early part of the production process, so as to determine the functional design that will satisfy the customers, which can in turn be used to translate customer desires into targets. This technique is illustrated by a house-like figure, also known as the house of quality. This involves six basic steps, namely: (1) identify customer *wants*; (2) identify product/service attributes; (3) relate the customer *wants* to the product/service *hows*; (4) conduct an evaluation of competing products; (5) develop performance specification for product/service *hows;* and (6) assign *hows* to the appropriate place in the transformation process.

The *Taguchi* technique is a tool meant for addressing product and process designs' improvement. It primarily gives consideration to quality robustness, quality loss function, and target specifications. Quality robust products refer to products that can be produced uniformly and consistently under adverse manufacturing and environmental conditions. In this case, instead of removing the causes, Taguchi proposes to get rid of the effects since this would be cheaper and more effective. The quality loss function shows how the costs connected with poor quality increase as the product veers away from what the customer wants. Target specifications simply refers to the values that need to be accomplished in line with continuous improvement.

The *Pareto Charts* technique is based on Alfredo Pareto's analysis of problems vis-à-vis payoffs. Juran popularized the Pareto charts, which are methods of organizing errors, problems, or defects by which problem-solving efforts can be focused. *Process charts,* on the other hand, are used for the purpose of understanding a sequence of events necessary for obtaining a product or service. A sample of this chart identifies the different steps within the process, and how they are related with each other.

The *Ishikawa Diagram* has already been pointed out earlier in discussing the evolution of TQM. Resembling a fish-bone, this diagram charts the possible causes of error and inspection points that could affect everyday operations. Lastly, the *Statistical Process Control (SPC)* technique is

concerned with monitoring standards and measurements. With the use of control charts, SPC provides a graphic presentation of data over time, an easy manner of comparing present process outputs with past performance.

The Relevance of TQM to Public Organizations

Although TQM was designed for private businesses, the application of its key concepts in the government is not impossible. In implementing TQM, Rago (1994: 61-64) argues that government organizations are not much different from any other type of business and that TQM may be applied to improve public bureaucracies. Public institutions can direct their reform efforts on the fundamental principles of quality, client-orientation, prevention, decentralization, and systems-approach. These can further be encouraged with the concept of quality awards.

Still, there are identified peculiarities within the public sector that pose a challenge to TQM. Much as there is cultural relativity to be observed in specific countries, so are there subcultures that need to be considered in every government bureaucracy.

On Quality in All Aspects

What makes TQM appealing to many organizations is its emphasis on quality in all aspects. TQM abandons the traditional objective of businesses to concentrate on maximizing profit, where the yardstick of company performance is hinged on how well it makes money. Often, this focus on profit overshadows quality, with the thinking that when goods are sold, customers are satisfied. Some businesses fail to consider that customers are coming back because they have nowhere else to go.

In a similar fashion, public organizations tend to measure their performance on the volume or quantity of outputs delivered and to what extent the targets had been realized. Although the concern for outcomes and impacts has been repeatedly emphasized in the monitoring and evaluation of government activities, there is still much to be done in ensuring that the public gets what it truly needs. Likewise, the social goods and services delivered to them are expected to make a difference in people's well-being.

Goal-setting in government offices hardly challenges their units and members to maximize outputs for every given unit of input. Also, as part of standard practice, they commit themselves on easily achievable targets even though they know that they can do better. The prevailing administrative

culture in government is to stick to old practices. Hence, there is little pressure or motivation to innovate and aim for quality.

The quality of the motivation and inputs themselves should also be looked into. Osborne (1993: 1) notes the need to restructure the incentives that provide the drive for government people – officials, employees, and managers. Some of the problematic incentives he cites include: funding based on inputs rather than outcomes, i.e. how many would benefit from a certain program; importance of programs associated with their big budget rather than their results; greater stature and higher pay for officials not because of performance but because of a large bureaucracy; and rewarding employees not because of jobs done well but because of the length of time in the position.

On Client-Orientation: Defining the Government's Client

A quality-conscious organization capitalizes on the feedback of the client in identifying areas for improvement. Allowing the public to interact and participate will make delivery of services more efficient, effective, economical, responsive, and efficacious.

In the Philippines, the Civil Service Commission widely promotes the slogan *Mamamayan Muna, Bago Mamaya Na* ("the Citizens Now, Not Later"). The immediacy of having the citizen served before anything else implies that it is not just a matter of customer satisfaction but also delight. On one side, however, the program double-edged as one mechanism for assessing the performance of the public employees. Generally, serving the public is the *raison d'etre* of the government's existence. The application of TQM in government organizations therefore promotes the rendering of service that would satisfy the public.

Swiss (1992: 358), however, in his discussion of the "orthodox TQM" in government, cites as important the question of "who the government customer is." He juxtaposes the obligations of the organization to its immediate client and the general public. The dilemma is deemed rooted in determining who should the organization satisfy best. A public office concerning land management, as Swiss (1992: 358) cites, has to determine what the main interest would be – the mining, the grazing, or the environmental? Given that the most important customer is the general public, and perhaps the determinant factor for a government's choice of interest, the question is how would the organization determine public satisfaction? Swiss observes that the general public, in this case, is not just absent but also inattentive to what the organizations have done, which is oftentimes at the expense of the immediate clients.

1998

Rago (1994: 61) dismisses this view as a very broad perspective of the government organization. Rago clarifies that in reality, government organizations are probably not much different from any other type of business in terms of structures. They consist of departments, divisions and offices, each having their own functions. In his experience at the Texas Department of Mental Health and Mental Retardation, he was able to define three distinct types of customers – the ultimate (direct recipients), the external (legislature, advocacy groups, and the accreditation bodies), as well as the internal (employee relying on work of other employees). Rago believes that ambiguity in defining these customers simply does not exist at least at the department level.

Both Rago and Swiss emphasize the need to define the client as starting points in setting the direction of TQM efforts. Swiss' argument is also reminiscent of the elite theory's assumption of the general public as being apathetic and uninformed. The presence and capacity of advocacy or interest groups also seemed to be undermined in his analysis. Furthermore, Swiss implies a confused government organization suffering from an absence of knowledge of its vision-mandate. While this may be randomly true for some organizations, the important roles and respective values of each civil servant will also provide significant insights.

The discrepancy seen by Swiss in satisfying the general public and being aware of doing so is addressed by the TQM principle of empowerment. Customer satisfaction in government service can be best defined by dialogues among the general public themselves conducted in the spirit of organizational development. Recognizing sectoral representatives, even in policy development, is a concrete manifestation of empowerment. Rago's types of clients further complement this comprehensive approach to empowerment and decentralization that will be constantly referred to in the rest of this article.

On Prevention

TQM also seeks to anticipate and prevent defects rather than fuss and worry over them when the product or service is already finished or rendered. This brings to the fore the question of how well organizational plans are developed. Set goals must always reflect the long-term and not only the short term ones, in line with a guiding vision that each one in the organization must follow. However, government planning tends to be shortsighted and measures are usually crafted after problems have reached alarming proportions. Many government programs are supply-driven, i.e. they are initiated only when there are funds available to support them or when an influential member or group says so. Again, this is a case of a low quality or low level of motivation for rendering service.

The inherent challenge therefore is virtually breaking down barriers in a bureaucratic setting. Strategic plans should identify the key actors that need to be involved to achieve their goals, necessarily sharing the vision at hand. In this regard, applicable benchmarking can also be identified.

TQM organizations provide quality control mechanisms in each stage of the production so that the final perfect product is ensured. A quick-fix is not the way to solve the problems. The "no to quick-fix" motto or drive to eliminate rework can be adapted to government agencies. Civil servants need to take upon themselves the responsibility of passing a perfect work in time. If every organizational member strives for personal quality, then it will be easier to attain superior institutional performance.

On Decentralization and Empowerment

The concept of decentralization is not new in public administration. It aims to foster empowerment through participation and more active role in providing organizational direction and quality improvement.

Decentralization is one embodiment of empowerment that requires a cultural transformation for TQM efforts to work in the public sector. This suggests that from the centralized mode emphasized under traditional management, intelligence and commitment must now extend to the people at the bottom of the organization. This principle creates a sense of worth and responsibility among workers. When the rank-and-file employees are treated with respect and given more active roles in providing organizational direction and quality improvement, institutional performance and productivity will most likely increase.

Anschutz (1996) identified ways for making empowerment happen, namely 'open-book management,' 'job enrichment,' 'horizontal management,' 'span of control,' 'two-track promotion,' 'workforce role in selection,' and looking into related concepts of 'trust,' 'discretionary effort,' and 'economic value added.'[1]

On Systems Approach

Much like any wholistic aspiration for an organization, TQM needs a comprehensive approach for its implementation in the public sector. Hackman and Wageman (1995: 311) notes that TQM assumes that central problems being faced by organizations "invariably cross traditional functional lines." If seen from the viewpoint of the public sector, there are indeed highly interdependent aspects that would need simultaneous efforts in applying management

1998

principles. A systemic approach validates "process" as the core area where most of the problems occur and where opportunities for improvements also are.

As pointed out earlier, TQM also gives emphasis on what it calls competition under a system of cooperation. TQM organizations are encouraged to form alliances with other organizations to enhance minimum advantage and to compete favorably in the market.

Corollary to systems approach, the various literature on TQM, which ranges from the classic quality management pointers of Deming to contemporary writings of TQM practitioners, touches on several concepts or principles that can be considered as tools if not strategies themselves toward productivity and quality improvements. These concepts are consolidated as follows: *process information, teams, policy development/visioning, appraisals and awards system.* The following discussion shall look into these concepts within the purview of the public sector.

Process Information. For a public office to undertake reforms in the prevention of defects and poor quality of service, policy controls and analyses assume significant roles in its entire system of work. But none of these shall be relevant if they are based on wrong assumptions. Davenport (1995: 575) states that information about process characteristics, performance and outputs is critical for process management, hence, process improvement.

Ishikawa (1992: 30) gives emphasis on the full utilization of the data resulting from various techniques. Specifically, statistical quality control depends on accurate data for correct analysis that would benefit production processes, cause and effect relationships, or whatever purpose there would be. In industries, the check sheet is one example of a process information tool. Check sheets, however, give information primarily on performance alone. In the public sector, information about performance comes in the form of disparate accomplishment reports and performance appraisals. Aside from the tendency of simply adhering to set objectives, such documents do not present the whole picture.

Information on the process characteristics would benefit the customers, and empower both the external clients (the public) and internal clients (the co-workers). Public institutions unnecessarily overburden themselves by ignoring mechanisms to educate the client of bureaucratic processes and procedures. When a client is made to understand the procedures that he has to go through in getting a service and when there are sufficient mechanisms which will help him go through it alone, he would not have to go through unnecessary procedures. At the same time, this reduces the work of the service providers. Simple strategies such as posters giving directions, papers printed with language that are easily understood by the client, and public assistance booths,

among others, will help achieve TQM's goal of client-empowerment. More importantly, if participatory approaches are utilized in public decisionmaking processes, then social goods and services will most likely be attuned to public needs.

The government's performance appraisal system is largely based on management by objectives. Unfortunately, it is silent on client-satisfaction. What is given importance is the achievement of goals set at the beginning, which can be manipulated to work for the advantage of the worker or employee concerned. Many civil servants are fond of setting easy-to-achieve goals and at the end be evaluated as excellent. Feedback is most often confined to the division or the section that the worker belongs to. It is no wonder, therefore, to hear of good performance ratings even if the public feels otherwise. As Deming pointed out, one deadly disease of running an organization is to run it on visible figures alone (Anschutz 1996: 30). What are most important are the unknowns and unknowable behind those figures, and one example is the cost of a multiplier effect that an 'unhappy' client may cause.

But process information should not be seen in a compartmentalized manner. In the spirit of TQM, every data, feedback and evaluation, are composite elements in assessing the whole system of a process design.

Teams. Teaming up hopes to go beyond individualist pursuits without discounting an individual's worth. Corollary to the empowerment of workers, teams effect the accomplishment of organizational goals by innovating and undertaking strategies developed by the individual members. Teams are accountable towards continuing improvement of processes and products, juxtaposed with the learning and skill development of members. The participation of employees in teams is considered vital to establishing a total quality environment. This brings back the point that the employees are the most valuable assets of an organization (Lefevre 1992: 160).

Considerably, teams are tools for intervention, once characterized as cross-functional that can help identify and solve quality problems (Hackman and Wageman 1995: 313). Juran refers to such teams as the 'steering arm' of a quality effort. Teams can either be temporary task forces or continuing organizational entities. As Anschutz (1996: 59) defines, ad hoc teams are useful in performing specific, short-term tasks, leaving no trauma to the permanent organizations where the members come from. Permanent teams perform continuing tasks, with their composition changing only as required.

One danger to be considered is that ad hoc organizations or teams may undermine the capability of existing public institutions. Not until specific goals and specific dates of termination are defined can overlapping functions, and eventually overlapping of structures, be avoided.

Visioning and Policy Deployment. These concepts do not go far from the TQM requirement of strategizing every objective. The so-called *Hoshin Kanri ("policy management" or "direction control")* planning is a process that comes from Japan, and is one example for visioning and policy deployment.

With the purpose of instilling creativity, sense of purpose and inspiration, *Hoshin* planning starts with a vision for the organization. This develops into specific plans that correspond to specific goals, with long-term durations from three to five years. One-year strategies are more detailed and prescribe concrete course of actions in the particular duration (Anschutz 1996: 185). Though *Hoshin* planning begins from the top level of the organization, the Japanese practices the "catchball" concept, which means passing around the information about the ongoing planning process and results therefrom. This information flow moves vertically and laterally.

The Philippine government has a good start by envisioning a "good government" through the optics of "good governance," as put into principle in its *Reengineering the Bureaucracy.* Even so, poor strategies arise because of conceptual problems with the operational terms used, such as 'steering.'

Another concern in the practice of formulating policies and strategies in the country is often the poor information backing them up. One general yet important example concerns the vision of streamlining the bureaucracy. The government launched this campaign with very little attention being given to a systematic examination of the government size as well as drawing concrete guidelines for attaining the most appropriate size to improve government service (Mangahas 1993: 101).

Appraisals and Awards Systems. Deming had professed strong points against management objectives and rewards system, which he considered as rather counterproductive to the organization. Primarily, these systems foster competition among workers, cause workers to focus more on looking good and doing well, and inhibit workers to take risks (Anschutz 1996: 27). Understandably, such environment runs counter to the principle of empowerment and has the tendency to damage pride instead of encouraging enthusiasm.

Nonetheless, appraisals and rewards systems can be congruent to the principles of TQM, as long as the impeding culture of fear is absent. Appraisals can be seen as entry points for dialogues as well as feedback mechanisms for the management.

On Quality Awards

Rewards can be granted both for teams and for organizations. The Philippine Civil Service Commission (CSC) confers honor awards to recognize

and reward individuals or groups of individuals in government who have rendered outstanding public service. Its objective is to inspire other employees in government to improve the quality of their performance and instill deeper involvement in public service.

CSC's Honor Awards. The Honors Awards program of the CSC has the following categories: (1) the Presidential *Lingkod Bayan* Award, (2) the Civil Service Commission or *Pagasa* Award, and (3) the Outstanding Public Officials and Employees Award or the *Dangal ng Bayan* Award.

The *Lingkod ng Bayan* and the *Pagasa* awards look into the level of accomplishments, with the criteria of performance, impact of achievement, reliability and effectiveness, economy of operation, and consistency of performance. However, unlike the first, which is conferred to individuals, the *pagasa* award is awarded to teams. Thus, it looks into the criteria of demonstrated teamwork, cooperation and camaraderie. *Dangal ng Bayan* award is granted to any public official or employee who has demonstrated exemplary service and conduct on the basis of the norms provided under Republic Act 6713 or the Code of Conduct and Ethical Standards for Public Officials and Employees.

While it can be said that these honor awards give attention to team efforts, as one of the working concepts of TQM, there still are sociocultural factors that hinder their effectiveness in bringing out ultimate improvement in performance. Sto. Tomas (1995: 102) notes that performance appraisal and performance enhancement mechanisms have had marginal success because they cannot be objectively applied in the Philippine setting. She further identified social and cultural values affecting performance appraisal systems, namely, "personalistic, non-confrontational/non-adversarial, bound by strong family/ regional ties, avoid embarrassment and causing embarrassment at all cost, and put high premium on debts of gratitude." Furthermore, internal appraisal systems are made dull by not considering complaints from the public, or if ever, face complex processing of such complaints (Sto. Tomas 1995). It is for this reason that external pressures can supplement these internally driven mechanisms.

But these honor awards are not necessarily the kind of quality awards that are recognized in the international sphere. Quality awards are based on set standards, yet they take on the task of assessing the performance of companies or organizations, and invariably set the measure of success.

ISO Standards. The ISO (International Organization for Standardization) is considered as a foremost standard mechanism in linking quality assurance into international trade and market success. As its name connotes, ISO is an international body composed of member-countries.[2] Though there is no direct

link with TQM, it is deemed that organizations that practice TQM are most likely to be at par with the ISO standards.[3]

Therefore, ISO-certified companies are likely to solicit confidence from the market and its clientele. In which case, the ISO certification serves as the award that bestows prestige to a particular organization and its product or services. While the focus of the honor awards being granted by the Philippine Civil Service dominantly cater to the internal customer or the civil servants, the focus of the ISO "award" is the external customer or the clientele. But this does not dismiss a high probability of interchanging impact on both types of customers — a highly awarded civil servant can encourage satisfaction and eventually delight of the clientele, while an ISO-awarded product can inspire the working spirit of the employees of that company.

Anschutz (1996: 182) lists the twenty aspects prescribed by ISO standards from an organization – management responsibility; quality system; contract review; design control; document control; purchasing; purchaser supplied product; product identification and traceability; process control; inspection and testing; inspection, measuring, and test equipment; inspection and test status; control of nonconforming product; corrective action; handling storage, packaging, and delivery; quality record; internal quality audits; training; servicing; and statistical techniques.

Malcolm Baldridge Awards. Widely known as the Baldridge Award, the Malcolm Baldridge National Quality Awards[4] are exclusively implemented in the United States among for-profit companies. Legislated in 1997 through an Act of Congress (HR 812-2), the Baldridge award establishes and implements the national quality improvement program. The Baldridge award is conferred on successful strategies and programs (Anschutz 1996: 9-11).

This award is annually given by the U.S. President and is administered by the National Institute for Standards and Technology, which is an agency of the U.S. Department of Commerce. A maximum of six qualified winners is allowed per year but this has not been filled up since its implementation. The eligible contenders should come only from the for-profit sector.

The seven benchmark categories being considered in the Baldridge Award have served as an example for other national quality awards in the world. These categories are the leadership, information and analysis, strategic planning, human resource development and management, management of process quality, quality and operational results, and customer focus and satisfaction. Information on successful strategies and programs is subsequently disseminated.

Philippine Quality Award. Following suit the US-acclaimed Malcolm Baldridge Award, the Philippine Society of Quality Control has pushed forth the Philippine Quality Award (PQA) for about three years now. On its third year, the PQA opened its doors to the public sector.

In the Philippines, PQA is said to be higher than any award, including ISO 9000, and is given as a "means of focusing attention to companies which may be singled out as models on how to make Quality a way of life" (PSQC 1996). It has been previously called the Outstanding Quality Company of the Year (OQYC) Award, and considered as the most prestigious among any commitment, proficiency, and mastery awards in the country.

The PQA System has three main objectives: (1) promoting standards on organizational performance comparable to leading businesses abroad, pursuant to global competitiveness; (2) establishing a national system for assessing quality and productivity performance, thus providing both private and public sectors with criteria and guidelines for self-assessment in their continuous improvement efforts; and (3) recognizing organizations which have achieved the highest level of quality and business excellence, thus providing Philippine industries with benchmarks and models to emulate. It is notably an open-for-all types award system.

The award process takes off from an independent review by at least six trained members of the Team of Assessors, followed by a joint review of the semi-finalists usually known as the consensus review led by a Senior Assessor. The third stage is the site visit clarification and verification of the application report. A Board of Judges conducts final review and submits recommendation to the Department of Trade and Industry Secretary. Finally, the President of the Philippines presents the awards.

Like the Baldridge Award, there are also seven categories embodying the core values and concepts of the PQA. With their corresponding point values, they are namely leadership (90), information and analysis (75), strategic planning (55), human resource development and management (140), process management (140), business results (250), and customer focus and satisfaction (250). Key excellence indicators further interpret each of these categories.

Ms. Patricia Sto. Tomas, former Civil Service Commission Chairperson and a member of the Board of Judges for PQA, notes several problems pertaining to suitability of the quality awards with respect to the public sector. For one, government does not enjoy a good reputation on documentation, without which a good rating system would be useless. There is also the tendency to look for clear quantitative outputs, while government agencies often do not work on quantification basis. Moreover, total quality movement is difficult to sell in

government without undertaking the necessary steps on continuous improvement. Judging from these statements, there are indeed knots that still have to be untied in the course of implementing total quality management in government (Interview with Sto. Tomas, 14 May 1998).

Conclusions: Searching for a Management Mix on Good Governance

In searching solutions for untying the knots in public administration, one comprehensive response could be optimizing relevant theories and principles that are appropriate, culturally sensitive and responsive to the public. Combining therefore the principles of reengineering and TQM is not a remote idea, especially if they espouse complementary tenets. Both of them share a focus on customers and processes. Also, in the same manner that reengineering confronts the fundamental question: *"Why do we do what we do? And why do we do it the way we do?"* (Hammer and Champy 1993: 33, 219), TQM as early as 1969 through Juran, also puts forth: *"Ask not just why we do it that way and can we do it better, but also ask why we do that at all"* (Hackman and Wageman 1995: 330).

Hammer and Champy further note that reengineering takes an organization where it needs to go at a fast pace while TQM moves an organization in the same direction, but more slowly. Although adapting TQM in a government setting has its own set of challenges, they are far less difficult than those of reengineering, and it would be a mistake to believe that TQM cannot be successfully integrated into the government system (Rago 1994).

But TQM is not a panacea to problems in government service. Different cultures require unique management styles and approaches. The Philippines can learn from TQM principles and experiences and adapt it to local situations – just like what the Japanese has done. Currently, among the public offices in the Philippines, it is the Board of Investments (BOI), under the Department of Trade and Industry, which has consciously undertaken the management principles of TQM. The efforts can be traced as early as 1990 until now, as promoted in their Total Quality Management Awareness Program. Since TQM should not be mistaken as a program in itself, the BOI's TQM Awareness program can be looked at as a separate effort in empowering its employees of the TQM knowledge and principles. In essence, this program helps create a total quality environment.

Hoping to establish a TQM culture, BOI espouses TQM as a way of life with the objectives of realizing the organization's vision, becoming a world class organization, fulfilling its missions, enriching their culture, and institutionalizing quality systems. BOI integrates the five corporate values of

integrity, quality, productivity, teamwork, and 'malasakit' (identifying one's self and interests with BOI). The BOI's course program on TQM specifically motivates its employees to develop positive attitudes on the job, identifying that the indifferent attitude of the employees account for 68 percent of the customers who quit. BOI articulated its operating foundations as: (1) customer focus, (2) doing things right and continuous improvement, (3) respected and empowered staff, (4) wholistic approach in issue analysis, (5) observations based on facts, (6) orderliness and cleanliness, (7) minimization of waste, and (8) system/procedure focus.

In embracing TQM, BOI has also taken itself to a shift of paradigms (or as they say *'pananaw'* in the vernacular) particularly in management thinking. BOI now takes the promotional role instead of the regulatory alone. Putting significant consideration of its role in the economy, some of these paradigm shifts include the shift from instituting punitive measures in establishing compliance mechanisms. Likewise, from the view of registered firms geared to domestic market protected with tariffs, to that of a more globally competitive character. Although there is yet to be an in-depth assessment of BOI's practice of TQM, its efforts nevertheless can be prototypes for the process of searching solutions to governance. BOI's goal of being a world class organization by claiming an ISO 9000 certification is an indication that somewhere in the Philippine bureaucracy, there is the drive to compete in delivering services.

But in a larger scale, if there is a much needed systemic paradigm shift in the government, it could be a view of good governance founded on the belief that the public sector can actually and effectively put into action the strategies that would address the needs of the people. To some extent, the Philippine government should break free from the perspective that views privatization as the only alternative.

The tools for a systems approach to TQM is not at all totally new, i.e. measures such as appraisal systems, feedback mechanisms, planning processes have already been instituted. It is for this reason that one may assess that public service in the country would not be starting from zero in implementing TQM. As Swiss (1992: 360) said, this is not a simple matter of old wine in new bottles, for new bottles are often very valuable. TQM incorporates fresh ideas into enduring principles of management.

But plunging into and committing for a total quality management could only be workable if it is demanded by the management or the leadership itself (Interview with Sto. Tomas, 14 May 1998). Parallel to this leadership's role is the simultaneous efforts of a group or a team that can influence the whole organization towards achieving change under a TQM environment. So far, however, what has been customarily done was the change of people instead of structures and basic orientation. What then should be done?

1998

As Sto. Tomas said, we have observed unreasonable rules that are not enforceable in reality, burdening some offices with low compliance rates anyway. Unless those from above clarify what they expect and in what aspects, enforceability will remain a vague effort. Sto. Tomas identified two specific areas where the topmost government leaders can start with: performance and service-orientation (Interview with Sto. Tomas, 14 May 1998).

Performance requires the recognition of what is currently being done. If the organization produces a constant value, its improvement can be in the form of an additional product or unit per year. But even this additional unit may change and increase accordingly. Sto. Tomas believes that standards contribute to any increase in proficiency. Yet the most important subtext is that time will come when continuous improvement in this manner will reach its own plateau level, meaning quantity of production cannot anymore be higher. Then it signals a change in the mode of improving performance, i.e. improvement in quality, succeeded by other modes like improvement in time. On the other hand, *service-orientation* implies a multidimensional and maybe even creative ways of rendering fully what is expected from the public sector. Of course, this is not just an action of politeness but rather a wholistic packaging of service-orientation. However, with the absence of effective monitoring and evaluation, it would be hard to know the actual level reached in this area.

Performance and service-orientation are just some of the key result areas that can possibly serve as starting points in our quest for quality management. But since the vision entails totality, these areas for improvement should not be limited to step-by-step, made-to-order deals. In the final analysis, attaining significant results would require more than management leaders knowing what to demand, but also demanding them with strong political will. The principles on good governance have one common denominator – equitable delivery of quality service for the people. Unless the administration qualifies what service the people need and rightly deserve, a government management mix will eventually come to naught.

Endnotes

[1]*Open book management*, as the name suggests, signifies the importance of information about the organization without being discriminatory of one's position or designation. In like manner, *discretionary effort* encourages the participation of every worker/employee in aspects other than his or her assignment or task for purpose of widening the worker's horizons thus, evolving himself/herself within the organization. This can be seen hand-in-hand with *job enrichment*, which goes beyond Taylor's assembly line. Job enrichment entails expanding involvement in other functions of the organization, e.g. research and direct services. This process imparts to the employee the invaluable information and his/her contribution to the whole organization. The same is true with the other empowerment strategies mentioned.

[2]One example is the European Community-developed ISO 9000, which seeks to standardize the quality management procedures on firms that engage in business with the European

Community (EC). ISO 4000 on the other hand refers to a new set of EC environmental management standards (Render and Heizer 1998: 94). In retrospect, this can be regarded as one positive way of integrating social and environmental responsibilities into quality management, from which the government sector can draw insights and related implementation strategies,

[3]In the Philippines, the proper agency to secure ISO-related information is the Bureau of Product Standards (BPS) of the Department of Trade and Industry.

[4]The award is named after former Secretary of Commerce Malcolm Baldrige.

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