A MANIFESTO OF TQM (1)
— Quest for a Respectable Organizational Presence —

The TQM Committee

Union of Japanese Scientists and Engineers

Preface

For a long time, Japan has used "TQC (Total Quality Control)" for modern quality control, which was born in America and developed in Japan in its own right. In April 1996, the Union of Japanese Scientists and Engineers (JUSE hereafter) changed the term from "TQC" to "TQM (Total Quality Management)."

Frankly speaking, a reason for this change from TQC to TQM was due to the prevalence of the latter term in many countries and our feeling for the need to adopt this more internationally-accepted term: TQM. More than that, this renaming process gave us an opportunity to revisit the origin of quality control and rebuild the concept of "TQM as New TQC" enabling us to respond better to environmental changes in TQC and business management.

For the past few years, the need to change the name from TQC to TQM has been discussed quite concretely among the people concerned. However, soon after JUSE made the official announcement of the name change, it became apparent that previous discussions had still failed to fully develop the consensus regarding this change from TQC to TQM. People are now questioning and discussing such simple and fundamental points as: How does TQM differ from TQC? How should the new concepts of TQM be established?

To map out the course in addressing issues related to this name change, JUSE established a TQM Committee consisting of the following members:

Chairman: Yoshinori Iizuka, The University of Tokyo
Members: Masamori Inohara, Osaka Electro-Communications University
            Takao Enkawa, Tokyo Institute of Technology
            Hiroshi Kubota, Hiroshima Institute of Technology
            Hisakazu Shindo, Yamanashi University
            Masahiko Munechika, Waseda University
            Susumu Yatsu, Tamagawa University
            Tadashi Yoshizawa, Tsukuba University

The TQM Committee had three missions:

(1)   To clarify the significance of the name change from TQC to TQM.
(2)   To clarify the concepts of the renamed TQM.
(3)   To develop a master plan promoting the understanding and implementation of TQM as new TQC.

In short, the purpose of the TQM Committee was to clarify what TQM is.

Based on these TQM Committee discussions, this booklet was developed as a manifesto of TQM, launching its beginnings as a fresh concept. Here, TQM asks such self-referential questions as "What am I?" and "What should I do?" It is hoped that this booklet may be used as a starting point for further discussions on the future course of TQM.

January 1997

Yoshinori Iizuka, The University of Tokyo
Chairman, the TQM Committee

A Manifesto of TQM

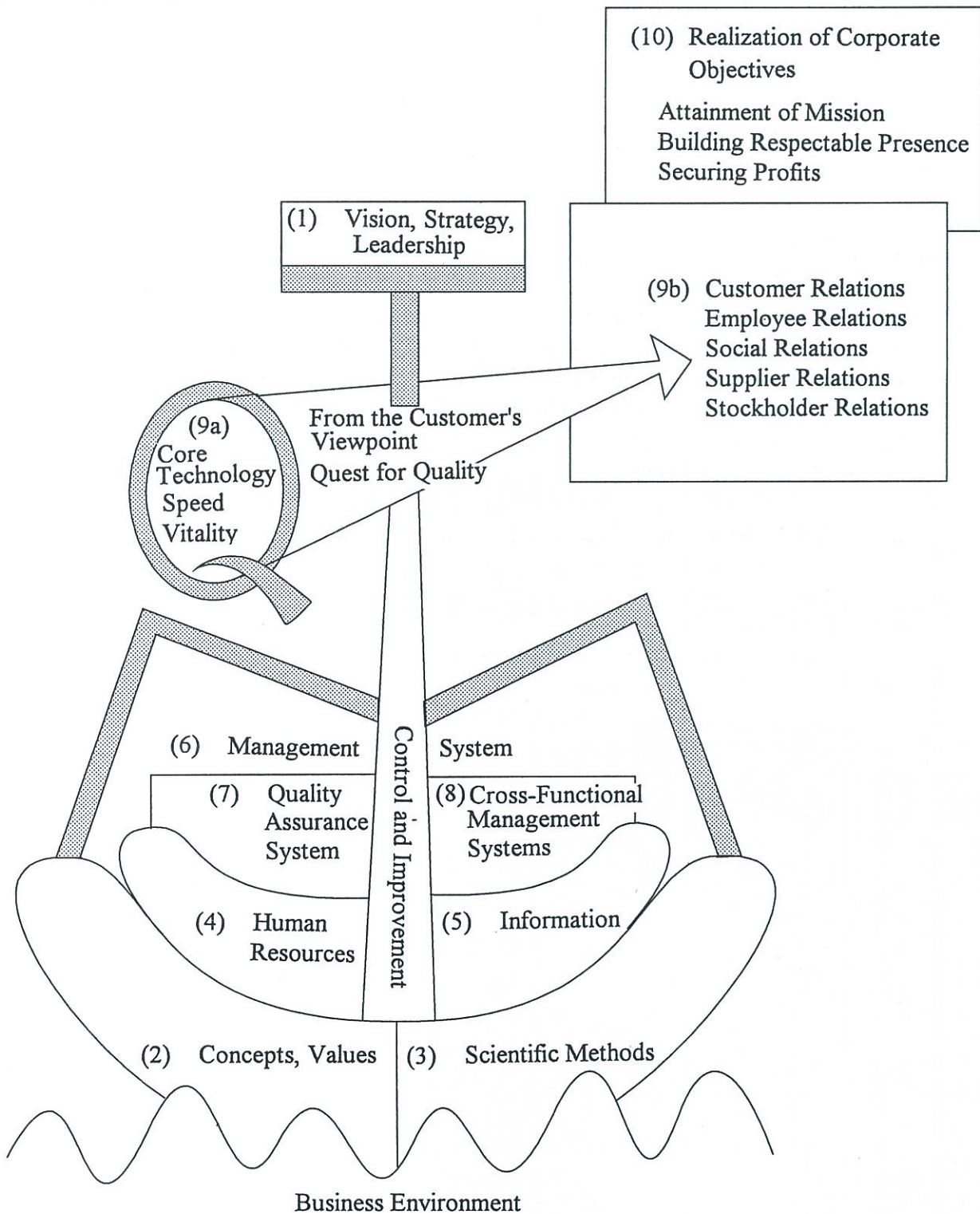### -- Quest for a Respectable Organizational Presence --

From TQC to "TQM"

Considering the current situation in which TQC as a term is becoming obsolete in international circles, it shall be changed to TQM. With this as a turning point, the concepts of TQM, as new TQC, shall be reconstructed.

TQM, as new TQC, shall inherit the basic concepts and methodologies that TQC possessed. At the same time, following its predecessor's tradition, TQM shall continue to transform itself according to the needs of the times. We recognize TQC as having evolved to a level worthy of TQM substantiated by many advanced companies' practices.

The Overall Picture of TQM

The diagram below depicts the concepts of TQM, as new TQC.

[Figure: The Overall Picture of TQM]

(10) Realization of Corporate
      Objectives

      Attainment of Mission
      Building Respectable Presence
      Securing Profits

(1) Vision, Strategy,
     Leadership

(9b) Customer Relations
      Employee Relations
      Social Relations
      Supplier Relations
      Stockholder Relations

(9a)
Core
Technology
Speed
Vitality

From the Customer's
Viewpoint
Quest for Quality

(6) Management System

(7) Quality
     Assurance
     System

(8) Cross-Functional
    Management
    Systems

Control and Improvement

(4) Human
     Resources

(5) Information

(2) Concepts, Values

(3) Scientific Methods

Business Environment

The Overall Picture of TQM

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In other words,

TQM Definition

TQM is a management approach that strives for the following in any business environment:

- Under strong top management leadership (1), establish clear mid- and long-term vision and strategies (1).
- Properly utilize the concepts, values (2), and scientific methods (3) of TQM.
- Regard human resources (4) and information (5) as vital organizational infrastructures.
- Under an appropriate management system (6), effectively operate a quality assurance system (7) and other cross-functional management systems such as cost, delivery, environment, and safety (8).
- Supported by fundamental organizational powers such as core technology, speed, and vitality (9a), ensure sound relations with customers, employees, society, suppliers, and stockholders (9b).
- Continuously realize corporate objectives in the form of achieving an organization's mission, building an organization with a respectable presence, and continuously securing profits (10).

" TQM Transformation

This new TQM aims to further strengthen its predecessor, TQC, in the following areas:

- While TQM's core aim remains customer satisfaction through products and services, TQM also emphasizes developing sound relations with other stakeholders such as employees, society, suppliers, and stockholders.
- To improve these relations, TQM aims to strengthen fundamental organizational powers such as core technology, speed, and vitality and to create an organization that has a respectable presence.
- To respond better to changing times, TQM emphasizes the importance of mid- and long-term vision and strategies as well as top management leadership.
- Among management resources, TQM emphasizes the importance of people and information and strives to build an organization that is excellent in autonomy, learning, speed, flexibility, and creativity.

☐ Environmental Changes Prompting TQM Transformation

The TQM transformation stated above responds to the following changes in business environment:

- Evolution of management needs: These needs have grown from merely providing products and services to maximizing quality and efficiency and to pursuing a respectable organizational presence. Companies today are faced with the challenges of providing higher and more diverse quality products and services, creating a clearer mission, and building a respectable presence.
- Strengthened management infrastructures: Progress in information technology and distribution technology has resulted in reduced constraints from time and physical distances. Companies need to respond to the trend of globalized, borderless, and internationalized economies.
- Changes in social systems: As society and economy matures, expectations toward organizations have changed. Along with deregulation, companies today are faced with the challenges of higher transparency, maintaining fairness and accountability, and countering liability.
- Changes in labor environment and consciousness: As society matures, changes have occurred in people's views toward humanity and labor as well as their behavior, involvement, and roles within a group. These issues need to be properly addressed in managing an organization.
- Increased uncertainty: The speed of political, economical, social, and technological changes has accelerated worldwide. Additionally, Japan has become one of the advanced nations. These situations demand leadership and proper management in taking speedy, courageous, and appropriate actions.

1. Name Change from TQC to TQM

Significance of the name change from TQC to TQM:

- Made the concept easier to recognize outside of Japan by changing "C (control)" to "M (management)," since with "control" there always exists some risk of the practice being narrowly understood.
- Led the practice to transform itself more robust for radically changing times ahead by extending TQC's tradition of adapting itself to the requirements of the times.

Quality control in Japan has successfully overcome many tests. Every time Japan faced challenges such as liberalization in trade, capital investment, and foreign exchange, as well as oil crises and appreciation in Japanese yen, TQC functioned as an effective tool for organizational improvements. If we are facing similar challenges again today, why shouldn't we continue to develop TQC as we have? Why not keep the name TQC, and transform it by enriching its contents?

The primary reason changing the name from TQC to TQM is its perception from an international viewpoint. The origin of the word "control" in TQC (Total Quality Control) is "counter" + "roll" meaning to check by a duplicate register. Therefore, though it carries the meaning "to check against standards," does not necessarily include an action to establish standards and plans. As ISO 9000 gained popularity throughout the world, various concepts regarding quality control rapidly became widespread as well. Consequently, it became clear that "quality control" simply referred to elements and techniques of quality control activities and that "quality management" was a more suitable term to describe quality control activities practiced in Japan. While TQC may have been acceptable as an acronym for the activities practiced in Japan, the word "control" could still cause misunderstanding if TQC continued to be referred back to as "total quality control." In the United States as well as in Europe, TQM has gained popularity as a term meaning total quality activities, and TQC is no longer an internationally-used term. If we are to position TQC as a universal methodology for managing organizations, we had to change the name to TQM.

The second reason for the name change is our recognition of the need to accelerate the speed of change in TQC. Up until the late 1980s, TQC was successful in adapting itself to the requirements of the times and contributing greatly to the companies that put this systematic approach for business management improvements into practice. Thus, TQC became widely recognized. The crush of the bubble economy in Japan also marked a turning point in TQC in many ways. The prevailing feelings are a lessened trust in TQC, a sense of limitation in applying TQC to many fields, a rise of management techniques that have new aspects that TQC didn't, a lack of future TQC leaders, and a stagnation in TQC promotion. The 80s were too prosperous for TQC to begin making necessary changes. Though belated, we must now begin to tackle squarely with TQC's transformation. By

changing the name to TQM, we intend to express our unwavering commitment to transforming TQC beyond the extrapolation of the past changes and adapting itself to these radically changing times.