A REVIEW OF INTEGRATED MANAGEMENT PRINCIPLES AND PRACTICES:

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Integrated Management Systems rely upon a strong base of quality management principles and practices for their design, structure and effectiveness and it is therefore essential to ensure the core quality management component is relevant, focused, capable of embracing and supporting other Integrated Management System elements, and cost-effectively delivering expected system outcomes.

This article is based upon a Discussion Paper submitted to the Wider Quality Movement organisation Business Excellence Australia (BEA) by the author in his capacity as representative of the Quality Society of Australasia however please note the issues and opinions presented in this paper are those of the author and are not necessarily endorsed by the Quality Society of Australasia and/or its individual members.

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This author seeks to challenge existing paradigms and to stimulate high-level critique and discussion amongst organisations; business managers; quality, safety and environmental management practitioners; and other professionals, about:

- *the business community's concept of what quality management is*
- *the existing role quality management has been allocated by our business leaders*
- *the way in which quality management technology is being interpreted and implemented*
- *identifying opportunities for improvement in quality management concepts and approaches*
- *the organisational and management roles of quality management practitioners*
- *the prospective benefit to Australia's survival and economic wellbeing from quality management*

The author will be happy to respond to critique, or enquiries for further information or explanation.

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1. Quality Management

Quality Management is a particular form of value-adding, cost-effective *management technology,* used to *manage organisations and work intended to produce specific outcomes.*

At present, quality management includes, but is not limited to, the management technologies and applications detailed in Appendix A. Each one of these discrete management technologies has the potential to positively contribute to and benefit every organisation.

Quality Management, like *quality*, cannot be precisely defined because it evolves as society itself evolves.

Quality Management has no boundaries and is concerned with *managing quality:*

- ***of* management** ie - the quality of manager capabilities, competencies, experience, attitudes, traits, styles, probity, ethics
- ***by* management** ie - the quality of the ideologies, structures, approaches, resources and workplace environments created by management
- ***in* management** ie - the quality of leadership, strategies, methodologies deployed in *the practice of management*
- ***from* management** ie - the quality of the results and outcomes produced *from* management
- ***into* management** ie - the systematic or ad-hoc management of continuous improvement opportunities into management practice to displace and replace ineffective technologies

Quality Management systematically manages:

- **what is *intended to be done*** - identifies, defines, specifies, plans, documents, informs
- **what is *actually being done*** - supervises, monitors, controls, measures, records
- **what *was done*** - verifies, validates and records
- **what *should have been done*** - measures, assesses, reviews, identifies shortcomings, records
- **what *needs to be done*** - addresses and remedies shortcomings in performance outcomes
- **by whom, when, where, how and why.**

Quality Management can holistically, or separately, manage all the discrete functions of management - ie *leading, planning, organising, staffing, directing, controlling, feeding-back, correcting and improving*, in any industry or discipline.

Quality Management seeks to contribute to identifying and satisfying the *stated or implied needs and expectations*, of suppliers, recipients and participants *in all activities of human endeavour*.

By virtue of its intent and methodologies, and the commitment of its practitioners, quality management is continuously improving itself - constantly striving to be better, more relevant, and a more effective means for attaining productivity, competitiveness and customer satisfaction.

2. Application

Quality Management is applicable to the **management** *per se,* of all aspects of the design, operation, performance and cost-effectiveness of all organisations, their products and their services - in all industries.

There is no organisational related activity which cannot be successfully managed or improved by the application of quality management technologies.

Quality Management is particularly valuable in uniting the tiers, or hierarchial levels of organisations, towards a common purpose.

Quality Management can provide a clearly defined structural framework in which all organisational activity occurs - a must for empowered self-directed or cross-functional workplace teams, multi-skilled flexible workforces, or dynamic workplace environments.

Some of the current applications of quality management are detailed in Appendix B.

3. Progress So far

During the past ten years many thousands of Australian organisations have enthusiastically adopted *quality management* in one form or another however, notwithstanding this positive progress, *quality management* has not been widely accepted in Australia and, where it has, is most likely a result of reactive proprietor, stakeholder or customer coercion - ie not proactively self-initiated and led by internal management as a direct result of their own initiative.

Current indications are that although only about 5% of Australian enterprises (predominately international organisations) practice some form of formal quality management, the results for most of those have been *spectacular.*

The overwhelming evidence shows that quality management, even when only partially applied, offers a vital tool for organisations to improve their organisational focus, performance, competitiveness, and return on investment.

Market driven **organisations** have favoured *customer-focused* ISO Quality Assurance, which has been typically limited to product creation and delivery activities - ie product related operational areas, thereby not fulfilling stakeholder expectations for whole organisation business performance improvement.

Stakeholder driven **organisations** have favoured *stakeholder focused* TQM, which has been typically limited to stakeholder satisfying management activities - ie strategic and infrastructure areas, thereby not fulfilling customer expectations for product, service and performance improvement.

Continuous improvement focused **organisations** have favoured integrated holistic ISO/TQM quality management intended to fulfil the expectations of all participants and beneficiaries of organisational activity.

4. Some Observations on Strategic Shortcomings - Practical Challenges For CEO's

Recent developments in international trading relativities - ie currency revaluations, place increasing pressure on Australia to perform more efficiently and effectively. However, we are currently politically enslaved (at our cost) to international ideologies concerned with economic rationalist models that have no interest in quality.

Quality Management is no longer regarded as relevant to ideological expediency.

The entire nation is being strangled by conformance and compliance to other peoples' norms. The spirit of pioneering innovation that built this great nation is being suppressed by enforced conformance in every facet of society. The entire Australian socio-economic psyche is being restructured around economic expediency. Short-term results have replaced long-term vision.

During the past ten years, both TQM (Total Quality Management) and QA (Quality Assurance Management), like historic safety management, have become *prescriptive* and *standardised*. Organisational life is seen as a series of processes in a matrix framework. Few are willing to move outside the prescription. New and progressive innovation, experiment, and challenge to the *status quo* have been stifled.

The relentless national move towards *accredited* QA or TQM quality systems has the sole objective of developing stakeholder capability to measure and enforce *conformance with the standard prescription* - regardless of the commercial or competitive consequences. Conformance is rewarded by more conforming business. The performance spiral trends downward.

Many CEO's see no role for quality management in internal infrastructure overhead cost areas such as sales, accounts, human resources, information technology, and notably executive management. Others, particularly Administrators, cannot conceptually accept that they provide a product or service at all, and genuinely believe quality management does not apply to either themselves or their organisational role.

Some organisations allow strategic policy or ideology to over-ride a quality managed approach to organisational management. Staff involved in leading or co-ordinating quality management activities are told what the scope of their brief is, the methodology to be used, and what outcomes are expected - eg achieve an award or certification - leaving no room or motivation for innovative organisational solutions.

The current preoccupation with benchmarking and best-practice, neither of which is necessarily holistic or competitive, produces a *follow the leader* mentality, and encourages destructive self-deluding organisational propaganda - eg *"we are the best"* - when it is obvious to everyone *outside* the organisation that it is not. Our organisations are still results driven towards short-term horizons by self-serving policies.

Some organisations perceive quality management, because of its systematic approach to managing work, to be an ideal vehicle to support organisational reform and downsizing policies deploying *organisational demolition* methodologies, resulting in a negative reaction by staff, and an unwillingness to participate and produce collectively beneficial results. Staff feel manipulated and exploited. Opportunity is lost.

The move to *stakeholder focus* instead of *customer focus* is yet another symptom of management's insecurity and attitudes. The autocratic top-down organisational structure remains the norm. The "*them and us"* paradigm prevails. *Quality Management* principles challenging unsuccessful autocracies are ignored.

A key principle in the success of any management approach is to first identify that which is to be managed, then deploy the most appropriate technologies and methodologies for the outcomes sought. Therefore, *holistic quality management* is essential to all organisations needing to improve their productivity, competitiveness or business performance.

Clearly, integrated TQM/QA is needed for most organisations.

The fact remains there is no other alternative form of cost-effective management technology that offers organisations a reliable means to determine their purpose, set their goals, manage their activities, identify opportunities for improvement, systematically manage that improvement, measure results and set new standards for performance.

Only properly applied *holistic quality management* has the capability to provide the means for identifying and implementing the solutions crucial to restoring Australia's business performance and real *per-capita* income.

The problem then is not with quality management *per se*, but with those who have purposefully or erroneously misused it, not used it, or deliberately restricted its organisational scope or effectiveness.

5. Why Has The Introduction of Quality Management Been Resisted?

It is commonly observed by quality professionals that many senior managers perceive quality management as offering limited benefit to their organisation. This can arise when such managers:

- are inadequately briefed in holistic quality management and its inter-relationship with traditional management models and business practice,
- do not understand either the intent of quality management or the prospective positive benefits to the organisation and themselves,
- perceive quality management as a threat to their personal autonomy, power, security or domain,
- are not prepared to expose their methods to review by peers or quality management professionals,
- are not included in the strategic decision making process leading to the introduction or application of quality management,
- regard quality management as something separate to the mainstream management activities of the organisation - ie not to be involved in strategic or line management, assigned a peripheral role
- are employed on fixed term appointment and focus on quick-fix strategies for maximum kudos,
- focus on the short-term (a natural outcome of *benchmarking* strategies),
- do not understand how their organisation really works,
- are convinced *their* way is the best way.

Uninformed managers perceive quality management to be a cost, rather than a benefit, notwithstanding objective evidence that proves quality not only *does not* cost - but *it pays for itself several times over*!

Managers instinctively know that quality management, representing both customers and stakeholders, will look closely into their traditionally sacrosanct domain to discover what they do, how they do it, why they do it, and how well they do it etc. - and typically structure the scope and focus of quality management programs to exclude themselves and the things they manage from scrutiny.

In order to survive and attain promotion, managers have learned the hard way how to do those things which please their masters. Quality management is not one of those - *the now* prevails!

Those perceiving threat to their security from the uncertainties of economic rationalism, downsizing, outsourcing or restructuring policies, are reluctant to commit to any change in behaviour, or exposure to visible methodologies for managing, from fear of being targeted for elimination, and shift their quality professionals out of the arena of central management to the sidelines to watch, facilitate or co-ordinate.

Many managers *claim* to be committed to quality but their actions demonstrate they have no interest *at all.*

The majority of Australia's *key decision maker* managers demonstrate they are wholly focused on servicing government or investor expectations, are happy with their view of the world, behaviour, and performance.

Australian managers have failed to understand that *quality management offers them the only available solution* to their corporate ills, and have passed it over for seemingly easier options.

There is much to be done to promote a wider understanding of quality management concepts and principles, and to enable prospective users to select those aspects of quality management that will realise the greatest benefit for them.

6. Benchmarking and Best Practice

The current widespread use of benchmarking techniques *in place of holistic quality management* is a symptom of management's preference to superficial solutions. Many demonstrate a willingness to proclaim illusionary performance improvement by the selective use of benchmarks that enhance self-interest.

Benchmarking is nothing more than a macro comparative approach to the systematic setting of organisational performance *standards,* measuring strategic or process outcome *objectives*, and a basis for planning *future improvement* - ie fundamental elements of *basic* management.

Benchmarks are typically set to satisfy *stakeholder* interest with little relevance to *individual customer's* needs or expectations. Benchmarks endemically view customers as a collective mass, and cannot assure quality goods or services in each and every individual transaction. Unless benchmarks are guaranteed, they will have little interest to customers.

Management By Objectives (MBO), which was proven long ago to be ineffective as a core management process, still reigns in our organisations. *Benchmarking* and *best-practice* concepts reinforce MBO.

Benchmarking is a distraction which Australia does not need. What we do need are cost-effective, value-adding management methodologies for assuring that goods and services will be quality competitive.

Notwithstanding the use of non-customer focused product or service benchmarks, we see many examples of organisations proclaiming they are world's best practice! However there can only ever be *one* best and if the organisation is not the market competitive leader then, by definition, it must be only a follower.

7. Where Are We Now?

According to the Australian Taxation Office more than 50% of Australian businesses lose money. Currently, many are collapsing or close to collapsing. Notwithstanding very low inflation, public sector organisations continue to increase costs to users and taxpayers - productivity improvement is negative. Australia's relative wealth (per capita income) continues to slide in world terms.

Notwithstanding this abysmal performance, public and private sector organisations in Australia continue to demonstrate that they are self-serving and pre-occupied with preserving conformity, uniformity, and the *status quo* - as they see it. Management's ideologies are paramount.

Management prefers to attribute product, service and organisational performance problems to the workforce, which bears the penalty for unacceptable outcomes. An example of this approach to quality improvement in the public sector is demonstrated by The Hon Peter Reith (November 1996).

The key objective of the Western Australian Public Sector Management Office (PSMO) is *to improve quality service delivery by the public sector* however, of the more than two hundred public sector organisations operating as directly part of, or on behalf of the Western Australian Government, few if any, quality assure to their external *clients or paying customers* the core goods and services they are commissioned by Act of Parliament to provide.

The PSMO also supports the Government's efforts to attain *best practice* in public sector management *by ensuring statutory requirements are met*, however there are currently **no** *statutory requirements* for implementing holistic quality management throughout the public sector to create the means for this to happen.

Technologies we have traditionally identified as *good management practice* have been renamed by all and sundry as "quality management", so any organisation which has a mission statement, vision statement, policies, benchmark (results) objectives *(Key Result Area Objectives)*, a strategic plan, uses information and analysis, measures its performance *(Key Performance Measures and Key Performance Indicators)* and perceives itself to be customer focused can now claim to be *best practice*! Is this really best practice?

Notwithstanding State and Federal Government *Customer Focus Policies*, those public sector organisations who *have* implemented quality management, typically limit its scope and focus to *stakeholder* determined standards for performance. None have received an Australian Quality Award, or been ISO quality certified, for the product or service outcomes identified as being their primary social or statutory function.

The Minister for Fair Trading, in her *Open Competition* speech of 25 July 1996, said: *"I should emphasise that in the reform process, businesses of any kind would do well to remember that their incomes are derived from providing goods or services for customers and it is in their interests to make dealings with them attractive to customers.*

It is not acceptable, and never has been, for any business to assume that when it has significant power and a dominant bargaining position it will be able to do as it likes, without adequate regard for the people it deals with."

The author endorses the Minister's remarks, noting that *Stakeholders* (including sectional interests, investors, financiers, proprietors, governments, regulators, employees, contractors, suppliers, creditors and insurers) are not paying *Customers* - i.e. *those people for whom the organisation exists to serve*. In the context of this article, *Stakeholders* are persons or entities who are in a position to contribute to the organisation to enable *it* to more effectively function and service its *Customers*. In *Stakeholder focused* organisations Customers become merely a means to an end, with disastrous consequences for everyone.

8. The Risks

The ongoing Australian economy is wholly funded by taxpayers and consumers. It follows that if the expectations of taxpayers and consumers are not adequately serviced then the economic base for public and private enterprise cannot be sustained.

Taxpayers and consumers may choose to save rather than spend. Disaffected customers vote with their hip-pocket. Disaffected taxpayers vote at the ballot box. Disaffected stakeholders invest their money elsewhere.

Lower priced imports equate to lower risk to the purchaser. Lower risk means the purchaser has less to lose from poor quality. To command a higher price tag and win customers away from imports, Australian industry must improve and sustain consistent and superior quality in goods, services and performance.

The WA Premier, in his *Open Competition Policy* speech of 25 July 1996, and referring to the *National Competition Policy Agreement* that was agreed at the 1995 Council of Australian Governments meeting in Canberra, said: *"Competition is a critical factor in delivering higher living standards, increased employment and a more robust economy."* He added, *"Western Australia, perhaps more than any other state, has a substantial exposure to world markets and cannot operate in isolation or ignorance of the forces which are important in those markets."*

Right now, the former Soviet Union, Indonesia, India, China, Mexico and Turkey, amongst others, are moving towards free-market economies driven by consumer desire to be the same as us, to own what we own, and enjoy what we enjoy. That market represents not only 2 billion more consumers but many more world-class, low-cost, value-competitive suppliers eager to enter *our* own established markets.

Australia is in real danger of being dragged down to the international economic equilibrium. Australia cannot afford to be a follower. It must lead in innovation and technology to preserve and improve its way of life. Right now hundreds of thousands of jobs are at risk in key industries. Time is very short.

9. The Opportunities

Holistic quality management has proven itself to be an extremely cost-effective tool for managers to achieve their desired organisational outcomes.

Quality management has also proven to be an ideal vehicle for integrating into itself supplementary management systems, such as safety management systems and environmental management systems.

Every organisation can right now apply one or more of the technologies of quality management to their:

- physical resources
- financial resources
- human resources

- products
- services
- infrastructure
- technologies
- management

Much of the foundation quality management technology available pre 1987 has been lost to become replaced with simplistic concepts and institutionalised copycat prescriptive methodologies. These are now spilling over into safety and environmental management.

We *now* have an opportunity to move forward from the current standardised, prescriptive QA and TQM approaches to quality management, and develop from them a new paradigm focused on the real needs of Australian public and private organisations.

There is urgent need to *demonstrate* the use of quality management in the management of the State by its servants and agents, including the creation, interpretation, implementation and enforcement of law, by:

- the Parliament
- the Executive
- the Judiciary
- the Police Service
- the Public Service
- Public Sector Organisations
- Public Trading Corporations

9. The Benefits

Quality Practitioners do not claim *Quality Management* offers "a quick fix" that will instantly save an organisation from its past excesses or shortcomings however, in any area of organisational activity, *Quality Management*:

- will quickly identify problem areas and their root causes, and develop corrective or preventive actions to remedy defective performance.

- may be applied systematically or ad-hoc, and may be introduced incrementally or organisation-wide.

- offers organisations which have lost their way an opportunity to identify their real purpose, and to focus activities towards that purpose, realising cost benefits along the way.

- is the *only* hope of salvation to those organisations affected by economic rationalism, downsizing, restructuring, or externally manipulated markets, because *it offers form, structure and methodology to provide a means to communicate and manage* executive management's *intentions* to all line managers and operations staff.

- is essential to those organisations moving towards a flexible multi-skilled workforce, because the traditional method of relying on experienced long serving staff to train newcomers is being phased out. Middle management, who used to make up for executive management's shortcomings are being eliminated. Industries moving to project based off-the-shelf sub-contract labour need to implement effective management approaches to ensure organisational goals are realised.

- is crucial to those organisations opting for outsourcing goods and services, to assure the integrity of inputs to their organisational function and purpose.

Holistic quality management pays - it does not cost.

Organisations managed with *quality management* technologies survive, grow and prosper because all managers, staff and suppliers become attuned to achieving the organisation’s common purpose, bringing to fruition the old adage *united we stand, divided we fall.*

11. Summary

Quality Management has assisted many Australian organisations become more competitive, cost-effective and customer focused to fulfil their corporate goals of survival, growth, and prosperity.

Holistic Quality Management is the ideal *means* for organisations to transform their *rhetoric into reality*.

Enlightened managers recognise the current trend towards integrated management systems must be built on a strong platform of effective *holistic quality management*. Without this strong core, integrated management systems will inevitably fail to deliver expected results because they will be conceptually and structurally incapable.

However, Integrated Management Systems must been seen only as *a starting point*, a foundation from which to pursue further effort - a new beginning for *the quality journey* (Juran, 1988, pp 6-11).

Some suggestions for improving the use of Quality Management in Western Australia are presented for discussion in Appendix C.

An exciting recent milestone development is that participants in the Wider Quality Movement in Western Australia have created the forum of *Business Excellence Australia* to enable them to work together in a strategic alliance to promote the benefits of quality management to all organisations in WA, and to stimulate and facilitate the introduction and implementation of effective holistic quality management throughout the whole of the public and private sectors of Western Australia.

Appendix A: Some of the Quality Management Technologies in Current Use

ADRI Quality Model (Approach, Deployment, Results, Improvement)
Australian Quality Awards Matrix
Autonomous Work Groups and Team building
Benchmarking
Best Management Practice
Best Practice
Codes of Conduct
Codes of Values and Ethics
Codes of Practice
Commitment to Excellence
Company Wide Quality Control
Competency Standards
Conditions of Excellence for Quality
Configuration Management
Continuous Improvement
Contract Review
Corporate Mission and Vision
Corporate Values and Ethics
Corrective and Preventive Action Management
Customer Deployment
Customer Focus
Customer Service
Design Review
Design Verification
Design Validation
Development of Quality Champions
Document Control and Document Change Control Systems
Employee Empowerment, Respect and Recognition
Employee Involvement and Ownership
Employee Qualification, Training Plans and Training Records
Environmental Scanning
Failure Mode Analysis
Fault Tree Analysis
Guarantees
Independent Third-party Certification
Industrial Engineering
Inspection and Test Plans
Installation and Commissioning Plans
International Competitiveness
Just In Time (Kamban) Manufacturing
Kaizen
Key Result Area Objectives, Indicators and Performance Measurement
Learning Organisations
Leaderless Teams
Maintenance Plans
Manufacturer's Data Reports (MDR)
Materials Data Sheets (MDS)
Motion and Time Management (MTM)
National Standards
Organisational Self-assessment

PDCA Cycle
Policy Development and Strategic Planning
Preventive Maintenance
Process Design
Process Control
Process Engineering and Re-engineering
Process Improvement
Process Mapping
Productivity
Productivity Improvement Teams
QETO Quality Assurance Standards
Quality Auditing
Quality Assurance
Quality Circles
Quality Control
Quality Councils (Organisational)
Quality Cost Systems (Prevention, Appraisal, Failure Costs)
Quality Improvement
Quality Improvement Teams
Quality Journey (AQC)
Quality Journey (Juran)
Quality Planning
Quality Plans
Quality Records
Quality Systems
Reliability
Second Party Assessment
Six Sigma
Small Group Activities
Software Configuration Management
Standardisation
Statistical Process Control
Statistical Quality Control
Supplier Data Reports (SDR)
Supplier Qualification and Assessment
Survey
Team
Third-party Accreditation Schemes
Third-party Certification Schemes
Total Quality Control
Total Quality Management
Towards Excellence
Type and Routine Testing
Value-adding Management
Warranties
Welding Procedure Specifications (WPS), Procedure Qualification Records (QPR), and Welder/welding Operator Performance Qualification
World's Best Practice
World Class Manufacturing
Zero Defects

Appendix B: Some of the Common Current Applications of Quality Management Technologies

Administrative Management
After Sales Service Management
Assets Management
Auditing (Financial)
Case Management
Change Management
Consensus Management
Construction Management
Commercial Management
Contracts Management
Cross-Functional Teams
Data Processing and Information Management
Design Management
Economic Rationalism
Empowerment
Engineering Management
Environmental Management
Facilities Planning and Management
Financial Management
General Management
Hazard Identification, Assessment and Management
Hazardous Substances and Dangerous Goods Management
Health and Safety Management
Hierarchy-less Organisations
Human Resource Planning and Management
Industrial Relations Management
Information Technology Management
Infrastructure Management
Insurance Management
Integrated Quality, Safety and Environmental Management
Loss Control Management
Management By Objectives
Manufacturing Engineering
Marketing Management
Methods Engineering
Multi-skilling
Operations Management
Organisational Design
Organisational Development
Organisational Re-structure
Organisational Transformation
Outcomes Management
Outsourcing
Participative Management
Partnering Alliances
Performance Management
Poisons Management
Process Improvement Teams
Production Engineering
Projects Planning and Control Management
Purchasing and Supply Management
Records Management and Archiving

Reverse Engineering
Risk Identification and Analysis
Risk Assessment and Reduction
Risk Management
Safety Case Analysis
Safety Management
Sales Management
Self-directed Work Teams
Strategic Alliances
Strategic Management
Supplier Management
Training Design and Delivery
Wastes Management
Workplace Reform

Appendix C: Some Suggestions for Improving the use of Quality Management in Western Australia

1. Provide training to key managers of organisations in how to apply *holistic quality management* to all aspects of organisational activity - not just goods or services.

   Develop strategies for introducing quality management technologies, as being *the* way to manage, into all private and public management courses in Western Australia.

2. Review the *effectiveness* of current State Supply Commission policies requiring mandatory independent third-party quality system certification for suppliers (particularly those in the *small business sector*) to Government agencies.

   Note: Current policies focus on quality assuring the *supplier* and not the goods or services provided, thereby advantaging importers/distributors whilst disadvantaging Australian small businesses. Current certification practices permit a certified supplier to supply non-quality assured goods or services, thereby avoiding the whole purpose of quality assurance.

   Note: Current SSC policies also permit that non-critical goods and services do not need to be quality assured *at all*, thereby taking *quality* out of the *value* equation.

3. Review the effectiveness of industry specific prescriptive quality assurance systems being developed to substitute for the ISO QA model. Many of these appear to be designed solely to preserve the status quo of their industry hierarchies - or create new ones, and do not incorporate mechanisms to ensure real continuous improvement in products or competitiveness - in fact such approaches may well peg the industry-wide benchmark to standards below that required for national competitiveness.

   Such systems tend to be product focused, inhibit or prevent integration of quality management with other streams such as safety and environmental management, and detract from the opportunities offered by holistic quality management.

4. Challenge the current trend for public and private sector organisations to claim they are *world-class* or *world's best practice* (without supporting evidence) and develop strategies for reviving realism into corporate claims and image. (See Public Sector Standards Commission *Code of Ethics*)

5. Introduce a legal requirement that suppliers claiming that their goods or services are quality assured must, when requested, provide documented evidence to customers verifying that claim - eg documented evidence that claimed quality assuring activities, including design verification and inspections and tests, were actually performed, and details of their actual results.

   The current position is that unless an independent third-party certified quality system is specifically referenced in a contract there is no obligation upon the supplier to use it for that particular contract.

6. Introduce a legal requirement that suppliers claiming that their goods or services are quality assured - by direct claim or the use of a quality assured logo in advertising, specifications or promotional material - must not incorporate clauses in their conditions of sale, warranties or guarantees that limit or negate those legal benefits to the purchaser obtained from the laws of contract or Trade Practices Act derived from a claim by the supplier that the goods or services were created under the application of an independent third-party certified quality system.

7. Encourage the integration of quality management technologies into CEO level activity, such as business policy formulation and strategic planning processes.

   The current situation is that quality management professionals are mostly limited by their designated organisational status to spans of control restricting them to facilitating, co-ordinating and persuading - ie they are excluded from corporate high-level decision making processes and are confined to a role of monitoring, policing, and drawing attention to the shortcomings of others, thereby incurring reactions of displeasure, suspicion, and unwillingness to participate in quality related activities.

8. Encourage the use of quality management professionals to perform as executive management level internal consultants, assisting line and staff managers to continuously improve *their* organisation's design, *their* approaches to their roles, *their* deployment of quality management technologies, *their* systems for identifying performance measures and measuring results, and *their* methodologies for systematic continuous improvement.

9. Create honesty and openness in recruitment and appointment processes.

   Notwithstanding legislation *prohibiting bias* in recruitment and employment, and a claimed intent to recruit only the best available candidate, existing standard application forms in the public sector (and less evident in the private sector), ask questions about previous worker's compensation claims, health, disabilities, sex, age, race, marital status and criminal charges/conviction records.

   Public sector Job Description Forms used for recruitment and appointment should reflect the true function intended to be performed - in the sense of a quality assured job specification - to enable supervisors to measure performance and obtain accountability, and to enable incumbents to know why they are employed.

10. Discourage the proposed creation of a national quality authority, which is likely to have the effect of regulating and inhibiting innovative continuous improvement in all sectors. A single authority means uniformity, conformity and more of the same (whatever they might be) at a particular point in time, stifling new and progressive concepts and ideas.

11. Encourage an ethic of *customer focus* in law. The existing Australian legal framework institutionalises legal rights in favour of the seller.

    Typical *contracts of sale* used by all major companies disadvantage customers. To ensure self-preservation, product quality rates a low order. The legal situation remains very much *caveat emptor*.

    On the other hand, public sector organisations in most cases do not have a formal legal contract with their customers and/or clients at all, but where they do the customer's rights are typically limited by statute to negligible rights or remedies.

12. Encourage the introduction of supplier/customer contracts in the public sector to introduce legal accountability to customers.

    All public sector activity is claimed to be *in the public interest* so the obligation to individual customers is always assessed by regulators and agencies against all customers and/or the public interest. The current ethos is that if individuals provided poor quality must suffer, then so be it.

If the public sector is staffed by *the best people*, as the PSSC claims, then there is no reason why they should be permitted to hide behind a wall of protective statutory law and matrix relationships to avoid responsibility, accountability or culpability for their actions, errors or omissions.

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