



Illustration by swaprill redkar



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# building a quality culture

*A strong company culture defined by its values, beliefs, and behaviors, has a profound impact on its products and services. More so in today's VUCA world, where to stay relevant and maintain a competitive edge, it is critical for organizations to build a culture that focuses on quality. Suresh Lulla, author of Quality Fables, elucidates through significant examples how creating a culture of quality is imperative to driving success and productivity.*

**M**otivation is concerned with human behavior. Managers succeed when they employ the forces of human behavior to achieve results.

In order to manage quality, managers must acquire an understanding of what the actual motivators of human behavior in the organization relative to the attainment of quality are. These motivators define cultural patterns, which is a body of beliefs, habits, and practices that humans have evolved to deal with perceived problems. Each function or department has its own cultural pattern. Perceptions of cultural patterns can differ and also be in error. The widespread errors of perception (myths, misconceptions) have led managers astray.

Some managerial myths are:

- The workforce is responsible for the organization's quality

- Workers can do quality work but they lack motivation
- Quality will get top priority if top management so demands
- To change worker's behavior, we first need to change their attitudes.

Managers whose beliefs include such myths are not aware that their perceptions are in error. The one belief I have is that you can build a quality culture when you, first and always, treat your workers with dignity.

**quality fable: no passport. no visa. just quality**

With the OPEC crisis in the early 1970s, the cost per barrel of oil jumped multifold. All nations were impacted. None was impacted more than Japan that imported raw materials from the world, added value, and sold the finished goods primarily to the US.



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What changed?

Cost push and customer buying behavior.

Customers no longer wished to purchase in economic lot size quantities. Their requirements changed to on-time delivery of any mix of products specified in their purchase orders. Inventory was clearly perceived as a Cost Of Poor Quality (COPQ).

Japanese industry leaders zeroed in on crashing the set-up times of machines in order to build flexibility in their manufacturing processes as well as minimize inventory. Within two years, Just-In-Time was born.

With that Japan could sell fuel efficient, sub-compact cars in the US. In particular, Toyota Corolla and Datsun 510. As a result, the backbone of the US economy was hurt. Unemployment followed.

The sharp and proactive Japanese carmakers worked on a win-win strategy. They decided to purchase the sick auto units and give back jobs to the Americans. However, the prevailing management practices needed a thorough update.

Three initiatives were introduced in the following sequence:

- 01 Housekeeping practices
- 02 Safety practices
- 03 Quality management practices

The common thread through the three initiatives was 'give back dignity to the worker.' To build a sustainable quality culture.

In fact, the NUMMI joint venture between General Motors and Toyota in California demonstrated the power of these three initiatives. They transformed an organization that was the benchmark for poor labor relations to a preferred oasis for work.



**Customer buying behavior must be tracked with every business environmental change.**

The Toyota cars produced at NUMMI in California were a preferred choice for Japanese customers, over identical models made in their own Japan.

### lessons learned

- 01 Treat your workers with dignity
- 02 Inventory is a huge Cost of Poor Quality
- 03 Customer buying behavior must be tracked with every business environmental change
- 04 Housekeeping and safety are a prerequisite for building a quality culture
- 05 Challenge every time consuming activity or process
- 06 Quality does not need a passport or visa

### quality fable: quality needs no passport

This is truly a quality fable. It is a story I have fabricated using a little bit of this; and a little bit of that.

During the 1973 Arab-Israeli War, Arab members of the Organization of Petroleum Exporting Countries (OPEC) imposed an embargo against supporters of Israel. The embargo not only banned the export of petroleum to the targeted nations, but also introduced cuts in oil production. Consequently, there was an upward spiral in oil prices that impacted national economies, globally.

At first, the price of oil per barrel doubled. Then quadrupled. Then even more. This imposed skyrocketing costs on consumers for basic day-to-day living. It even challenged the economic stability of several nations.

The US was hit badly. Over the years, the country had become increasingly dependent on foreign oil. With spiraling price of petrol, the demand for American petrol guzzling cars crashed. This resulted in unemployment. In Detroit particularly.

The Japanese car manufacturers saw an opportunity. They had mastered the science of quality management. It is now referred to as The Toyota Way. They had also mastered the science of manufacturing low-cost four-cylinder fuel-efficient cars. Toyota Corolla and Datsun 510 more precisely.

These Japanese car manufacturers chose to acquire some of the ailing American auto units in Detroit. They invested money. They also gave back jobs to the American



**Accidents occur when something fails. A failure is a flag for poor quality.**

auto workers. As is well known, the auto industry was the backbone of the US economy. There used to be a saying: what is good for General Motors, is good for the American economy.

The following is an imagineered interaction with an ailing American auto unit.

On the first day, all workers (current and sacked) were requested to assemble in a large hall. Two Japanese managers were to address them. In keeping with tradition the address was precise.

The first started with: “Your jobs are secure for the next ten years”. The demotivated employees seemed to have woken up with this electric shock. All this in a hire-fire economy!

“However, you will now have to manage the 100 square feet you occupy. So, as a first step, as you leave the room, I am requesting my colleague (bowing to the second manager) to distribute a can of white paint and a brush to each of you. Go tidy up the space you occupy.”

A week later, the plant looked as sparkling white as an operation theater. Gone were the days of battle ground dark colors. That was the first lesson the workers learned on quality management: housekeeping practices to build a quality culture. Cleanliness sensitizes workers to detect errors.

The following week, the two managers again assembled the workers in the same hall. The hall had been painted by this Japanese twosome.

“Have there been any accidents in the plant?” Long silence. Finally, an episode.

“Oh you mean there’s been an incidence of eye-burn last year. That should never happen.”

Following this interaction, the two managers nominated themselves to a team and requested the plant-in-charge, human resource manager, maintenance manager, and a worker to join in. This team of seven jointly addressed the eye-burn problem using the Juran methodology: Symptom to Cause to Remedy. The second lesson was successfully demonstrated: Safety. Accidents occur when something fails. A failure is a flag for poor quality.

The byproduct of the first two lessons was subtle but most important. Give back dignity to the workers.

The Japanese had softly demonstrated through three actions: We care.

By now the workers were actually enjoying coming to work. They arrived earlier, just in case, and did not hesitate to complete their assigned tasks before leaving for the day. They had migrated from clock-watchers to task-achievers.

With some acquired American humor, the Japanese twosome pointed out that the material flow in the plant was like spaghetti.

Let us streamline the flow for minimal human intervention. Industrial engineers took charge. The plant was shut for thirty days to improve the flow of material.

How were the workers engaged? They were taught problem solving and the application of quality tools!!

The Japanese twosome had demonstrated that quality management is agnostic to national cultures. The American auto units once again delivered successful outcomes, the Japanese way.

### lessons learned

- 01 Challenges can be met through quality management
- 02 Quality management is not capital intensive
- 03 Build a quality culture through housekeeping
- 04 Build a quality culture through safety
- 05 Treat the workers with dignity
- 06 Higher human intervention in a process increases the opportunities for failures
- 07 Leaders should work on important problems. ■