# Ross School of Business at the University of Michigan

## Independent Study Project Report

TERM            :  Fall 2003

COURSE          :  OM 399

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TITLE           : Non-profit organizations and quality management systems : the
                   implementation of ISO 9001:2000 at Focus: HOPE

# NON-PROFIT ORGANIZATIONS AND QUALITY MANAGEMENT SYSTEMS:

# THE IMPLEMENTATION OF ISO 9001:2000 AT FOCUS: HOPE

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A research paper submitted in fulfillment of the requirements for three credits, UNDERGRADUATE INDEPENDENT RESEARCH PROJECT Fall 2003, Professor Brian Talbot, Faculty Supervisor.

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# ABSTRACT

The focus of this project is to investigate and evaluate the process of implementing ISO 9001:2000 at Focus: HOPE, a non-profit service organization in Detroit. Non-profits have traditionally lagged behind the productivity of for-profit organizations, especially behind those focused in manufacturing. It is conceivably *more* important, however, that non-profits be efficient because of their limited resources and direct impact on human services. Introducing total quality management into a non-profit organization is one method used to increase productivity and can help a non-profit improve services, reduce costs and enhance end-user satisfaction. This paper describes Focus: HOPE'S experience implementing ISO 9001:2000 by focusing on the benefits of and obstacles to achieving successful quality management implementation.

This paper first explores the tools used by Focus: HOPE in implementing its quality management system and assesses each in terms of its overall effectiveness on facilitating the implementation. Specifically, this paper addresses quality policy statements, partnerships, customers, processes, management support, information systems, quality steering committees, resistance to change, internal auditing, morale raising, walkabouts and training. This paper then discusses management involvement, mission focus and employee resistance to change and how Focus: HOPE dealt with the obstacles associated with each. Finally, this paper suggests additional steps to be kept in mind when a quality system is implemented.

# INTRODUCTION

The focus of this project is to investigate and evaluate the process of implementing a quality management system in an organization whose primary business is delivery of human services. Specifically, this paper will investigate and evaluate the implementation of ISO 9001:2000 at Focus: HOPE, a non-profit service organization in Detroit. Non-profit organizations typically serve the community in ways that meet basic human needs, such as providing food or housing, but many non-profits don't have access to a great deal of funding. Non-profits, too, have traditionally been known to lag behind the productivity of for-profit organizations, especially behind those in manufacturing. It is conceivably *more* important, however, that non-profits be efficient because of their limited resources and direct impact on human services. Introducing total quality management into a non-profit organization is one method used to increase productivity and can help a non-profit improve services, reduce costs and enhance end-user satisfaction (Walton, 1986). Focus: HOPE has found that implementing ISO 9001:2000 helps to ensure it meets the needs of the Detroit community in a timely and effective fashion.

This paper will describe Focus: HOPE's experience implementing ISO 9001:2000 by focusing on the benefits of and obstacles to achieving successful quality management implementation. While quality management has been identified as a way to increase efficiency and customer satisfaction, an initiative like ISO 9001:2000 does not come without significant costs and implementation obstacles (Powell, 1995). This paper will show how Focus: HOPE combated issues that could have drained its limited resources. This investigation is important because so few non-profits have ISO 9001:2000 certification, and more literature needs to be written to address issues that specifically apply to non-profit organizations. This investigation of Focus: HOPE's implementation is primarily presented as a case study to help guide and prepare other non-profit organizations in their quests toward total quality management. This paper will first explore the tools used by Focus: HOPE in implementing its quality management system and assess each in terms of its overall effectiveness in facilitating the implementation.

This paper will then discuss management involvement, mission focus and employee resistance to change and how Focus: HOPE dealt with the obstacles associated with each. Finally, this paper will explore additional steps that can be taken after a quality system is implemented in the spirit of continuous improvement.

## ISO 9001:2000

ISO 9001:2000 is a rigorous set of international standards that defines the minimum requirements for an organization's quality management system (Cook, 2003). The ISO standard requires precise documentation and continual improvement in a company's business processes. Quality management systems were originally designed with for-profit manufacturing businesses in mind. At first glance, quality management systems may seem to ill fit the needs of non-profit organizations because they are more closely associated with manufacturing firms in management literature (Lowery, 2001). However, any organization can use the ISO standards to establish a quality management system. In fact, the quality principles and practices specified by ISO are as applicable and as beneficial to non-profit organizations as they are to private sector firms (Lowery, 2001).

Becoming registered (i.e. certified) to the ISO standard is viewed not only as a means to improve the organization's business processes and quality of work, but also as a way to ensure its products and services conform to the customer's satisfaction. Hence, the main purpose of ISO 9001:2000 is to achieve customer satisfaction. With such a paramount focus on the customer, the organization should be able to fashion its products and services to perfectly meet the needs of the customer. Meeting customer needs is especially important for non-profit organizations because they have limited budgets and a constant need to raise funds through donations, grants or assessments (Ireland, 1999). With the number of charitable organizations growing each year, private donors and government agencies alike want to know they are spending their money in the most effective way. Thus, a non-profit's ISO certification increases the likelihood that stakeholders' dollars are being spent wisely.

While a quality management system can produce value in an organization by improving customer satisfaction, increasing communication and reducing waste, quality implementation can be taxing, both on the financial situation and social fabric of an organization. Critics of total quality management state that quality implementation consumes inordinate amounts of management time, increases paperwork, emphasizes process over results and fails to address the concerns of service firms and non-profits (Naj, 1993; Fuchsberg, 1992 and1993; Schaffer and Thomason, 1992). When implementing ISO, it is imperative that managers take great care not to lose sight of the overall goal of meeting customer demand.

## **Focus: HOPE**

Focus: HOPE is a 501c3-designated civil and human rights organization founded in 1968 by Father William T. Cunningham and Eleanor Josaitis in response to the 1967 riots in Detroit, Michigan. The founders of Focus: HOPE felt an urgent need to develop a metropolitan conscience regarding racial and economic injustice and to enlist others in the task of forming a just and integrated society. Through its nationally recognized technical training and education programs, child care center, community development initiatives, arts projects, commodity supplemental food program and major corporate and university partnerships, Focus: HOPE is uniting people in a common effort to provide opportunities for success.

Focus: HOPE's mission statement, adopted on March 8, 1968, provides the framework and code by which Focus: HOPE makes all of its decision. The mission statement reads:

> "Recognizing the dignity and beauty of every person, we pledge intelligent and practical action to overcome racism, poverty and injustice. And to build a metropolitan community where all people may live in freedom, harmony, trust and affection. Black and white, yellow, brown and red from Detroit and its suburbs of every economic status, national origin and religious persuasion we join in this covenant" (Cunningham and Josaitis, 1968).

When leaders of Focus: HOPE make decisions for the organization, the first test is to ensure the decision in question is consistent with the mission statement. Every action the organization makes is assessed for its intelligence and practicality. This guiding principle has helped Focus: HOPE make high-quality decisions about its products and services for over thirty years. The mission statement has also helped Focus: HOPE become one of the most respected non-profits in the country.

Focus: HOPE currently operates on a forty-acre campus near Highland Park in Detroit. The organization comprises approximately thirty different business and operating units and has just over five hundred employees. Focus: HOPE operates under the management of a Chief Executive Officer, Chief Operating Officer and Directors in the following seven areas: Manufacturing; Finance; Administration; Government and Public Affairs; Sales, Purchasing and Facilities; Development; and Education. The Directors oversee their respective business and operating units, each headed by a manager. The CEO and COO report to the Board of Directors at monthly meetings and are guided by Focus: HOPE's Advisory Board, consisting of top executives from corporations such as Ford, General Motors, DaimlerChrysler, Visteon and Oracle. Focus: HOPE operates on an annual budget of approximately sixty-five million dollars.

Edna Jackson, Focus: HOPE's Director of Administration began Focus: HOPE's initiative toward quality management in 2001. Focus: HOPE's manufacturing division had been QS 9000:1998 certified for a number of years, and Ms. Jackson felt it would be beneficial to incorporate a quality management system into the non-manufacturing side of Focus: HOPE also. ISO certification in the non-manufacturing part of Focus: HOPE would signal to all Focus: HOPE's partners and stakeholders that the organization was seriously committed to providing quality services and products in every unit. Ms. Jackson's recommendation prompted Focus: HOPE's Executive Management to form a Quality Systems Department, managed by Bill Wenzell, and a Quality Steering Committee comprising members from various business and operating units to champion the implementation of ISO 9001:2000 standards.

To facilitate the transition into a quality management system, Focus: HOPE divided the ISO implementation into three phases:

- **Phase I**: Center for Children; Center for Advanced Technologies; Human Resources; Volunteer & Community Resources; Finance; Purchasing; Safety; Staff Training & Development; Student Affairs Counseling; Facilities; Materials; Quality Systems; and Executive Management.
- **Phase II:** Machinist Training Institute; Information Technologies Center; First Step/Fast Track; Student Services; Admissions/Recruiting; Conference Center; and Logistics.
- **Phase III:** Food Program; Government & Public Affairs; Communications; Community Arts; Sales; and Development.

Focus: HOPE completed Phase I of ISO certification in February 2003 and Phase II in August 2003. Phase III is scheduled to be completed in March 2004. Achieving complete ISO certification will drive Focus: HOPE to increase quality levels, eliminate waste, improve inter- and intra-department communication and, as stated previously, help to increase confidence of Focus: HOPE's partners in the effectiveness of their products and services. For more information on Focus: HOPE, please visit www.focushope.edu.

## RESEARCH OBSERVATIONS AND RELEVANT LITERATURE

This portion of the paper will present relevant literature by way of the research gathered by the author during Focus: HOPE's implementation of ISO 9001:2000. Rather than present the research observations and relevant literature sections independently, it was felt to be more advantageous to the reader to incorporate the relevant literature into each of Focus: HOPE's initiatives so that the reader can see how Focus: HOPE's actions and decisions are supported by the relevant literature. Each section will provide Focus: HOPE's experience in integrating each initiative into their overall quality management system alongside the relevant literature that reinforces their decisions. These sections are highlighted in the table on the following page.

*Table: Research Observations and Relevant Literature Topics*

| Quality Policy Statement | Information Systems | Morale Raising |
| Establishing Partnerships | Quality Steering Committee | Walkabout |
| Customers and Processes | Resistance to Change | Training |
| Management Support | Internal Auditing | |

## Quality Policy Statement

One of the first things Focus: HOPE did after deciding to pursue ISO 9001:2000 implementation was to establish a Quality Policy Statement.  It reads:

*With passion persistence and partnerships, we strive for perfection*
*This commitment we pledge to our customers.*

Recited at all meetings and consistently reviewed for accuracy and relevance, the Quality Pohcy Statement is the foundation for the quality program at Focus: HOPE.  Cox (1999) states that one of the quality basics is the development of a statement that everyone can understand and support.  The language of the Quality Policy Statement is clear and concise, and it reminds each member of the team of why Focus: HOPE undertook the ISO implementation.

## Establishing Partnerships

Another thing that Focus: HOPE did when deciding to pursue ISO was to strengthen old partnerships and establish new partnerships with other organizations- both for-profit and non-profit-that had experience in the quality area.   Miller (2001) explains that the focus of the group she studied, the Automotive Industry Action Group was to continuously improve business processes and practices involving trading partners throughout the automotive supply chain.  Just as the Automotive Industry Action Group interacted with its suppliers, Focus: HOPE works to improve business processes by interacting with its partners.  While it is easier to see the partnerships with manufacturing companies, like the relationship between Focus: HOPE Manufacturing and Logistics and

General Motors, Ford, DaimlerChrysler and Detroit Diesel, Focus: HOPE has also established and maintained relationships with a host of other organizations including universities and other corporations.

## Customers and Processes

In practice, a quality management system's focus on customers and customer satisfaction depends on being able to correctly identify all customer sectors. In reality, many non-profits have a complex network of customer sectors with some customers being served in more than one capacity (Cox, 1999). When preparing the necessary documentation for the ISO implementation, colleagues at Focus: HOPE took a considerable amount of time ascertaining who the customer was in each department. For example, in the Center for Children the customers are the parents, while in Human Resources the customers are all the Focus: HOPE employees. Some departments had more than one customer, and each one's needs had to be assessed separately. The complex nature of Focus: HOPE's operations made a cookie-cutter approach inapplicable when identifying the customer.

The same approach was used in designing work processes. ISO requires the documentation of all key processes and procedures. Documenting the work processes was difficult because work processes are more easily understood in fields other than social services. Cox (1999) states that the process for assembling cellular phones is easier to grasp than the process for a civil service. If a worker assembles cellular phones in the same way three times, he or she will have three identical cellular phones. However, if a counselor provides the same counseling techniques to three individuals, there may be three very different results. With this in mind, the procedures for some departments at Focus: HOPE were written to account for the variation in products that may occur.

## Management Support

Abraham et al. (1999) found the key factor in achieving a successful change ,o qua,ity culture was management support. Focus: HOPE had a t e n d o n s management team to lead the organization through ISO i n d e n t a t i o n. With the exception of QS 90001998 and ISO 9002:1994 certification in the manufacturing arm of Focus: HOPE the lack of quality management experience in the majority of me organization caused the Focus: HOPE colleagues to rely heavily on the Quality Systems department headed by Quatity Systems Manager Bill Wenzell. The executive management of Focus: HOPE appointed Wenzell, and his team with confidence knowing they could get the job done.

Initially Focus: HOPE'S executive management hired a consultant to assists, with documentation and education. With ,he limited resources available at Focus: HOPE, however, they felt their money would be spent more wisely in other areas of the organization. They also felt that they could hand.le the implementation on their own. This is consistent with Viadiu et. al. (2003) who found that the intervention of a consultant, has not been beneficial from a financial perspective for many organizations. White the c o n s u l s information and opinion were he,pfu,, i, was no, the best, use of funding for an organization like Focus: HOPE because of me organization's interna.

talent and dedication.

The management at Focus: HOPE was committed to making the ISO implementation work well,. White the CEO often talks about, the future of the organization and the effect that, ISO ,s having on their business practices, she is careful not to let the present go unnoticed. Unfortunately, some quality programs are launched with great fanfare by management, but they eventually lose steam over discontinued altogether (Wamack, 2003). Sometimes they ate even discontinued without so much as an announcement of their termination. This type of carelessness can damage to employee morale and management credibility. Based on the earlier work of Mann and Kehoe (1995), Zhang (2000) conduced interviews of managers in various industries and found tha, top management commitmen, had the greatest effec, on product quality. In addition, in a recent study, Van det Wiele and Brown (2002) found that

management-related factors are at the core of what affects the longer-term sustainability of quality management. Thus, Focus: HOPE's management's ability to stay focused and committed to implementing a strong quality management system is crucial to the system's vitality.

Of course, there are some basic guidelines to assist the management in achieving top quality. According to Kaganov (2003), there are eight quality management principles that can be used by management to lead an organization toward improved business performance and quality of its products and services:

1. Customer focus
2. Leadership
3. Involvement of people
4. Process approach
5. System approach to management
6. Continual improvement
7. Factual approach to decision making
8. Mutually beneficial supplier relations

When Focus: HOPE designed its quality systems implementation, it took these principles into consideration. Focus: HOPE'S main goal with ISO has been to satisfy its customers, as stated in the Quality Policy Statement listed earlier in this section. It was always management's intention to keep Focus: HOPE colleagues on task by encouraging individual and group leadership by involving everyone in the organization in the implementation because management wanted employees to feel empowered to make decisions. Focus: HOPE took a very process-conscious, systematic approach when instructing colleagues about the implementation and always stressed the continual improvement methodology. The continual improvement attitude will be especially important after Focus: HOPE achieves ISO certification of its Phase III units because some colleagues may think the quality management initiatives will be over. Focus: HOPE also took a very factual approach to decision making, and Executive Management involved many of the middle managers in the decision-making process by inviting them to offer their departments' successes and difficulties with the implementation. Lastly, although Focus: HOPE does not have the traditional suppliers of for-profit companies, it

takes great care to maintain its relationships with the people who are helped by their services, like the families who use the day-care services and the students who utilize their educational facilities. Items on Kaganov's hst will be touched upon in this paper again as evidence that Focus: HOPE is grounded in solid managerial involvement.

One of the most common mistakes managers make is to use only one approach or a limited set of them *regardless of the situation* (emphasis in original, Kotter and Schlesinger, 1979). Focus: HOPE's management team acknowledges the need to guide the organization in a variety of ways. For example, Focus: HOPE's Chief Operating Officer Keith Cooley was hired in part for his innovative problem solving techniques. Focus: HOPE'S overall newness in quality system implementations plays to their advantage too. Operating without a lot of experience allows Focus: HOPE's management team to adjust their strategies according to each department and each situation.

## Information Systems

To facilitate easy access of documentation, Focus: HOPE employees utilize their intranet to post and update information regarding the ISO implementation. Similarly when the Automotive Industry Action Group was implementing ISO standards into their organization, they put all the quality system documentation on its intranet so employees could always access the most current version (Miller, 2001). The Shared Drive or S:Drive (as most Focus: HOPE colleagues refer to it), links each department directly to the source of all documentation. Colleagues can easily jump from the Focus: HOPE Quality Manual to the procedures to the forms they need. Having one centralized source for documentation insures that all colleagues will be using the most up-to-date version and guarantees against outdated material. In addition, new colleagues can access the S: Drive and use the posted documentation to bring themselves up to speed more quickly

**Quality Steering Committee**

Another key part of the ISO implementation was the establishment of the Quality Steering Committee. Formed with representatives from every department and lead by the Quality Systems Manager, the Quality Steering Committee meets biweekly to discuss the progress of and problems with the ISO implementation. The Quality Steering Committee serves as a resource to all the departments. Warnack (2003) sites the creation of a single point of reference for all continual improvement activities as vital to the overall success of the system. Focus: HOPE has found the Quality Steering Committee to be an effective way to keep every unit up-to-date and involved in quality initiatives.

Resistance to Change

Collins and Porras (1996) state that truly great companies understand the difference between what should never change and what should be open for change. Non-profits are here to stay, but the methods by which they operate and exist are not (Cox, 1999). Focus: HOPE understands that in order to ensure their stakeholders that they are providing quality services to their customers they need to change their business practices to reflect ISO implementation. Changing business practices that have successfully worked for thirty-five years is a difficult feat and one that has brought much resistance to change throughout the organization.

When Focus: HOPE began their ISO implementation in 2002, they formed what is known among some in the organization as the "coalition of the willing." Many people and departments were resistant to change. In fact, Focus: HOPE's primary difficulty with implementing ISO is its colleagues' resistance to change. Matta et al. (1996), in a study of Malcolm Baldrige National Quality Award winners, found two difficulties in implementing total quality management that related directly to resistance to change: 1) holistic change of corporate culture; and 2) achieving and maintaining employee buy-in and acceptance of total quality management. The implementation of the quality management system drastically changed the culture of Focus: HOPE. Since ISO strives to achieve continuous improvement, the culture of Focus: HOPE would never be the

same. It was difficult for colleagues to accept this new operation standard, and Focus-HOPE still struggles today with complete employee acceptance of its quality management system.

Lawrence (1986) states that, what employees resist s usually not technical change but social change-the change in their human relationships tha. generally accompanies technica, change. The technical face, of me change i, me making of a measurable modification in the process employees take in completing their tasks. In ,he case of Focus: HOPE, ,he implemen,a,io,, of ,he ISO standards into everyday operations is the technical change. The social face, of the change refers ,o me way those affected by ,he change mink it will alter ,heir established relationships in the organization. The social change tha, occurred at Focus: HOPE as a result of ISO implementation was really a compilation of three changes: the new responsibilities and connections that the colleagues had with their jobs and with each other, the fears ,ha, they may lose autonomy or worse, their jobs and the change in fundamental values that had sustained the organization for thirty-five years.

Reorganization is also feared because it means disturbance of the status quo, a threat    people's vested interests in ,their jobs, and an upse, to established ways of doing things (Kotter and Schlesinger, 1979). Reorganization is mostly feared, however for its potential effect on organizational values. Some blue-collar workers fear ,ha, valuing efficiency may threaten the organization's value of workers' well-being. Focus: HOPE stressed a family, mom-and-pop-type atmosphere for thirty-five years, and some colleagues didn't know how the quality system implementation would affect the relationships and values that had prospered under the old atmosphere.

Control is an important tssuc when it comes to change. Many changes will stay i,, Place for a few weeks or months while people are conscious of them, but human nature eventually plays in and everyone attempts to go back to the old way of doing things It is important, therefore, to ensure sufficient incentives are in place to prevent ,he backslide (Dolan, 2003). Focus: HOPE's managemen, is completely committed to making ISO

standards the permanent way of doing business, and organization policy will deter any employee tendencies to go back to their old ways.

## Internal Auditing

Using an established internal audit methodology that can be tailored to the specific needs of the business improvement program ensures ongoing effectiveness of the quality management implementation (Warnmack, 2003). Focus: HOPE has an excellent internal auditing system. Every few months, a team of volunteer auditors within Focus-HOPE spends a few days with all the departments in scope testing the effectiveness of the quality management system, much how a third-party auditor does when assessing an organization for its ISO certification. The internal audits serve as a practice mechanism for the real audits and give departments in future implementation phases an idea of what a real audit would be like. Ford Motor Company volunteered a few of its internal auditors to give guidance during the audits to the Focus: HOPE internal auditors. When Focus: HOPE'S third-party auditor reviewed the internal audit reports in August 2003 during her audit, she stated that Focus: HOPE had a superb internal auditing program Not only were the internal audit reports in depth, but the auditors only found minor breakdowns in the system that were then corrected in the spirit of continuous improvement.

## Morale Raising

Inevitably, organizations can lose steam after a few months. Maintaining motivation and commitment to implementing a quality management system sometimes requires untraditional tactics. One way to deal with lack of motivation is to offer small incentives. Miller (2001) states that the Automotive Industry Action Group (AIAG) motivated employees and made the project fun by introducing an employee incentive program called ISOBucks. As quality system documentation was completed, the managing director e-mailed test questions to the staff. Employees who answered the

## Training

Training is the foundation for a strong quality program (Cox, 1999). When the Automotive Industry Action Group became ISO 9000 certified, everyone at the organization received ISO overview training (Miller, 2001). Focus: HOPE took a similar approach to training. Because they recognized that one of the most common ways to overcome resistance to change is education, the Staff Training and Development department at Focus: HOPE designed a presentation to educate everyone about ISO. This two-hour training session, administered by the manager of Staff Training and Development, was added to each colleague's required training record and is a requirement for both existing and newly-hired colleagues. The manager of the Staff Training department developed the training and structured the curriculum similarly to Dolan (2003) by including the description of any new tools (like the S:Drive), proposed implementation, ongoing operation and evaluation.

## ANALYSIS AND RECOMMENDATIONS

This part of the paper will take the aforementioned observations and tie them into an analysis of Focus: HOPE's quality management system implementation. Along with the analysis, this paper will provide recommendations for existing and anticipated issues that may arise. It is important that organizations consistently review their actions and programs and then develop new methods of handling difficulties. The recommendations mentioned here are listed to help future non-profits with their continuous improvement strategies.

## Remain Focused on the Mission

A clear, concise mission and vision can be a nonprofit's greatest strength in terms of employee motivation (Cox, 1999). All employees at Focus: HOPE pledge to use intelligent and practical action to serve the Detroit community and its people to the best of their abilities. While the mission statement provides a strong framework for the overall direction of the organization, some employees find themselves losing sight of the mission amongst all the other things that go on in a busy organization like Focus: HOPE. Trends in product or service life cycles, management fads, and technological troubles that accompany ISO certification are all very subject to change—a change that can break organizations if they are not well-prepared. For an organization to survive during change, it is important that it rely on its core ideology. A core ideology doesn't just describe the organization's output or target customers; it captures the soul of the organization and helps to continue a sense of unity that sustains the organization (Collins and Porras, 1996). In addition, for an organization to remain focused on its mission, the employees must not only understand *what* the organization is trying to achieve, but also *how* the organization plans to achieve its goals (emphasis added, Sutcliffe, 2002). In short, the organization must appeal to the values of its employees if it wants to implement a change.

While it is important that management impress the mission of the organization upon their employees, they must not lose sight of their employees' need to retain some control over their work. Top-down control leads employees to feel that management is in control, and it drives out the sense of internal responsibility and personal empowerment (Argyris, 1998). A powerful mission statement that doesn't empower employees isn't much good to an organization. Accordingly, Cox (1999) states that most people working for nonprofits are there because of the vision, not great pay or prestige, so it is even more important that the mission be communicated in a way that allows employees to retain some authority.

## Implications for mangers

Effective application of the ISO standards helps the organization to achieve superb customer satisfaction. Effective application of the system, however, requires a huge commitment of the organization lead by its management team. Management commitment is difficult in an organization like Focus: HOPE where there are multiple levels of managers as shown by the following chart:

*Chart: Focus: HOPE Organizational Structure Overview*

Executive Management

Directors

Managers

Employees

With approximately twelve percent of Focus: HOPE employees in managerial positions, it is imperative that all managers be supportive of the quality initiatives. Not all managers at Focus: HOPE were cooperative with ISO implementation initially. While none of the managers expressed his or her dissent outwardly, there were many incidents of forgotten meetings, missed deadlines and general unconcern for quality issues. Focus: HOPE's Chief Operating Officer took great care to correct any unacceptable behavior by the managers so that the behavior would not become a permanent problem.

When implementing a new way of conducting business such as a quality management system, Kotter (1995) suggests that seventy-five percent of a company's management needs to be honestly convinced that business-as-usual is totally unacceptable. Anything less can produce very serious problems later on in the process.

normal business can prevent everything a quality management system implementation attempts to accomplish. Griffiths (1990) states that the best quality system implementation occurs when managers convey that quality implementation is a routine responsibility of every department and is not viewed as a task a separate department does. By emphasizing that quality management is not separate from other activities, but is an overall framework that is integral to existing business, an organization can improve efficiency and avoid feelings of overload (Cox, 1999).

**Openness to Change**

Kotter and Schlesinger (1979) suggest the following as the four most common reasons people resist change:

- Desire not to lose something of value (view their potential loss from change as an unfair violation of their implicit, or psychological, contract with the organization)
- Misunderstanding of the change and its implications (perceive that it might cost them much more than they will gain)
- Belief that the changes do not make sense for the organization (assess the situation differently from their managers or those initiating the change; see more costs than benefits resulting from the change, not only for themselves but for their company as well)
- Low tolerance for change (fear they will not be able to develop the new skills and behavior that will be required of them; sometimes organizational change can inadvertently require people to change too much, too quickly)

Education and communication from management to employees play an important role in overcoming the four issues above. To address the first issue, management needs to show that their decisions are not violating the psychological contract established with their employees. Thomas (1974) describes the psychological contract as a reciprocal relationship and mutual expectations between an individual employee and the organization. This implicit contract can present problems in organizations because expectations can easily become misaligned. The best way to combat misaligned expectations is communication between the two parties entered in the psychological contract (Saavedra, 2002). Focus: HOPE found that more communication was needed between the Quality Systems management team and the members of the Quality Steering

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