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♦ ESSAY

The True Challenge of Generating Continual Quality Improvement

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Continual quality improvement (CQI) or total quality management (TQM) is currently the "rage" in American management. This essay argues that CQI/TQM will be just another management fad unless executives recognize the true challenges of CQI: (a) to marry inquiry and action in a way that transforms our current paradigms of both science and power; (b) to guide the organization and most of its managers through multiple developmental transformations, requiring at least a decade; and (c) to accept that, even as a leader and a proponent of CQI, openness to self-transformation is necessary as a condition for exercising transforming power.

Recently, American companies have increasingly been exploring what a commitment to continual quality improvement (CQI) means. One thing that is clear from the experience of Motorola, Ford, Xerox, and the few other companies that have deeply committed to some such process is that it requires a decade or more (Kim, 1989).

Indeed, one view of the Japanese experience with learning the process of CQI is that the whole sense of what quality improvement requires has evolved decade by decade over 40 years since the 1950s. During the 1950s, some Japanese companies first learned a highly defined, empirical method—statistical quality control (SQC)—for reducing product defects or deviations from standard. Next, in the 1960s, the focus shifted from fitting a standard to a product's fitness for use (e.g., the durability of a car). Then, in the 1970s, the focus of quality improvement in Japan shifted again toward a more qualitative variable—fitness for the explicit requirements of the consumer (e.g., not just functional durability but also perceived styling). Finally, in the 1980s, the shift was toward fitting the intuitive, latent requirements of the consumer (e.g., seating that is better for the back).[1]

It may not be necessary for American companies (or not-for-profits or government agencies or schools) to take 40 years to evolve through these different layers of sophistication toward an embracing commitment to CQI. Nevertheless, only persons with no sense of the scale of the task in developmental and organizational terms will imagine the process of institutionalizing CQI as a task of less than a decade.

WHY IS INSTITUTIONALIZING CQI SUCH A CHALLENGING AIM?

Why does the effort to institutionalize continual quality improvement often stall? Why does it, at best, take so long?

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TABLE 1
Percentage of Managers at Different Developmental Stages and Types of Power Each Tends to Use

Stage Name	*Percentage of Jr. Mgrs.*	*Percentage of Executives*	*Type of Power*
Opportunist	3	0	Unilateral force
Diplomat	11	4	Diplomacy
Technician	50	44	Logistics
Achiever	33	37	Interweaves force, diplomacy, logistics
Strategist	3	15	Occasional mutuality, espouses transformation
Magician	0	0	Enacts transforming power

Note. For related findings and methodological details, see page 42ff of Torbert (1987). This table represents a total sample of 497 managerial subjects, aggregated from six studies (three of junior management [n = 314] and three of senior management [n = 183]) that used the Loevinger (1978) sentence completion test to measure developmental stage.

The answer can be summarized in a conceptually rather simple series of propositions, each of which has significant empirical support. But this rather simple series of propositions points to a frontier of personal, organizational, and social development that has never yet throughout history been crossed. Or, if one can point to particular persons and organizations who have occasionally crossed this frontier, certainly the psychopolitical territory beyond this frontier has yet to be civilized. Let me list this series of propositions and thereby point toward this territory[2].

Proposition 1: Institutionalizing CQI requires integrating productivity and inquiry. At first (and at last), this sound obvious, for inquiry and learning are clearly necessary to improve quality. But the modern world dichotomizes the "real world" of passionate action from the ivory tower of dispassionate inquiry. Why? In order not to paralyze action and not to bias inquiry. Even SQC and most action research separate the moment of inquiry from analysis, and those moments, in turn, from prescription and from new action. But *CQI ultimately calls for* flexibility and correction of errors at the moment of seeking to make a sale, or in the midst of a management meeting. This requires *a heightened awareness that inquires and corrects itself in the midst of action.* Modern science and professional education do not cultivate this kind of heightened awareness. To do so requires transforming our modern paradigmatic assumptions about the relation of action and inquiry.

Proposition 2: Institutionalizing continual quality improvement requires the exercise of transforming power—*an unfamiliar and counterintuitive type of power.* Transforming individual, organizational, and societal paradigmatic assumptions to integrate action and inquiry *cannot* be accomplished by the transactional, unilateral forms of power—force, diplomacy, and logistics—commonly used to influence external behavior. These types of power generate conformity or resistance, not transformation (Kegan, 1982). Transforming power is an empirically rare, counterintuitive type of power that invites mutuality, seeks contradiction, and requires increasing awareness of the present.

Hence continual quality improvement can be sustained, become organizationally significant, and become institutionalized, only if it is first introduced to, and begins to transform the activity of, the current power possessors—the chief executive officer (CEO), the board of directors, and top management. Only as executives engage in awareness-heightening inquiry in the midst of action and use power differently, generating CQI in their own immediate activities and relations, will CQI become a credible and effectual activity within a given organization. CQI cannot do other than sputter and fail if it is introduced first at the shop floor level.

Proposition 3: Not only must our civilization as a whole transform its assumptions about action (power) and inquiry (science), as the two foregoing propositions indicate, but virtually all individual managers and all organizations must work through multiple *developmental transformations to institutionalize CQI.* According to developmental measures of managers, the modal stage of development of managers is three transformations away from the stage where transforming power is fully understood and enacted (see Table 1). Moreover, each personal or organizational transformation requires 2 years at minimum; and some 3 to 5 years are spent consolidating one's competencies at the next stage before one begins to appreciate its limits and wish to

grow beyond them (although many adults never experience any developmental transformations).

Each of these three propositions alone, and certainly all three together, suggests why institutionalizing continual quality improvement within any given organization will, realistically, require at least a decade.

A CONCRETE EXAMPLE OF TRANSFORMATIONAL CQI IN ACTION

The problem with the three foregoing propositions is that they are extraordinarily abstract. Let us look briefly at a particular corporation in the midst of a long-term CQI effort to see how rare and how tricky it is to practice transformational CQI.

The company is a small to midsized firm (2,000 employees) headquartered in the Southwest. It has grown steadily over the past 5 years, showing respectable retained earnings. But it operates in a highly competitive industry, where a firm's position can change radically within a year.

Like many companies, the initial year and a half of this corporation's CQI process has been characterized by broad awareness training among the company's rank-and-file workers, followed by a department-by-department, worker-managed examination of how to restructure activities to organize more efficiently.

Unlike many companies, the senior management and board of this corporation participated in a strategic planning process beforehand. This strategic planning process clearly articulated the role of CQI in a newly formulated company mission statement. The planning process also highlighted the strategic significance of the CQI initiative. Even more rare and more important, the senior management had undertaken a consultant-facilitated round of self-examination, with frank feedback from the group to each individual about his or her performance, as well as a reorganization of its team meetings. Senior management therefore entered the CQI process with a strong commitment to it and with a (relatively) realistic appreciation of the discomforts of improving the quality of *one's own managerial performance*—the most important and most difficult area of quality improvement.

Nevertheless, the senior management team was not entirely prepared for the degree of controversy that began to develop as more and more departments undertook reorganization. All of the reorganization plans highlighted the critical nature of interdepartmental cooperation. But two of the seven vice presidents were increasingly experienced as roadblocks to interdepartmental coordination and as less collaborative within the senior management team, even though both believed themselves to be strong proponents of the CQI program as a whole and of interdepartmental cooperation.

One of the two was seen by others as too frequently "oppositional." The other was seen as taking an independent, "cowboy" attitude. Both were seen as encouraging an attitude of superiority, priority, and entitlement within their departments. The oppositional vice president had generated a great deal of irritation and resentment, and the president was considering firing her. The cowboy vice president stayed out of other people's way and ran his own show, so he was more tolerable, and the issues surrounding his performance were fuzzier. Also, he was a "cheerleader" within his own department, commanding enthusiastic loyalty among many of his subordinates.

The two most probable scenarios at this point would be

1. for the president to continue struggling to work with both vice presidents, perhaps strongly reprimanding and warning the opposer and rapping the knuckles of the cowboy
2. for the president to fire the opposer.

At this point, however, the actual scenario departed from the probable because the president sensed that neither of those initiatives would be consistent with integrating action and inquiry, with exercising transforming power, or with generating an opportunity for developmental transformation on the part of either vice president (not that the president used this language).

The president realized that the opposer generated inquiry, so that firing her could send two negative messages to the company: (a) critical inquiry is not encouraged; and (b) persons who do not conform to the preferred managerial style will be dealt with summarily. Both these messages would directly contradict the development of a transformational CQI culture. Lower-level managers were being asked to transform their managerial styles from superior/supervisory assumptions to collaborative/facilitative assumptions (supervisors' titles were literally shifting to "team facilitator"). Thus it would be consistent to offer vice presidents the opportunity to transform their styles (if, on further inquiry, they required transforming). Moreover, this exercise would give the senior management

group the opportunity to learn how such transformation could be facilitated.

To help structure this new action/inquiry, the president recalled the consultant who had assisted the strategic planning 2 years before. The initial investigation indicated that the opposer had indeed lost the trust and patience of all direct associates. Views of the cowboy, on the other hand, were highly variable and not as raw.

What the "Opposer" Did

The reactions of the two vice presidents to the feedback about their performance were different from what one might have predicted. The opposer agreed to *surrender* (this was the word used) her customary role (accepting that she was not, in any event, opposing effectively, even if opposition was warranted). With the consultant, she crafted a three-page plan of action for the next 6 months, which they proposed first to the president and then, incorporating his modifications, to the senior management team. The team agreed to make the necessary effort, based on the frankness of the problem assessment, the clarity of the proposed goals and coaching procedures, the commitment of the vice president, and the explicit evaluation process (which put the burden of proof on the vice president).

The early weeks of implementation of the plan involved great efforts on the part of almost all on the senior management team and the consultant because, despite her best intentions, the vice president repeatedly acted in ways that others interpreted as oppositional. After about the fourth concrete instance of immediate feedback, however, the vice president appeared to "get" just what micro-actions worked and didn't work. Thereafter, this issue was effectively resolved.

What the "Cowboy" Did

By contrast, the cowboy resisted both the validity and the significance of the performance feedback about himself. People's perceptions were wrong, he felt, and his style was in fact optimal for the organization. If this were true, he was asked, would he participate in developing a process with the consultant whereby other members of senior management could come to appreciate his efficacy and perhaps amend their own approaches? No, he responded, that was their problem, not his. Could he see how this response might evoke the evaluation that he was not collaborative/facilitative in his relations with his colleagues? Now he responded with some anger that he was being trapped.

Before the planned meeting between this vice president, the president, and the consultant, the vice president met with the president on a separate matter: He intended to fire one of his managers for "gross insubordination." What was the evidence, asked the president. The vice president described a pattern of behavior, based on hearsay, supplemented by a memo by the manager to the Human Resources Department questioning the justice of a corporate decision. The president said this evidence was not enough to justify firing and that he believed other senior managers held a significantly different interpretation of the same events. He called them in for an impromptu meeting. The vice president later described this event as a humiliation at which "I got my brains beat in."

The president continued to try to work with the vice president, but the cowboy became increasingly suspicious that his job was on the line. Several weeks later, just after the president gave this vice president a task that he declared would increase the senior management team's trust in the vice president if he performed well, the vice president responded angrily that he should have received a major bonus for his previous year's work rather than being tested in this way and that they should discuss a separation package together. At this moment, both men had to part for other meetings, so the matter was left hanging.

The president related the event to the consultant an hour later, adding, "I'm sure he'll change his mind when he thinks it over." "What do you care?" the consultant responded, arguing that the president's task had been one that integrated action and inquiry, whereas the vice president's response was both uncollaborative and uninquiring, as had been the entire pattern of his behavior since the issue of his performance had first arisen. The president had continued to search for convincing secondhand evidence that the vice president was effective or ineffective. The consultant argued that the president now had a plethora of firsthand evidence that the vice president did not integrate action and inquiry, did not collaborate well, and, with regard to his own performance, deflected CQI, let alone transformation. The consultant said that he did not wish to pressure the president toward a decision with which he was not comfortable. The question was how valid to regard, and how seriously

to take, the firsthand data from the president's own interactions with the vice president. The consultant urged the president to take 15 minutes of quiet, meditative time alone at the end of the phone call to see whether a clear conviction about the proper course of action announced itself.

Immediately following this period, the president asked the vice president to meet again to work out the details of his resignation, separation agreement, and announcement to the company. Twenty-four hours later, the vice president was no longer working at the company. After his departure, a systematic pattern of misrepresentation about senior management decisions to the cowboy's former subordinates was discovered and corrected.

CONCLUSION

Both in theory and in practice, the true challenge of generating CQI is the challenge of generating not just *continuous, incremental improvement in outcomes*, but *continual, transformational improvement in managerial actions*. To do so requires integrating action and inquiry and exercising mutual, transforming power in real-time senior management encounters. The particular outcomes of such exercises are, in principle, *not* predictable beforehand because they create conditions for learning that require self-transforming initiatives on the part of executives, as well as continual creativity under pressure by peers who are at once demanding and supportive.

None of the other senior executives, including the president, would have predicted at the outset of the inquiry regarding the two vice presidents that the opposer could or would transform as radically as she did, or that the cowboy would resist and resign as he did. Because of the action/inquiry procedures, however, and the clear initiatives by both vice presidents (one transforming, the other resigning), the outcomes knit the senior team together more strongly than ever and impressed subordinates with the company's dedication to supporting tough but fair testing of managers' competence and willingness to grow.

Implications

No external imperative alone will generate transformation, and all human history up to the present warns us that seeking to exercise mutual, inquiring, *transforming power* within an interdependent web of relationships is the most difficult and improbable aim we can set for ourselves (whether the "self" be a person, an organization, a nation, or a community of nations).

One difficulty is that this form of power cannot be passed along like guns or money from one person or one organization or one generation to another. Each new person, organization, and generation must learn how to exercise transforming power from the start, just as we must each learn language from the start.

But the analogy to a child learning language is not quite apt. Whereas the child is helped to learn language by parents, other adults, older siblings, TV, and so on, there is no such assured source of support for learning mutual power, for it is not clear where in our culture models of transforming power are to be found.

On the interpersonal scale, only uncomfortable habits and unique actions wake us up enough to permit a full meeting with another human being and, thereby, the possibility of a truly mutual (and, when appropriate, mutually transforming) relationship of peers. But how many marriages or other friendships, business partnerships or research teams cultivate such actions rather than comfortable habits and unexamined tensions? Is not the unresolved struggle between and within the sexes in postmodern society at its best the struggle toward true peer relationship, toward true mutuality between different powers? How easy is this struggle? How many of us have experienced the full challenge and support of heterosexual or homosexual lifetime friendships dedicated to mutual development?

On an organizational scale, the family is the most intimate, the most ancient, and the most explicitly dedicated to cultivating the empowerment, self-discipline, productivity, and capacity for inquiry of the subordinates (but even the use of this term for children violates our intuitive sense of familial mutuality). The family is the only organization that has always been expected to cultivate multiple transformations among its "subordinates," ultimately developing all its members' capacities for true peer relationships—for true adulthood. Need I ask how many families fully succeed in this mission?

Need I ask how many other organizations—whether military, commercial, political, or religious—even recognize the cultivation of their members' power to transform self-in-relationship as a central element of their mission (Will, 1983).

NOTES

1. See transcribed conversation between Professor Shiba of the University of Tsukuba and Dr. Peter Senge of MIT (available from Cambridge, MA: MIT Sloan School of Management, System Dynamics Group, D-4048). See also Ishikawa (1985) and Juran (1964). By far the best description I have seen of the industrial process of continual quality improvement, written in novel form, is Goldratt and Cox (1986). Ray Stata (1989), CEO of Analog Devices, has written a helpful introductory description of managerial quality improvement and organizational learning.

2. The theoretical basis and empirical support for these propositions is provided in Torbert (1991, 1987).

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