

# REASSESSMENT OF THE APPLICATION OF TQM IN THE PUBLIC SECTOR

Allan Maram

## ABSTRACT

*Numerous articles have been written regarding the application of TQM in the public sector. The purpose of this article is to delve into the roots of and to assess TQM, past and present, within the framework of public administration theory, and to highlight some of the issues that relate to the implementation of TQM in the public sector. Suggestions are made to address the concerns identified in the article.*

## INTRODUCTION

Many proponents of TQM suggest that TQM allows for a more efficient and streamlined delivery of public services. This article indicates how the implementation of TQM in the public sector can produce a range of inefficiencies and potentially undermine important values such as equality.

Initially, the article analyzes the notion of quality and describes the basic characteristics of TQM. Next, it discusses the roots of TQM in the literature on public administration, past and present, and considers the relevance that TQM has for the public sector. It then considers implementation issues for TQM in the public sector.

## THE EVOLUTION OF QUALITY

The notion of quality has been around for thousands of years. Only recently has it been applied formally by organizations as a strategic management function. Over the years, the discipline has evolved gradually. While initially rooted in the manufacturing arena, the concept of quality has more recently been applied to the services area and more specifically to the public sector. Most modern applications of the quality concept have emerged gradually, and not through dramatic breakthroughs. Garvin (1988) notes that in the United States, these developments can be organized into four distinct “quality eras”, i.e., inspection, statistical control, quality assurance and strategic quality management. Based on these so-called “quality eras” a number of different approaches to defining quality have emerged over the years. This article will now discuss each of these approaches.

## The Quality Concept: Defining Quality

There is no universal definition of quality. Rather, academics in the area of quality management have debated the following questions: Is quality subjective or objective? Is it relative or absolute? Is it timeless or socially determined? According to Garvin (1988), there are five principal approaches towards defining quality. According to the Transcendent view, there is something timeless and enduring about quality – something that transcends changes in tastes or preferences. In terms of this approach, quality is recognized as being both absolute and universally recognizable. Product-based definitions propose that quality is both precise and measurable. Differences in quality are said to reflect differences in the quantity of some ingredient or attribute possessed by a product. Quality can therefore be assessed objectively as opposed to mere preferences alone. As a result, quality is said to be an inherent characteristic of goods as opposed to something being ascribed to them. User-based definitions are grounded in the assumption that quality is a subjective phenomenon. Consumers are assumed to have needs or wants, which they satisfy through products having the highest quality. (Garvin, 1988). This approach has been the most widely adapted for use in the services management literature and is consistent with the approach adopted by Total Quality Management.

“While user-based definitions of quality are rooted in consumer preferences – the determinants of demand – manufacturing-based definitions focus on the supply side of the equation and are concerned with engineering and manufacturing practices (Garvin, 1988: 44). The underlying theme of this approach is a conformance to requirements. Any deviation from specified requirements signifies a reduction in quality. Value-based definitions take the ideas underlying the manufacturing-based approach one step further i.e., a quality product is said to provide conformance to requirements at a reasonable cost (Garvin, 1988).

### **WHAT IS TOTAL QUALITY MANAGEMENT: THEN AND NOW?**

According to Martin (1993), TQM has become somewhat of an umbrella term which is used to describe various American quality management systems operating in both the private and public sectors. There currently does not appear to be a consensus on what actually constitutes TQM, its definition, or whether it is a management approach, a theory or a philosophy. The most commonly used definition is that TQM consists of “the application of quantitative methods and human resources to improve the material and services supplied to an organization, all the processes within an organization, and the degree to which the needs of the customer are met, now and in the future” (Martin, 1993: 10). Martin notes that the reference to both quantitative methods and human resources in the definition is a reflection of TQM’s attempt “to integrate the analytical perspective of scientific management with the human relations school’s focus on organizations, groups, and employees” (Martin, 1993: 10).

Scientific management attempted to increase productivity by applying the scientific method to the study of organizations and employee roles. According to Morgan (1997), there are 5 principles, which generally characterize the scientific management approach:

1. All planning and thinking work should be done by managerial level employees.
2. Use scientific principles to design efficient workflows. Job roles should be designed in accordance with specified work tasks (notion of fitting the human worker to the technical/mechanical requirements).
3. Select the best person to perform the required tasks.
4. Train the individual to do the work in the most efficient manner possible.
5. Establish performance metrics to monitor both high level work flows as well as individual performance.

Scientific management has been severely criticized for its lack of emphasis on employee involvement, and for its attempt to essentially fit the worker to the role. These efforts have been portrayed as both dehumanizing and depersonalizing. At the opposite end of the spectrum from scientific management stands the human relations school. The human relations school is concerned with people and their needs. Instead of fitting the worker to the role, the human relations school proposes that individuals have needs and that jobs must be designed in a manner that fulfills these needs (both physiological and psychological). As a result, proponents of the human relations school study “teams, groups and organizations, and are concerned with issues such as organizational culture, formal and informal group structures and communication, and attempting to make the nature of work more compatible with the human condition (Martin, 1993: 11).

Martin (1993) notes that TQM attempts to blend the analytical and efficiency aspects of scientific management with the organizational, group and individual needs focus of the human relations school. According to Martin, TQM has succeeded in melding the promising aspects of these two diverse perspectives while simultaneously mitigating the negative aspects of scientific management. The emphasis on blending constitutes a major difference between TQM and past managerial waves.

The TQM movement today can be traced back to the work of Walter Shewart who suggested the use of statistical controls to ensure quality in telephone manufacturing. Shewart was the first to prescribe the use of statistics for understanding variability in industrial settings. Shewart suggested that quality be “controlled” by using sampling and statistical techniques to improve processes. Other influential TQM theorists include W. Edwards Demming, Phil Crosby, J.M. Juran and Armand Feigenbaum. Briefly, after meeting Shewart, Deming became an avid supporter of statistical control techniques. He later developed Shewart’s notions of quality management and statistical quality control. Central to his work is the idea that quality is not an end state. Rather, one needs to engage in continuous improvement, and therefore quality is always in a state of becoming. Another important concept is the notion of variability, which refers to the deviations from standards that are present in the production of any product or the provision of any service. “Quality improvement for Demming is based on understanding and reducing variations in systems and major processes (Martin, 1993: 14). Demming set out his philosophy in what has become known as his “14 points”. Please see Appendix 1 for an outline of these ideas.

Another author who influenced the quality movement was Crosby. Crosby like Demming reduced his philosophy down to 14 points (see Appendix 2). Crosby as

opposed to Demming adopted a more technical orientation. “Crosby’s 14 points are actually a how-to TQM implementation strategy that begins with management commitment to quality (Point 1) and ends with “do it all over again” (Point 14), which is Crosby’s way of saying that the pursuit of quality is never ending” (Martin, 1993: 15). A central concept in Crosby’s work is the notion of “zero-defects”. Zero-defects is the idea that TQM should ultimately be concerned with reducing the variation of the production of goods and services to absolute zero.

Juran, in contrast to Demming, believed that managing for quality does not require a total organizational transformation. Juran defined quality as “fitness for use” meaning that customers should be able to count on a product to meet their intended needs. He was particularly concerned with customer satisfaction and prescribed the extensive use of customer surveys and market research. Furthermore, he stressed the importance of teams. His theory contained 10 steps to effective quality management (see Appendix 3). Feigenbaum is the final member of the big four American TQM experts. Feigenbaum’s work centralized around the notion of a total approach to quality. He argued that total approach to quality requires the involvement of all functions of the quality process, not only manufacturing. His idea was to build in quality in the early stage rather than inspecting and controlling after the processes have been completed. He stated that “product and service quality can be defined as the total composite product and service characteristics of marketing, engineering, manufacturing and maintenance through which the product or service in use will meet the expectations of the customer” (Reeves and Bednar, 1994: 424).

Martin (1993) notes that all of the above mentioned TQM theorists developed their quality management approaches while working in the manufacturing or production side of the business. This has given rise to concerns over whether TQM is applicable to other types of settings, such as service industries and government agencies. However, the above-mentioned theorists are adamant that TQM is applicable to all service organizations, private as well as public. According to Martin (1993), the applicability of TQM to service organizations becomes apparent if one considers the manner in which services can be differentiated from products. According to Gronroos (1990), in contrast to the production of goods, the production of services can be distinguished by the following characteristics: Services are more or less *intangible*. Because of the intangibility of a service, it is often difficult for a customer to evaluate a service. Moreover, “because a service is not a thing, but a series of activities or processes – which, moreover, are *produced and consumed simultaneously* (this is also called the “*inseparability*” characteristic), it is difficult to manage quality control. As a result, quality control is essentially process control. Lastly, the customer is not only a receiver of the service; the customer *participates as a production resource* as well” (Gronroos, 1990: 29). Because services unlike products are typically intangible and nonstandardized, the evaluation of service quality is more subjective and lies largely with the customer (Morrison, 1996).

Martin argues that an analysis of these characteristics may well lead one to the conclusion that TQM is perhaps more applicable to service organizations, including government agencies, than it is to manufacturing organizations. For example, Martin notes that TQM focuses on customers, and that the customer is a central feature of service organizations. Furthermore, he notes that TQM also focuses on variation and process control stressing that the same can be said for service organizations. Lastly, he

notes that TQM has been successfully applied in a number of both public and private service organizations (citing the Milakovich (1990) study as an example).

### A Summary of the Key Principles of TQM

Much of what has been written by TQM theorists can be summarized by three key principles i.e., customer focus, continuous improvement, and employee involvement. The most central TQM principle is customer focus. The goal of satisfying customers through designing quality services is considered TQM's primary organizational goal. As Martin (1993) notes, one of the areas of general agreement among the above-mentioned TQM theorists is the importance of customer-defined quality. Customer focus replaces efficiency, which had been a central concern of American organizations for many years. In TQM there are two sets of customers i.e., the external customer who is the recipient of the product or service, and the internal customer which generally includes other employees in the organization.

The second principle of TQM is the commitment to continuous improvement of all work processes involved in producing a product or a service. Underlying this principle is the belief that organizations are best thought of in terms of systems of interconnected work processes. Since variation in processes is believed to be the root of all quality problems, the less variation – the higher the quality. Lastly, employee involvement is the third principle of TQM. Employee participation is accomplished primarily through the use of cross-functional teams. Teamwork encompasses collaboration between customer's and suppliers, between workers and managers, and between functions within the organization. This is based on the belief that all workers can make important contributions to quality with the appropriate information, knowledge and skills (Martin, 1993; Brannen and Streeter, 1996).

## THE ROOTS OF TQM IN PUBLIC ADMINISTRATION THEORY

According to Denhardt and Denhardt (2003), public administration theory in the United States can be traced to three theoretical streams of thought, namely, "The Old Public Administration", "The New Public Management", and "The New Public Service".

### The Old Public Administration

The "Old Public Administration" can be traced back to a well known essay written by Woodrow Wilson entitled, "The Study of Administration". In the essay, Wilson stated, "Administration lies outside the sphere of politics. Administrative questions are not political questions. Although politics sets the tasks for administration, it should not be suffered to manipulate its offices". According to the dichotomy, political leaders are elected by voters to represent their interests. Consequently, political leaders are held accountable to their constituent base. Alternatively, public managers are held accountable to their political leaders. The purpose of the dichotomy is therefore to ensure accountability and to prevent bureaucratic abuse by enabling public administrators to concentrate on finding the most efficient ways to serve the public will, unfettered by political motives. Wilson favored therefore favored a vertical model of responsibility where public administrators are directly accountable to their political

leaders. Therefore, inherent in Wilson's essay is the idea that the public interest is defined and expressed in law, and that public servants are responsive to the needs of constituents.

Both Goodnow and White also acknowledged the need to separate politics from administration, but recognized that public administration exists in a political environment and that it is therefore influenced by many political factors. For example, Goodnow states, "The legislature discharges very frequently the function of administration through its power of passing special acts. The American executive has an important influence on the discharge of the function of politics through the exercise of its veto power". Similarly, White points out that the legislature is dependent on the executive for its expertise in a plethora of areas.

Wilson also expressed the need for government reform. Indeed, Wilson stated, "We must regard civil-service reform in its present stages as but a prelude to a fuller administrative reform". For Wilson, civil-service reform involved, in many respects, making government more businesslike. According to Wilson, "The field of administration is a field of business". He goes on to mention that governments must carry out their administrative tasks with "the utmost possible efficiency and the least possible cost either of money or of energy". Wilson felt that governments could achieve the greatest possible efficiency in their operations by employing unified and largely hierarchical structures of administrative management. This view was consistent with the thinking among many organizational theorists of the period, such as Frederick Taylor. Underlying Wilson's proposal for government to become more "businesslike" is the assumption that there are no fundamental differences between public and for-profit sectors.

### The New Public Management

Denhardt and Denhart (2003: 12) define the "New Public Management" as, "a cluster of contemporary ideas and practices that seek, at their core, to use private sector and business approaches in the public sector". While the New Public Management also proposes that government needs to be run like a business, the perspectives underlying this approach involve more than just the use of business techniques. Rather, as Denhardt and Denhardt (2003: 13) state, "the New Public Management has become a normative model, one signaling a shift in how we think about the role of public administrators, the nature of the profession, and how and why we do what we do". In terms of this normative model, the public interest represents the aggregation of individual interests and public servants are viewed as being ultimately responsive to customers as opposed to constituents in the former model. Furthermore the approach to accountability here is seen as being market driven, whereby the accumulation of self-interests ultimately results in outcomes desired by broad groups of citizens (customers). This approach to accountability can be contrasted with that of the "Old Public Administration" which is hierarchical i.e., administrators are accountable to democratically elected political leaders. Furthermore, the assumed organizational structure within this model involves decentralized public organizations with primary control remaining in the agency. Public administrators are said to have wide latitude to meet entrepreneurial goals. In contrast, the former model views administrative officials as having limited discretion and the assumed organizational structure adopted by the "Old Public Administration", involves

bureaucratic organizations marked by top-down authority within agencies (Denhardt and Denhardt, 2003).

Within this model, public managers are challenged to either privatize functions previously provided by government, or to find new and innovative ways to achieve results. In order to address these challenges, many public managers have introduced many initiatives such as: “concentrating on accountability to customers and high performance, restructuring bureaucratic agencies, redefining organizational missions, streamlining agency processes, and decentralizing decision making” (Denhardt and Denhardt, 2003: 13). TQM is one such initiative that falls in this category. As discussed earlier in the article, TQM attempts to blend the analytical and efficiency aspects of scientific management with the organizational, group and individual needs focus of the human relations school. It is also principally concerned satisfying customers needs through designing quality services. This ultimately involves segmenting the customer market base by defining the needs of distinct groups. Consequently, when applied within the context of the public sector, TQM views the public interest as representing the aggregation of individual interests and views public servants ultimately being responsive to these customer groups.

#### The New Public Service

Denhardt and Denhardt (2003) have developed the latest theoretical stream within public administration theory, which they have termed “The New Public Service”. While there are some similarities between the “New Public Service” and the two former models, there are also important differences. According to this perspective, “the public interest is the result of a dialogue about shared values rather than the aggregation of individual self-interests. Therefore, public servants do respond merely to the demands of “customers”, but rather the focus is on building relationships of trust and collaboration among citizens” (Denhardt and Denhardt, 2003: 42). Within this model, the approach to accountability is multifaceted. Instead of being hierarchical or market driven, public servants must attend to law, community values, political norms, professional standards and citizen interests. The assumed organizational structure involves collaborative structures with leadership shared internally and externally. Administrative discretion is apparent but it is constrained and accountable (Denhardt and Denhardt, 2003).

### THE RELEVANCE OF TQM IN THE PUBLIC SECTOR

According to Moore (2002), many people believe that management ideas from the private sector can be successfully applied to public sector organizations. Moore notes, however, that a number of private sector ideas are less relevant to the public sector. One of the examples he provides is that of “customer service”. Before discussing Moore’s argument it is important to initially distinguish between what is known as “process quality” and “technical quality”. Masterson (1991) states that services provide individuals with two types of opportunities. The first refers to the interactive experience between the customer and the organization that is providing the particular service. In this interactive experience, a transaction takes place between the client (on emotional,

cognitive and physical levels) and the service provider (through personnel, physical facility, and technology). This perspective of quality is termed “process quality” and focuses on the client’s perceived quality. The second type of opportunity refers to the enhancement of the customer’s capabilities or objective quality. This is termed “technical quality”. It is relevant to note, as already mentioned above, that TQM is concerned with client-defined quality (or process quality) than technical or objective quality.

According to Moore (2002), the notion of a “customer” in the private sector can be characterized by three principles. The first is that a customer “has a particular location in the ‘value chain’ that constitutes the productive processes of an enterprise” (Moore, 2002: 298). The second is that the customer is the person who actually pays for the product or service and therefore provides the financial impetus for the organization to carry on. Lastly, it is the satisfaction of the customer that provides the ultimate justification for the firm’s existence. Moore goes on to note that there is no actor in the public sector that combines all three qualities. Rather in the public sector there are two principle “customers” i.e., the citizenry and clients (the end user of the product or service). Typically, the citizenry or public as a whole subsidizes the cost of a public service with tax dollars. As a result, the citizenry has the dominant say about the goal or quality of government programs. As Alford (2002) points out, in a democracy the function of expressing preferences about the value that government organizations should produce, is performed primarily by the citizenry. “Citizens have the ultimate determinant voice about what the government and its agencies should do, expressed through the processes of political deliberation and representation” (Alford, 2002: 339). One of the problems of TQM is that it focuses on the client or end user of the product or service and neglects to mention the role of the citizenry as an important customer.

Furthermore, Moore notes that the public as a whole has interests in government programs beyond the mere satisfaction of clients (process quality) i.e. the public is interested in ascertaining whether the relevant program has produced the desired outcomes (technical quality). “For example, in schools, society has the goal of educating children, not just pleasing them... Similarly in health-care settings, the quality of care is not judged simply by whether the rooms are comfortable and the staff treats the patients politely; quality care is also judged in terms of whether it achieves the socially (and individually) desired result of restoring health” (Moore, 2002: 300). Moore goes on to state that this point becomes clearer if one considers the manner in which government programs are evaluated. In evaluating a program, the government sets out to determine whether the program achieved the outcome that society had in mind when it launched the program (technical quality). For example, did the children learn to read and write? Did patients’ health improve? “If these social goals are achieved at a reasonable cost the program is considered to have been a success, and if the social goals are not met, the program is deemed a failure - regardless of client satisfaction” (Moore, 2002: 300). Therefore, TQM with its focus on process quality is limiting in this regard.

Fountain (2001) proposes that the implementation of “customer service” initiatives in the public sector gives rise to a controversial debate between values of efficiency and equality. According to Fountain, private sector firms target market segments as an initial step in the creation of a strategic service vision. These firms analyze market segments by identifying common demographic and psychological characteristics of



potential clients. The next step involves identifying their service needs and the extent to which competitors meet those needs, in order to decide whether and how to compete. The price of a given product or service serves as the primary mechanism in terms of which decisions regarding appropriate levels of service are made. Fountain argues that this strategy is problematic in the public sector for the following reasons. Firstly, in the public sector there is no pricing mechanism. Rather, services in the public sector are financed with taxpayer dollars and these services are provided in a standard form to all relevant end users of the services.

Furthermore, Fountain points out that it is unacceptable to segment a customer base in the public sector. This she notes amounts to weakening political equality. "Political bureaucrats have an obligation to do more than satisfy customers. They must identify and aggregate preferences in ways that sustain political legitimacy and minimize political inequality" (Fountain, 2001: 67). She argues further that with market segmentation in the public sector, the poor and politically weak will continue to be poorly served. Therefore, attempts to implement customer service initiatives such as TQM in the public sector may paradoxically weaken the critical role of representation intrinsic to both public officials and the public.

Walsh (1995) also addresses the notion of values within the context of public sector service provision, but from a different angle. Walsh argues that political values are involved in determining what services the public sector should produce and in determining the methods of public service production. She goes on to note that due to the subjective nature of services, it is perfectly possible for the same service to be seen as being high quality from one political perspective and low from another. As a result the definition of public service quality is politically contestable. For example, there are debates about whether centralized or decentralized approaches to service delivery are most appropriate or whether contracting out is politically acceptable. Therefore, the clash over political values has important implications for any public sector customer service initiative. Because TQM was initially developed for application in the private sector, these important ideas have not been addressed in the TQM literature.

Swiss (1992) emphasizes the fact that TQM was initially designed for routine processes like manufacturing, yet most government organizations produce services. He goes on to note that in manufacturing organizations there is uniformity of output. This allows for the precise and accurate measurement of outputs. However, due to intangible and non-standardized aspects of services (mentioned above) uniformity of output is more difficult. As a result, the evaluation of quality is more subjective. Within this context, the customer will evaluate the service not only in terms of the result or output but also in terms of the behavior and even the appearance of the person delivering the service. Furthermore, TQM's emphasis on reducing variation in key processes is also difficult to apply due to these characteristics associated with services.

Swiss (1992) also points out that TQM depends on an extremely strong organization culture with a strong commitment to quality. Furthermore, a culture characterized by employee empowerment and teamwork is at the core of the TQM philosophy. The problem is that many government run organizations are hierarchical, bureaucratic organizations, in which employee empowerment and teamwork are not core values. Therefore, the implementation of TQM in these types of organizations requires a substantial effort towards transforming the underlying values and culture, which is a

major and daunting task. As Radin and Coffee (1993) note, the process of changing an organizational culture takes a long period of time.

In sum, based on the above considerations, Swiss (1992) argues that “orthodox” TQM is ill suited to most government agencies. He goes on to note that an adapted version of TQM which, for example, de-emphasizes its demands for output uniformity and which sensitizes managers to the dangers of satisfying just an immediate clientele, is more appropriate for the public sector. Such an adapted form of TQM would, however, retain TQM’s “orthodox” principles of employee empowerment and continuous improvement. “If introduced with sensitivity to governments unique characteristics, reformed TQM can make a useful contribution to contemporary public management” (Swiss, 1992: 360).

It is interesting to note that a number of the views expressed in this section of the article are consistent with those of the “New Public Service”. For example, Fountain’s critical perspective on customer segmentation in the public sector and her call for political equality are echoed in the approach of the “New Public Service”. Furthermore, Alford’s insistence that Citizens, as opposed to customers, should have the ultimate determinant voice about what the government and its agencies should do, as expressed through the processes of political deliberation and representation, is an idea that is also echoed in the “New Public Service”.

## **IMPLEMENTATION ISSUES IN THE PUBLIC SECTOR**

Much has been written about the difficulty of implementing public sector initiatives. The implementation of TQM programs in the public sector is no exception. This section of the article will draw on literature that discusses some of these challenges.

Allison and Zelikow (1999) produced a seminal work, which attempted to explain the Cuban Missile Crisis through three different so-called “conceptual lenses”. While the work is concerned specifically with the Cuban Missile Crisis, the principles contained in each of the models or conceptual lenses are relevant to understanding the behavior of organizations in general, including government agencies. The Rational Actor Paradigm, Organizational Behavior Paradigm and Governmental Politics Paradigm, are each based on a different set of assumptions, a distinct bundle of organizing concepts and a different set of general/specific propositions. The rational actor model" conceives of governmental action as a "choice" made by a unitary and rational actor. In this model, the national government is treated as if it is an "individual" identifying problem, producing solution alternatives and picking one of those alternatives whose result would satisfy the expected utility function of the nation best based on the "purpose" of the nation. In the Organizational Behavior Paradigm, the level of focus is the organization, which comprises multiple actors e.g. Departments, sub-units etc. Here, the analyst investigates, for example, the standard operating procedures (SOP) of government organizations in order to understand which policy alternatives are available to political actors and which one is chosen and why.

Finally, the governmental politics model conceives of governmental policy under question not as a rational actor choice or organizational output but as a "resultant" of bargaining along regular circuits among players positioned hierarchically within the government. In terms of this model, "the leaders who sit atop organizations are no monolith. Rather, each individual in this group is in his or her own right a player in a central competitive game. The name of the game is politics" (Allison and Zelikow, 1999: 255). Government behavior can thus be understood as the result of bargaining games amongst individuals with a diverse set of interests and goals.

The government politics model is particularly useful in understanding the challenges inherent in implementing government programs, such as TQM, as it alerts us to the fact that organizations are essentially political creatures made up of a diverse set of internal and external "players", each with their own set of goals and interests. This idea is often overlooked by the naïve notion that once a government program is officially sanctioned by legislation, the successful implementation of the program will surely follow. According to Radin and Coffee (1993) multiple interest groups and agendas are present in most domestic government program areas. "Many federal organizations find themselves in a turbulent policy environment where conflicting pressures from various stakeholders in a large and heterogeneous society. They find it difficult to juggle or balance these interests, all of which have a degree of legitimacy in the system and must be provided at least minimum access to the agency" (Radin and Coffee, 1993: 49).

In a similar vein Handler (1996), in outlining some of the issues inherent in government decentralization, emphasizes the fact that state and local government agencies are not self-contained entities, but rather exist in and are dependent on a broader environment for legitimacy and power as well as productive resources. As a result, interests both internal and external to the organization influence these agencies. "What this means is that when an upper-level unit of government mandates one of these agencies to do something, the lower-level agency will attempt to respond in terms of their own organizational interests. It will consider what level of compliance will maximize its survival chances" (Handler, 1996: 28). Furthermore, federal monitoring efforts are generally weak and uncertain. "Information systems are inadequate; rules and standards are often vague. It is difficult to find out what is going on below" (Handler, 1996: 30). Handler goes on to note that there are multiple layers of agencies and organizations, each with their own interests, values and traditions. As a result, "the federal-state relationship is best characterized as highly decentralized, with problems of information, communication, coordination and control" (Handler, 1996: 32).

Many of Handler's perspectives can be traced back to the principal-agent problem which is rooted in a model of administration that is based on utilitarian logic i.e., individuals are materially self-interested, concerned chiefly with advancing their self-interests. The principal-agent problem implies that the agent or contractor always possesses more information pertaining to a given service than the principal (information asymmetry) and that the principal cannot thereby ensure that the agent is acting in its best interests. This requires that the principal employ a variety of monitoring mechanisms, which can be very costly and demand excessive administrative responsibilities. The principal-agent problem can be applied to the implementation of government programs within public agencies or to government programs implemented through private or nonprofit organizations (in terms of a contracting model). While a comprehensive discussion of privatization is beyond the scope of this article, it is worth

noting that horizontal relationships (as opposed to vertical relationships which are the bedrock of accountability in Wilson's terms), which are characteristic of contracting relationships, may require more intense monitoring mechanisms.

Pressman and Wildavsky (1984) analyzed the struggles of policy implementation inherent in the Economic Development Administration's (EDA) plan to hire the unemployed minorities of Oakland, CA. In their work they echo the idea that government agencies are riddled with competing interests both internal and external, and that this conflict can disrupt the successful implementation of a policy within a given government agency. According to Pressman and Wildavsky, the visible play of organized interests can result in policy objectives that change during the course of an implementation, because different forces vie for control of a policy area. Furthermore, they demonstrate that interest group conflict can result in policy objectives that are intentionally left vague by the legislature in order to "satisfy" all parties simultaneously.

Pressman and Wildavsky also illustrate how the legislature can intentionally formulate policy objectives that are contradictory, because first one side and then another receives priority treatment. The case of business loans in the Oakland experiment provides an excellent example of a situation where legislators want incompatible things. On the one hand they wanted to help people in areas of low employment by attracting new industries. On the other hand, they did not want to subsidize competitors against their own constituents. As a result, they wrote in provisions stating that aid to industry must not compete with existing firms. Since it is inconceivable that enterprises will not in some way compete with one another, the dilemma was passed on to the administrators who realized that they could not apply the criteria with consistency. This in many respects explained the failure of the business loans program. Therefore, it is important to note that if a policy is ill conceived from the start, the intervention will fail no matter how elegantly it is conceived or how well it is implemented. It is therefore necessary to be sensitive to these dynamics in order to proactively manage difficulties that may arise during implementation.

According to Pressman and Wildavsky there are two conceptual views of policy implementation. "A prospective, anticipatory view of implementation concentrates on designing policies in advance so that they are less likely to fail. Its opposite, a retrospective view, emphasizes the ability to cope after things break down" (Pressman and Wildavsky (1984: 230). Based on the lessons learned from the Oakland project, Pressman and Wildavsky adopt what they call an evolutionary (or learning) view of implementation, which embraces both perspectives i.e., on the one hand it is essential to plan in advance for policy implementation, however, there are inevitably unforeseen consequences that always emerge during implementation. Under these circumstances the goal is to learn on the fly in order to ensure that prior mistakes are not repeated. The insights gleaned from the Oakland project are applicable to the implementation of any type of government program, such as a public sector TQM initiative.

A common thread that runs through the perspectives represented in this section of the article is that the politics-administration dichotomy (discussed earlier in the article) is questionable in practice. Consequently, public sector initiatives such as TQM are vulnerable to a variety of political forces which can serve to create tremendous inefficiencies and in some cases even derail these programs.

## **SUGGESTIONS FOR IMPLEMENTING TQM IN THE PUBLIC SECTOR**

Firstly, Policy implementation is a multi-faceted and complex phenomenon. The Oakland “experiment” bears testimony to this fact. There are two conceptual views of implementation. According to Pressman and Wildavsky (1984: 230), “A prospective, anticipatory view of implementation concentrates on designing policies in advance so that they are less likely to fail. Its opposite, a retrospective view, emphasizes the ability to cope after things break down”. Pressman and Wildavsky adopt what they call an evolutionary (or learning) view of implementation, which embraces both perspectives i.e., on the one hand it is essential to plan in advance for policy implementation, however, there are inevitably unforeseen consequences that always emerge during implementation. Under these circumstances the goal is to learn on the fly in order to ensure that prior mistakes are not repeated.

Furthermore, I believe it is important to mention that in order for government officials to devise and operate complex policies it is important for these officials to collect a great deal of information about the needs and details of the effected population and its responses to government action. Without such knowledge neither sensible federal programs nor democratic accountability would be possible. Therefore a careful consideration of the debate must ultimately consider the ethical issues associated with TQM in the public sector. However, how one goes about defining what exactly constitutes an appropriate application of TQM in the public sector is no easy matter and is itself a debatable matter. This is due to the fact that the notion of ethics is itself a social construct and is therefore subject to multiple, competing interpretations. Consequently, I believe that policy analysts and other government officials need to engage the citizenry to try and understand how they construe the notion of TQM and what their views are regarding the application of TQM in the public sector.

## **CONCLUSIONS**

The illusory appeal of TQM is that it allows for a more efficient and streamlined delivery of public services in all cases. However, if one considers the information presented in this article, it becomes evident that the implementation of TQM in the public sector can potentially be fraught with a slew of inefficiencies. Furthermore, TQM can also undermine important values that we cherish in the public sector. All things considered, TQM is not a panacea for quality improvement initiatives in the public sector. Rather, the merits of TQM have to be considered in light of the issues identified in this article.

*Allan Maram is a Ph.D. student at Saint Louis University and a management consultant at SAP: marama@slu.edu*

## REFERENCES

- Alford, J. 2002. Defining the client in the public sector: A social-exchange perspective. *Public Administration Review*, 62 (3), 337 – 346.
- Allison, G., and Zelikow, P. 1999. *Essence of Decision: Explaining the Cuban Missile Crisis*. New York: Longman.
- Denhardt, J.V., and Denhardt, R.B. 2003. *The New Public Service. Serving Not Steering*. New York: M.E. Sharpe.
- Fountain, J.E. 2001. Paradoxes of public customer service. *Governance: An International Journal of Policy and Administration*, 14 (1), 55 – 73).
- Garvin, D.A. 1988. *Managing quality: The strategic and competitive edge*. New York, NY: The Free Press.
- Goodnow, F. 1987. “Politics and Administration”. In *Classics of Public Administration*. 2d ed., ed. Jay Shafritz and Albert Hyde, 26-29. Chicago: Dorsey Press.
- Gronroos, C. 1990. *Service Management and Marketing: Managing the moments of Truth in Service Competition*. Toronto: Lexington Books.
- Handler, J.F. 1996. *Down From Bureaucracy: The Ambiguity of Privatization and Empowerment*. New Jersey: Princeton University Press.
- Juran, J.M. 1986. The quality trilogy. *Quality Progress*, 8, 9 – 24.
- Martin, L. 1993. *Total Quality Management in Human Service Organizations*. Newberry Park: Sage
- Moore, M.H. 2002. “Privatizing Public Management” In. *Market-Based Governance: Supply Side, Demand Side, Upside and Downside*: 296-321. Brookings Institution.
- Morgan, G. 1997. *Images of Organization*. Newbury Park, CA: Sage Publications
- Morrison, E.W. 1996 Organizational citizenship behavior as a critical link between HRM practices and service quality. *Human Resource Management*, Vol. 35 (4), 493 – 512.
- Pressman J.L. and Wildavsky, A. 1984. *Implementation*. Los Angeles: University of California Press.
- Radin, B.A., and Coffee, J.N. 1993. A critique of TQM: Problems of implementation in the public sector. *Public Administration Quarterly*, 17, 42 – 54.
- Reeves, C.A., and Bednar, D.A. 1994. Defining quality: Alternatives and implications. *Academy of Management Review*, 19 (3), 419 – 445.
- Swiss, J.E. 1992. Adapting total quality management to government. *Public Administration Review*, 52 (4), 356 – 362.

Walsh, K. 1995. *Quality Through Markets*. In: Wilkinson, A., and Willmott, H. (1995). *Making Quality Critical*. New York: Routledge.

White, L.D. 1926. *Introduction to the Study of Public Administration*. New York. Macmillan.

Wilson, W. [1887] 1987. "The Study of Administration." *Political Science Quarterly*, 2 (June). Reprinted in 1997 in *Classics of Public Administration*, 2<sup>nd</sup> Ed., ed. Jay Shafritz and Albert Hyde, 10-25, Chicago: Dorsey Press.

## **APPENDIX 1**

### **Deming's 14 points**

1. Create consistency of purpose toward improvement of product and service
2. Awaken to the challenges of the new economic age and adopt a new philosophy
3. Cease dependency on inspection to achieve quality
4. Stop awarding business on the basis of price
5. Constantly improve the system of production and service
6. Institute training on the job
7. Institute leadership
8. Drive out fear
9. Break down barriers between departments
10. Eliminate slogans, exhortations, and targets aimed at zero-defects and new levels of productivity
11. Eliminate quotas on the factory floor
12. Remove barriers that rob people of the right to pride of workmanship
13. Institute a vigorous program of education and self-improvement
14. Put everybody in the company to work on accomplishing the transformation

Adapted from Martin (1993).



## **APPENDIX 2**

### **Crosby's 14 points**

1. Management commitment
2. Quality improvement teams
3. Measurement
4. Cost of quality
5. Quality awareness
6. Corrective action
7. Zero-defects planning
8. Employee education
9. Zero-defects day
10. Goal setting
11. Error cause removal
12. Recognition
13. Quality councils
14. Do it all over again

Adapted from Martin (1993).

## **APPENDIX 3**

### **Juran's 10 Steps to quality**

1. Building awareness for the need and opportunity for improvement
2. Set goals for improvement
3. Organize to reach the goal: appoint teams, select facilitators, establish quality councils
4. Provide training
5. Carry out projects to solve problems
6. Report progress
7. Give recognition
8. Communicate results
9. Keep score
10. Maintain momentum by making improvement part of the annual system.

From Juran (1986).

## ABOUT IPMR

IPMR	<p>The International Public Management Review (IPMR) is the electronic journal of the International Public Management Network (IPMN). All work published in IPMR is double blind reviewed according to standard academic journal procedures.</p> <p>The purpose of the International Public Management Review is to publish manuscripts reporting original, creative research in the field of public management. Theoretical, empirical and applied work including case studies of individual nations and governments, and comparative studies are given equal weight for publication consideration.</p>
IPMN	<p>The mission of the International Public Management Network is to provide a forum for sharing ideas, concepts and results of research and practice in the field of public management, and to stimulate critical thinking about alternative approaches to problem solving and decision making in the public sector.</p> <p>IPMN includes over 600 members representing sixty different countries and has a goal of expanding membership to include representatives from as many nations as possible. IPMN is a voluntary non-profit network and membership is free.</p>
Websites	<p>IPMR: <a href="http://www.ipmr.net/">http://www.ipmr.net/</a> (download of articles is free of charge)</p> <p>IPMN: <a href="http://www.inpuma.net/">http://www.inpuma.net/</a></p>
ISSN	ISSN 1662-1387