

# CHAPTER 5

# Leadership and Quality

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# Introduction



- CDPM is a sensible extension of the **total quality** and **project management** paradigm that has the customer as the driver.

# Introduction



- Basic concepts of CDPM
  1. Customer-driven project management requires leadership and top management support as the way to do business.
  2. Customer-driven project management assumes that virtually all an organization's work can be structured into team projects.

# Introduction



3. Customer-driven project management means that accountability for the outcomes of projects is shared with the customer.
4. Customer-driven project management requires a matrix organizational structure.
5. Customer-driven project management makes the customer drive the project through all the phases of project management.

# Introduction



6. Customer-driven project management requires the development of empowered project teams.
7. CDPM presumes that project management phases can be performed simultaneously.
8. CDPM assumes optimum use of information and telecommunication systems.

# CDPM Requires a Total Quality Management Environment



- The TQM environment is an internal organizational culture of openness, honesty, trust, communication, involvement, ownership, pride of workmanship, accomplishment, individuality, innovation, creativity, strategic thinking, and personal commitment to be the "best."

# CDPM Requires a Total Quality Management Environment



- The total quality management environment must include the entire organization and be shared by everyone in the organization.
- This requires the creation of a **VICTORY** environment focused on total customer satisfaction.

# CDPM Requires a Total Quality Management Environment



- The creation of a VICTORY environment requires the following elements:
  - **Vision and the leadership to make it happen**
  - **Involvement of everyone and everything**
  - **Continuous improvement system**
  - **Training and education**
  - **Ownership**
  - **Rewards and recognition**
  - ***Years* of support and commitment**

# CDPM Requires a Total Quality Management Environment



- VICTORY-C model from the *TQM Field Manual*.



# Vision



- The *vision* provides a future state for the organization to strive to reach.
- A *vision* is the future "image" of the organization, the scenario of where the organization leadership wants to go.

# Vision



Here are the steps for creating a vision

1. Leadership visualizes the future of the organization.
2. The initial vision is evaluated to ensure that it meets the organization's criteria for the future.
3. The vision is instituted throughout the organization.
4. The vision is established by top management/ leadership.
5. The vision leads to a strategic intent statement that places content on the vision.

# Mission



- The *mission* describes the basic corporate view of the role and function of the organization in satisfying customers' expectations today and in the future.
- Mission should be stated clearly in documents that every employee can use as the "anchor" for his or her performance.
- The development of a mission statement starts at the top.

# Mission



## Steps to mission:

1. All current mission documents are assembled and synthesized.
2. Top management brainstorms about critical elements.
3. Measures of customer satisfaction and corporate performance are identified.
4. The mission statement is written.
5. The mission statement is confirmed with all employees through a participative process.
6. The mission leads to a business plan.

# Values



- *Values* include the principles the organization believes and follows.
- Values are the collective concept of what is important and what is "right" about the organization.

# Values



## Steps to the value statement:

- Top management identifies basic values through brainstorming.
- Priorities are set.
- Each value is written into a statement,
- Everyone in the organization is encouraged to live the values.
- Values lead to a clear organization culture.

# Leadership



- Leadership is essential to creating and maintaining the TQM environment. Leaders are responsible for all the elements of VICTORY. They make the vision, mission, and values a reality.

# Leadership



Specifically leaders do the following:

- Leaders create synergy
- Leaders create vision
- Leaders give structure
- Leaders set the example
- Leaders grow other leaders
- Leaders establish and maintain organizational systems

# Involvement of everyone and everything



- The TQM environment requires the total involvement of everyone and everything in the organization.
- Everyone includes the entire organization, including management/leadership, all the people in the organization, suppliers, customers, and teams.
- Everything comprises systems, equipment, and information.

# Involvement of everyone and everything



Involvement of everyone and everything

# Management



- Management provides the focus of the organization.
- Management designs the processes that are used to perform the work.
- Management fosters the development of a sense of pride and "ownership" of processes.
- Management invests in education and training, guides cooperation and teamwork, and motivates actions through rewards and recognition.

# People In the Organization



- In a TQM environment, people are the most important resource.
- People must be encouraged to be creative and innovative within all areas of their work.
- All the people in the organization must be empowered to perform their work with excellence.

# Suppliers And Customers



- Suppliers and customers are also important players in the TQM environment.
- ISO 9000 standards are one form of certification for meeting international quality standards. So, the organization must weave the customers' needs and expectations into all its processes.

# Teams



- The involvement of teams is critical to the success of a total quality, management environment.
- Teams should be the primary organizational structure to accomplish critical missions.
- Teams involve the internal organizational groups and include functional and especially multifunctional teams.

# Include Everything



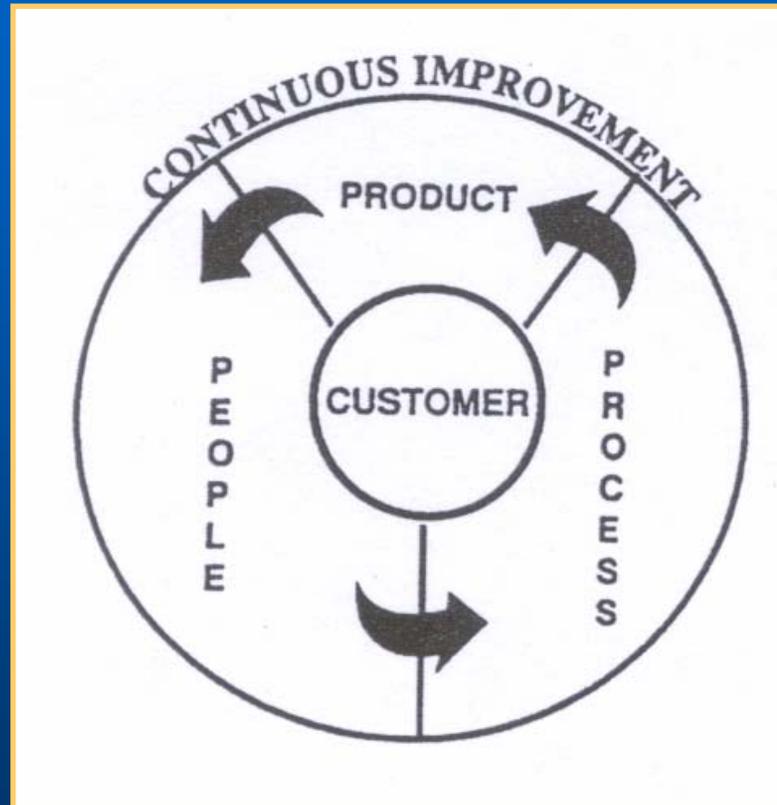
- The TQM management environment must include not only everyone ; but everything in the organization.
- The TQM management environment must include all systems, processes, activities, jobs, and tasks within the organization.

# Continuous Improvement



- The continuous improvement system applies all the fundamental aspects of the TQM definition.
  - **People** are not the problem, people are the solution.
  - **Quantitative methods** are the principal means to make decisions.
  - An appropriate **improvement methodology** is used to improve all material services supplied to an organization

# Continuous Improvement



Continuous improvement of processes, people, and product

# Training and Education



- Training and education comprise a never-ending process for everyone in the organization.
- Training and education provide skills and knowledge—the ability to make it happen.
- The TQM environment requires everyone to gain additional capabilities to improve the process and perform the work.

# Training and Education



- Specifically, the key skills that must be developed for a TQM environment include:
  - - **Communication, especially listening;**
    - **Teamwork;**
    - **Conflict management;**
    - **Problem solving;**
    - **Consensus decision making;**
    - **Critical and systems thinking;**
    - **Understanding customer needs; and**
    - **Process improvement.**

# Ownership



- Ownership comprises the ability to perform and improve work.
- Ownership is important to ensure pride of accomplishment.
- Everyone must have ownership of his or her work. Ownership implies **responsibility**, **authority**, and **resources**.

# Empowerment



- *Empowerment* means a person can do whatever is necessary within its responsibility and authority and with available resources to perform or improve the process or deliverable to satisfy the customer.
- The challenge is to find the balance between empowerment and control.

# Empowerment



- *Empowerment* is the process of enabling employees at all levels to exercise wide discretion in meeting customer needs, both within the organization.
- *Control* is the process of setting boundaries on that discretion, through guidelines, so that employees are clear on the extent of empowerment.

# Reward and Recognition



- A reward is given for performance of some specified action.
  - Rewards can be **extrinsic**, such as compensation, promotion, and benefits,
  - Rewards can be **intrinsic**, such as feeling of accomplishment, improved self-esteem,, 1personal growth, or a sense of belonging.

# Reward and Recognition



- Recognition is given for special or additional efforts. Recognition takes the form of **praise** or a **celebration**.
  - **Praise should be the normal method to reinforce the right behavior.**
  - **Celebrations can be individual or group oriented.**

# Years of Commitment and Support



- Leaders must commit to long-term support.
- Leaders must understand that although some results will be realized quickly, permanent changes will take many years.
- Leaders must be active, highly visible participants in all aspects of the TQM process.

# Focus on the Customer



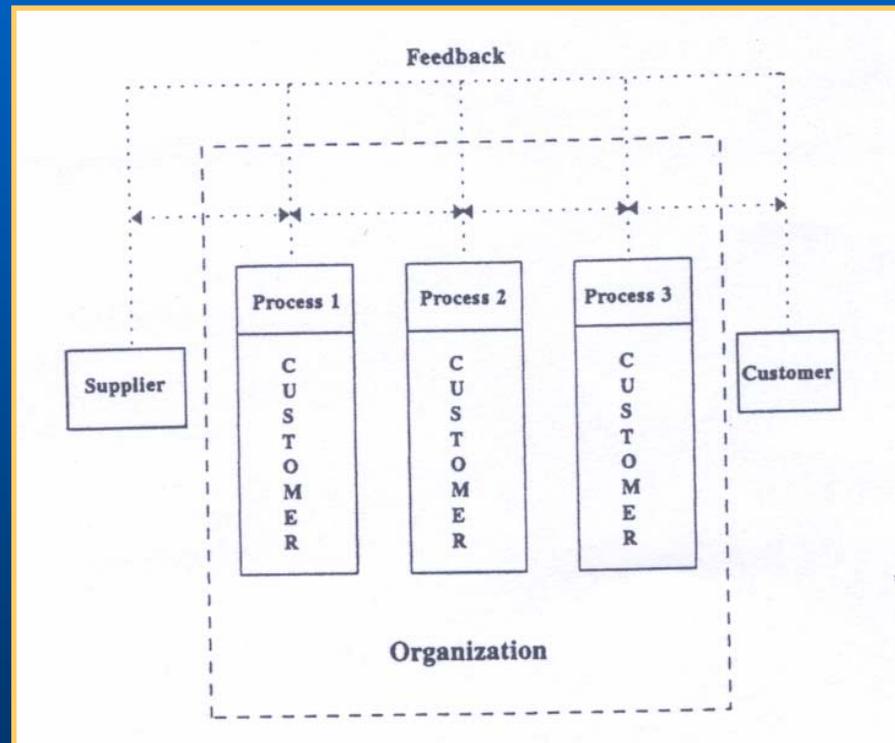
- All the elements of success focus on total customer satisfaction. Total customer satisfaction is the focus of the entire CDPM process.
- Total customer satisfaction is quality.
- Quality includes all elements required to satisfy the target customers, both internal and external, and can include such items as product quality, service quality, performance logistics, training, billing, marketing, warranty, life-cycle cost etc.

# Focus on the Customer



- CDPM focuses on the satisfaction of both **internal** and **external** customers.
- Each process is the "customer" of the next process. These processes are the internal customers.
- If each internal customer satisfies the next internal customer while focusing on external customer satisfaction, the ultimate customer-**the external customer-** will be satisfied.

# Focus on the Customer



Customer relationships

# Focus on the Customer



Elements that must be observed in order to achieve total customer satisfaction:

- Know your organization
- Know your product
- Know your competition
- Know your customers

# Focus on the Customer



Elements that must be observed in order to achieve total customer satisfaction:



# Project Management System



- Once a TQM environment is established, CDPM requires the development of a project management system.
- The focus of a project management system is customer satisfaction

# Project Management System



Project management system involves the following major processes:

1. *Analysis*
2. *Planning*
3. *Implementation*
4. *Evaluation*



# Project Management System



## Analysis

- The analysis process must provide a process to
  - Identify the target customers
  - Determine customer wants
  - Evaluate customer and supplier relationships
  - customer expectations
  - Assess management support and commitment
  - Assess the performance of critical processes
  - Benchmark processes

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# Project Management System



## Analysis

- Judge if process performance is adequate
- Establish process improvement goals
- Recognize risk
- Determine competitive advantage
- Develop metrics
- Perform trade-offs

# Project Management System



## Planning

The planning process must provide guidance for

- Relating with the customer
- Preparing proposals .Planning strategy
- Documenting project information
- Developing mission objectives and goals
- Setting priorities
- Establishing an organizational structure
- Utilizing resources
- Managing the project

# Project Management System



## Planning

- Identifying roles and responsibilities
- Empowering teams and people
- Developing supplier relationships
- Funding the project
- Measuring and reviewing progress
- Solving problems
- Improving processes
- Maintaining accurate configuration information
- Providing and communicating necessary information
- Supporting the deliverable

# Project Management System



## Implementation

- The implementation process must provide approaches that allow the team to
  - Set performance measures
  - Direct use of resources
  - Handle project changes
  - Provide negotiation methods
  - Manage risk .Control costs
  - Manage conflict
  - Motivate team players
  - Take corrective action
  - Deliver the outcome to the customer
  - Support deliverable

# Project Management System



## Evaluation

- The evaluation process must provide techniques to
  - Measure customer satisfaction
  - Document and report the status
  - Conduct project progress reviews
  - Keep track of risk
  - Test the deliverable
  - Gather lessons learned
  - Determine the impact on the business
  - Continuously improve

# CDPM Team Structure



- The customer-driven project management team structure involves establishing an infrastructure within which the customer is the primary focus of all projects, processes, tasks, and activities.
- **The first requirement** of a customer-driven structure involves using the existing top-level framework to create and maintain the CDPM approach.

# CDPM Team Structure



- **The second requirement** of a customer-driven structure involves a process for the customer and suppliers to work together to identify the project using the CDPM improvement methodology.
- **The third part** of a customer-driven structure-recognizing the customer as the leader of the team-uses the customer or customer's voice to drive the project.

# CDPM Team Structure



- The fourth part of the customer-driven structure requires an established customer-driven project team organization for projects, processes, and quality improvement as appropriate.

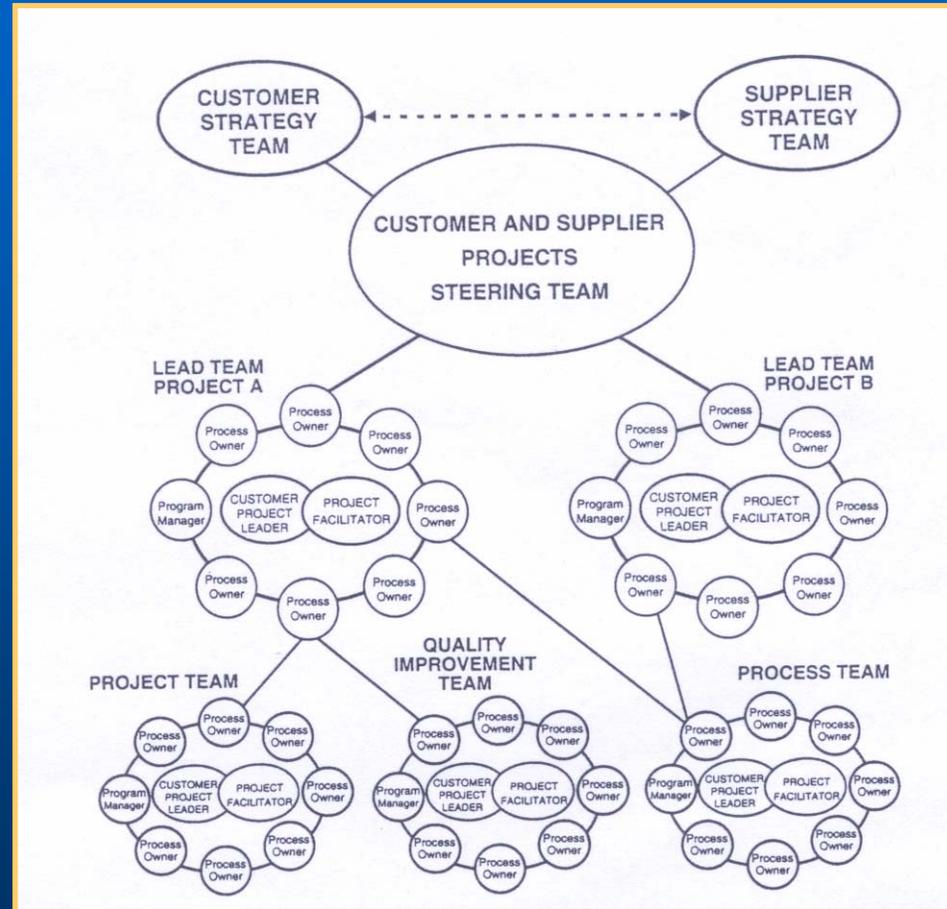
# CDPM Team Structure



The CDPM framework in its most complex form includes the following essential teams:

- Customer and supplier strategy teams
- Customer and supplier project steering teams
- Customer-driven project lead teams
- Customer-driven teams

# CDPM Team Structure



CDPM Team structure

# CDPM Team Structure



- **Customer and supplier strategy teams** are top-level teams in each organization. Key objectives of this team are
    - To develop vision, mission, and values for the organization
    - To create and maintain a total quality management environment,
    - To provide strategic direction for the organization
    - To involve everyone and everything in common purpose
    - To institute continuous education and training programs
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# CDPM Team Structure



- To ensure appropriate reward and recognition systems
- To act to give support
- To foster customer relationships

# CDPM Team Structure



- **Customer and supplier project steering teams** are top-level project management teams. Key objectives for such teams are
  - **To develop customer relationships**
  - **To analyze customers, the marketplace, the organization, and the project**
  - **To define customer expectations and satisfaction issues**
  - **To select projects of mutual benefit to customers and supplier**
  - **To ensure effective and efficient CDPM**

# CDPM Team Structure



- To enhance communication, cooperation, and teamwork
- To develop systems to support CDPM
- To provide leadership, direction, guidance, and support to project lead teams
- To develop education and training,
- To foster supplier partnerships

# CDPM Team Structure



- **Customer-driven project lead teams** are top-level project management teams for specific projects. The customer-driven lead team is empowered to:
  - **Perform and improve the project for total customer satisfaction**
  - **Perform and improve the customer-driven project management system**
  - **Establish a customer-driven project management structure appropriate to the specific project**
  - **Develop teams with adequate responsibility, authority, and resources**

# CDPM Team Structure



- Determine appropriate rewards and recognition
- Analyze customer needs and expectations
- Implement the plan, focusing cost, schedule, and performance on delivery for customer satisfaction
- Evaluate the project for continuous improvement

# Customer as Leader



- The customer-driven project management approach advocates using the customer as leader.
- This makes the customer a driver for the entire life cycle of the project.

# Customer as Leader



- The customer-as-leader concept makes customer satisfaction the primary aim of the project deliverable.
- In addition, the customer as leader stresses continuous communication among all project team members and increases the probability of providing a deliverable that satisfies the customer.

# Integrating the Customer into the Project



- The ultimate beneficiary of the project is the external customer. The receiver of the output of a process is the internal customer.
- The customer can be inside or outside the organization.

# Integrating the Customer into the Project



- The customer is integrated into the project in CDPM through an agreement up front between the customer and the project management suppliers.
- The agreement is based on a commitment to use the customer-driven project management approach



# Chapter 6