

THE MISSING CONNECTION: How TQM Contributes to Solving the Public Sector's Problems

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1. INTRODUCTION

Public organizations are facing intolerable array of challenges that require immediate attention from practitioners and academicians alike. A very low productivity growth, ineffective practice and goal attainment methods, major decline in organizational performance, limited and shrinking financial resources, tight budgets, and increasing debts and operating costs are serious challenges the public sector has to deal with. In addition, public organizations have to satisfy the dissatisfied citizens and frustrated employees. Despite all these problems, public organizations have to improve their services to satisfy the citizens and meet their expectations. The demand for better services is increasing far more than the improvement in the services governments are providing. Citizens will always ask for better services even when their governments are suffering from lack of resources.

Governments, on the other hand, have usually responded to these challenges by raising taxes and fees, and hence, increasing revenues. Now, however, public organizations cannot rely on tax and fee hikes to increase revenues in order to provide existing and new services. Not only is this approach ineffective, but it is unethical because it is a depletion of the resources without taking the new generations into consideration. Accordingly, governments must realize that neither raising taxes nor borrowing more money or charging more fees for the services they provide is the right solution.

If governments are to survive, they must search for and find a permanent, sound and feasible solution that enables them to regain citizens' confidence and reverse the current situation. Conventional wisdom and traditional approaches of managing will lead nowhere. The imminent challenges require redefining the way public organizations operate and rethinking the values and theories in use with respect to how a public organization should be run.

Examining the public sector's problems along with the benefits of Total Quality Management (TQM) reveals that TQM will significantly contribute to solving the public sector's problems if it is successfully implemented. Although quality improvement approaches were developed with the intention of assisting manufacturing organizations in the production of high-quality products (Crosby 1979, Deming 1986, Feigenbaum 1983, Ishikawa 1985, Juran 1989, and Taguchi 1986), TQM is spreading in the public sector, perhaps as fast as in the private sector (Carr and Littman 1993; Milakovich 1991; Swiss 1992; Walters 1992; and West, Berman, and Milakovich 1993). A review of the literature pertaining to TQM implementation reveals that successful TQM implementations have significantly reduced operating costs, errors, waste, red tape, administrative overhead, rework, and hence,

improved productivity; boosted organizational performance and effectiveness of goal attainment; satisfied internal (employees) and external (citizens) customers and made them happy; and increased revenues and savings (Box, Joiner, Rohan, and Sensenbrenner 1991; Burbidge 1994; Galloway 1992; Mokrzycki 1991; and Pfister and Wart 1993).

This paper examines the benefits of TQM and the challenges that public organizations are facing. It establishes the connection between the public sector's common problems and the benefits of successful TQM implementation.

2. THE CHALLENGES

2.1. *Increasing Cost of Error Corrections, Waste, and Rework.*

The cost of quality (COQ) is simply the sum of all costs to make things right and to correct them when they are not made right (Corradi 1994; Crosby, 1984; Juran 1989; and Rosander 1989). In public organizations, the COQ is very high. The COQ in organizations not committed to TQM can run anywhere between 15 to 50 percent of the organization's annual expenditure (Atkinson 1990; Juran 1991; and Spitzer 1993). In fact, managers spend between 50 and 80 percent of their time handling things that should not have happened in the first place and dealing with the consequences of bad decision-making (Drummond 1992; and Robson 1991). In the public sector, the COQ is as high as 40 - 50 percent or could be higher in some parts (Atkinson 1990).

A quality leader in government, Ritter (1991) points out that "the cost of finding, fixing and preventing errors in government products and services at the Federal level is at least \$256 billion. That is equal to over 80 percent of the federal budget!" (61). Evidently, the cost of error corrections and rework to make things that have been done wrong right is astonishingly high in public organizations. The real challenge for public organizations is that they do not have enough resources to spend in error corrections.

2.2. *Declining productivity.*

It is argued that productivity "is the single most important factor and determinant for the survival of business, and prosperity of nations, and the standards of living of the people" (Yoshida 1991, 79). Therefore, the search for ways to improve productivity is one of the biggest challenges facing public organizations. The importance of productivity is widely acknowledged and at all levels. Yet, many public organizations are suffering from a very low productivity growth (AL-Tubayeb 1980; Davis 1986; Maggiotto and McKenna 1992; Marlowe and Nyhan 1993; and Mahisi 1980). To enhance productivity, public organizations have been trying a variety of things, ranging from Program Performance Budgeting (PPB), Zero-Based Budgeting (ZBB), and training to linking of financial rewards/punishment to performance (West 1986). These methods and others have their impact on productivity but they have not solved the problem of low productivity growth.

In the United States, the search for ways to improve productivity is considered one of the biggest challenges (Wiley and Campbell 1986/87). It is also one of the biggest challenges to the public sector in Saudi Arabia (AL-Tubayeb 1980; and Mahisi 1980). In Saudi Arabia, public employees spend over 33 percent of their work hours doing things that should not be done during work hours such as visiting and chatting with a co-worker (Al-Bedewi and Hamzah 1987).

2.3. *Dissatisfied citizens and frustrated employees.*

In the United States, citizens' confidence in government is extremely low (Osborne and Gaebler 1992). Over 60 percent of American voters believe that most of the money paid in taxes is wasted by government. Only 14 percent of the American people, as the 1992 polls show, have a great deal of confidence in government (OPM 1992), and only 5 percent of Americans surveyed indicate that they would choose government as their preferred career (Osborne and Gaebler 1992). The real challenge is not just to regain citizens' confidence, but to make them happy.

In addition to citizens, employees are not satisfied with their organizations. Employee satisfaction is very critical to the success of the organizations because it determines their productivity, loyalty, and commitment. Yet, employee satisfaction in public organizations is very low. Al-Bedewi and Hamzah (1987) reports that 22 percent of the employees in the public sector surveyed were not satisfied in their organizations at all and considering a transfer to another organization even with the same pay. Similarly, Al-Adaily (1986) reports that 32 percent of the employees in the public sector surveyed were not satisfied with their work at all.

2.4. Increasing debts and limited resources.

On-going fiscal crises are becoming a characteristic of public organizations. The debt for all city governments in the United States increased from \$66.9 billion in 1977 to \$207.5 billion in 1990 (Palumbo and Sacks 1993). Moreover, funds are diminishing (Davis 1986; and Whitten 1989), and available resources are not growing as fast as expenditures (Sarno, Kolak, and Moore 1990). Greiner (1986) points out that for many American local governments, "these are times of shrinking resources and rising demands" (81). In brief, governments are "broke" and needs "fixing" (Walters 1992). Many public organizations have already come to the conclusion that they have to do more with less.

The Institute of Public Administration (IPA), Riyadh, Saudi Arabia, would be a good example of how organizations have to do more with less. The budget of the IPA declined from SR 156,381,640 in 1993 to SR 148,165,000 in 1994, and to SR 135,753,000 in 1995. On the other hand, the number of pre-service trainees increased from 773 in 1993 to 861 in 1994, and the number of trainees in special programs increased from 542 in 1993 to 628 in 1994. The challenge for the IPA is to find a way that enables it to do more with less without sacrificing the quality of its services.

The dilemma of the IPA is applicable to almost all public organizations in Saudi Arabia. The decline of the oil prices has its impact on the public sector as well as the private sector. Organizations used to ask for more money whenever they decide to provide a new service. Now, however, organizations have to provide more services with less. They also have to take into consideration that citizens are demanding a high quality services and what used to be acceptable by citizens is not anymore.

3. SUCCESSFUL TQM IMPLEMENTATION

A very large number of public organizations in the United States are jumping on the TQM bandwagon. Of the 56 cities with population between 50,000 and 125,000 and Council-Manager Forms of governments surveyed, 26 cities (46%) are implementing TQM (AL-Khalaf 1994); of the 1,211 cities with a population over 25,000, about 343 (28%) are implementing TQM (West, Berman, and Milakovich 1993); and of the more than 2,800 civilian and Department of Defense (DoD) installations surveyed, about 1,904 installations (68%) are implementing TQM (General Accounting Office-GAO-1992).

The level of success of these initiatives is not known, but since these organizations have achieved major results attributable to the implementation of TQM, briefly highlighting two cases of successful TQM implementation will assist in identifying the challenges that led to the implementation of TQM, the benefits that were gained. The two cases highlighted below show how TQM contributes to solving some of the problems facing public organizations.

3.1. Phoenix, Arizona¹

The city of Phoenix has a long history of productivity improvement efforts dating back to 1947. Phoenix is known as a city of change and innovation. To avoid tax increases, the city, in 1969, decided to renew its efforts to improve productivity and operate in a business-like manner. Following the recession in the 1970s and the slow down in productivity, Phoenix again analyzed and assessed its efforts to improve productivity. As a result of the analysis, the city introduced new methods in 1977. Work standards were applied to about 40 percent of the city employees and a cultural change effort was undertaken. Moreover, training programs were offered to leaders and executives to assist them in their alteration from an authoritarian management style to a participative management style. Phoenix, therefore, changed from a rule-driven to a mission-driven culture. It also provided training to all employees, making the training available and beneficial by offering tuition reimbursement--up to \$950 per year--for college courses related to city management.

In 1980, the city decentralized most of its operations to promote more involvement and overcome resistance to change. More employees are empowered and involved in the operations every year. Phoenix's annual survey of its employees shows an increase in employee involvement in decision making every year. To encourage employee participation, the city developed a suggestion program where employees are highly acknowledged for their suggestions with letters indicating a plan for implementation along with a check for \$1000, or the reasons why the suggestion will not be implemented. Management retreats is another method for encouraging participation and communication. Twice a year, city management meets to share information and experiences. The meeting is usually held off-site.

With respect to the citizens, the city's primary goal is to provide the best services for the lowest possible cost to the taxpayers. To satisfy its customers and minimize cost, Phoenix is taking a business-like approach where the city departments compete with the private sector for provision of services usually provided by the city, such as garbage collection. Competitive bidding determines who does the job. In addition to providing the best service at the lowest price to satisfy the citizens, Phoenix established the Citizen's Assistance Office which is mainly responsible for helping citizens resolve problems related to city services, tracking citizens' complaints, and recording suggestions.

Recently, Phoenix launched a TQM initiative. A committee was established to provide recommendations on the implementation of TQM. Based on these recommendations, it was decided to adopt the Malcolm Baldrige National Quality Award criteria. The TQM approach is perceived as an extension of all existing programs. Since customer satisfaction has long been a primary goal of the city, it was decided to reemphasize this goal and

¹ The section on Phoenix is based on the work of Pfister and Wart (1993) and a case study by the American Productivity Center (August 1984).

have it the principal focus of the TQM initiative. To effectively communicate the principles of TQM to employees and gain employee support and commitment, a series of newsletters (CHAMPIONS) was used and a conference entitled "Quality in Tough Times" was held in October 1992.

Quality assessments were conducted and it was decided that a decentralized approach to TQM implementation, where each department has full responsibility over the implementation process with the support of top management would be used. Departments were empowered to use the resources available to them to provide training and development and to seek consultation if they deemed it necessary.

Results attributed to TQM implementation include: "(1) an increased sense of teamwork within the City, (2) an "unhinging" from the traditional bureaucratic structure, (3) an opening up of the improvement process so that the focus is no longer exclusively on resource reduction, (4) an initiative running on its own without another bureaucratic substructure, and (5) a new sense of customer satisfaction both internally and externally" (Pfister and Wart 1993, 6-7).

3.2. Brighton, Colorado²

The Brighton Police Department was suffering from a 45 percent annual turnover. One-half of the supervising positions were vacant. "Morale was at an all-time low and productivity had hit rock bottom" (Galloway 1992, 454). Moreover, citizens were extremely dissatisfied with the services being provided by the police. All these conditions, and others, such as poor facilities and equipment, were not the result of lack of resources; rather they stemmed from a lack of leadership.

In 1985, a new chief of police was hired and the stage for change was set. After in-depth analysis and investigation, the Police Department launched its TQM initiative. Long- and short-term goals were developed with the intention of providing services with which the citizens are satisfied. Extensive training programs were provided to police officers to develop cultural awareness and to build self-confidence and self-esteem. Police officers were empowered to make decisions and take actions to serve the citizens and ensure their satisfaction with the services.

Brighton conducted an assessment prior to introducing change. Accordingly, the city modified its mission statement to include the concept of "the customer is right"; changed its motto to "We are here to serve you"; changed its annual performance appraisal to include service quality; and transformed itself from a "social regulator" to a "social facilitator." Barriers such as resistance to change and legal bureaucracy were identified and dealt with through extensive training and modifications in the rules, procedures, and requirements. Citizens, for example, are involved in the process of selecting police officers through collection of information on their expectations

² The section on Brighton is based on the work of Galloway (1992).

of the police department. This information is compiled in an eight-dimension profile and used as a basis for the selection.

As a result of transforming the police department from a bureaucratic culture emphasizing compliance with the rules and regulations and no respect for the citizens ("Throw 'em all in jail") to a quality culture with a primary goal of serving the people with respect and dignity, the police department achieved very significant results, including:

- a) Major improvement in employee satisfaction.
- b) Major improvement in customer satisfaction. Customer satisfaction surveys show that 98 percent of respondents believe the police are doing a good job serving them.
- c) Complaints dropped from 32 in the first year to zero.
- d) Internal investigations dropped from 15 in the first year to 1 in 1991.
- e) Turnover decreased from 45 percent to 7 percent.
- f) Moral is very high.
- g) Major improvement in productivity.
- h) Superior performance.
- i) "Considerable dollar savings from reduced internal investigations and reduced risk and liability insurance premiums" (Galloway 1992, 460).
- j) "No lawsuits have been filed against the police department and no claims settled as a result of police misconduct for the past six years" (Galloway 1992, 460).
- k) "Thousands of training dollars have been invested in the past six years, and each penny has paid off" (Galloway 1992, 461).

4. THE BENEFITS OF TQM

The previously discussed two cases of successful TQM implementation and other successful TQM implementation reveal that when TQM is successfully implemented, major benefits can be gained. The benefits that have been achieved are encouraging. Some of these benefits are discussed in this section to demonstrate that it is worth investing in TQM and establish the base for connecting the public sector's common problems with the benefits of TQM.

4.1. *Reduction in the Cost of Quality.*

One of the major benefits of successfully implementing TQM is reducing the COQ. Successful TQM implementation will lead to major reductions in the COQ because error and defects prevention is one of the principles of TQM. In a TQM environment, organizations will invest in preventing errors and defects from happening at the first time, rather than in inspecting work to detect defects and errors then correct them which is very costly even though it is the common practice in most public organizations. That is what is known as doing the work right the first time, every time, and all the time.

Organizations that successfully implement TQM have significantly reduced their COQ (Crosby 1979, 1984; Feigenbaum 1989; Gryna 1988; and

Juran 1989, 1991). Juran (1991) indicates that organizations who have been committed to quality improvements (i.e., Baldrige Award winners) have achieved 50 percent reduction in their cost of quality. A large number of organizations have reduced the costs of not doing things right the first time through the investment in ensuring that things are done right the first time. The following examples demonstrates how successful TQM implementation reduces the COQ:

- ◆ The Information and Support Services (ISS) Division of the Department of Revenue, Denver, Colorado, implemented a quality improvement program in 1985 (Gruman 1989). The ISS invested \$106,182 in the program to reduce costs. As a result, errors were reduced by 84 percent in some areas and by an average of 55 percent in all others. Less than four years after the quality and productivity improvement effort was launched, the ISS had saved \$1,082,748 (Gruman 1989).
- ◆ Hillsborough County, Florida, implemented TQM and achieved significant reduction in operating costs (Carlisle 1990).
- ◆ The Equal Employment Opportunity Commission (EEOC) started its efforts to improve quality in 1983, and by 1985 a notable reduction in rework was documented (Mead, Rasmussen, and Seal 1986, 1987).
- ◆ Palm Beach County, Florida, implemented TQM in 1986 after suffering from 10.6 percent increases in per capita operating costs each year from 1982 to 1986. Per capita operating costs were held to only 1 percent increases per year from 1986 to 1990. While per capita operating costs of neighboring counties have gone up about 10 percent, Palm Beach County's have been reduced 8.8 percent since 1990. In 1992, the per capita operating costs in Palm Beach County were about 20 percent lower than those of its neighbors. All this was achieved while fully funding its capital needs (Keehley 1992).

4.2. *Improvement in Productivity*

Traditionally, productivity and quality are viewed as two mutually exclusive concepts. TQM advocates, however, view productivity as an integral part of quality (Deming 1986). The new view considers quality and productivity totally intertwined and inseparable. This view is expressed by Grayson (1988) who argues that quality and productivity go hand in hand. He states that "A lot of people seem to think there's a conflict between quality and productivity. But there isn't--in fact, they are completely interdependent--two sides of the competitive coin. I don't see how you can improve your productivity without improving your quality" (Grayson 1988, 2).

The connection between quality and productivity is widely accepted in the literature on quality and productivity in recent years. A growing body of literature argues that improvement in quality leads to significant improvement in productivity and major reduction in costs (Cyert 1993; Deming 1986, 1988; Feigenbaum 1991, 1993a; Ishikawa 1988; Juran 1991; and Shetty 1993). Ishikawa (1988), for example, points out that "any company in any country can improve the quality of its products and services along with higher productivity" (4). Similarly, Deming (1988) offers that "Costs go down and

productivity goes up, as improvement of quality is accomplished..." (48). Feigenbaum (1991) does not only emphasize that quality improvement leads to productivity enhancement, but he stresses the need for quality in that "quality is the most cost effective, least capital intensive route to productivity" (17). According to him, "Quality has become a fundamental way of managing any business anywhere for productivity improvement..." (Feigenbaum 1993b, 36).

The view that TQM leads to productivity improvement is supported by the experience of organizations that have successfully implemented TQM. Below are some examples of successful TQM implementation that resulted in major improvements of productivity.

- ◆ Brighton, Colorado implemented total service quality (TSQ) and, in addition to reducing employee turnover from 15 percent in 1988 to 3.5 percent in 1990, the city achieved significant gains in productivity (Keehley 1992).
- ◆ The Information and Support Services (ISS) Division of the Department of Revenue, Denver, Colorado, implemented a quality improvement program in 1985 (Gruman 1989). As a result of the quality and productivity improvement initiative, productivity increased by an average of 49 percent in all areas involved in the process (Gruman 1989).
- ◆ The Equal Employment Opportunity Commission (EEOC) implemented TQM in 1983 and by 1984 significant improvements in productivity were documented (Mead, Rasmussen, and Seal 1986, 1987).
- ◆ Erie, Pennsylvania achieved major improvements in productivity as a result of its efforts to improve quality (Brown and DeCrease 1991; and Walters 1992).
- ◆ Sixty-three percent of the civilian and DoD installations surveyed by the GAO indicated that TQM implementation had a positive impact on their organization (GAO 1992).
- ◆ The Navy's Naval Publications and Forms Center (NPFC) in Philadelphia, after years of failure to improve the quality of operations, implemented TQM in 1988 and measurable improvements in productivity were documented in the following year (Whitten 1989).
- ◆ The U.S. Coast Guard Yard in Curtis Bay, Maryland was almost shut down in 1989 due to rising costs and obsolete equipment. After implementing TQM, the situation changed dramatically and productivity improved significantly (Bushnell and Halus 1992).

4.3. Improvement in employee and customer satisfaction.

A large number of organizations both in the public and private sector have documented major improvement in employee and customer satisfaction as a result of successfully implementing TQM (Balutis 1993; Barclay 1993; Caldwell and Hagen 1994; and Harrison and Stupak 1993). Keehley (1992), reporting on the implementation of TQM in the Police Department of Brighton, Colorado, indicates that "98 percent of customers surveyed say the police do a good job serving the community. In addition, complaints to the council about Brighton's police dropped from 32 the first year to none" (14). Similar

results were also achieved in Florida Power and Light (FPL) where TQM led to major reductions of customer service interruption from 100 minutes in 1982 to 48 minutes in 1989, and overall customer complaints decreased to the lowest level in 10 years (Scott 1989, 66).

4.4. *Improvement in employee and overall organizational performance.*

Employee performance is another area that was improved in organizations that have successfully implemented TQM (Allaire 1991; Carman 1993; Garrity 1993; Harrison and Stupak 1993; Kane 1992; Kolesar 1993; May and Pearson 1993; Scott 1990; and Ublig 1994). In Erie, Pennsylvania TQM was successfully implemented and resulted in significant improvement in performance. According to Brown and DeCrease (1991), "A family services agency increased direct counseling time from 54 percent to 62 percent, thus decreasing the waiting list from 77 to 17" (83). Moreover, the city accomplished a 750 percent decrease in computer errors and decreased processing time from 30 days to 3 days in the family services agency (Brown and DeCrease 1991). Similar results were also reported by Mazany (1993) who investigated the impact of TQM implementation on schools actively involved in quality improvement efforts.

4.5. *Major savings.*

Depending on the extent to which TQM is implemented and its success, organizations are saving more than they spend on TQM implementation. In only one project, the city of Wilimington, North Carolina, saved \$250,000 when it based its decisions on facts rather than intuition (Keehley 1992). Erie, Pennsylvania saved \$56,000 from the operating cost of the county prisons (Brown and DeCrease 1991); the city of Fort Lauderdale, Florida achieved an annual savings of \$300,000 (Moore 1990); and George Washington University Medical Center achieved an annual savings of \$75,000 in linen expenditures (Chaufournier and St. Andre 1993). All these savings are attributed to successful implementation of TQM.

In addition, organizations that are effectively implementing TQM are reporting increases in their revenues up to 55 percent (Becker, Golomski, and Lory 1994; and Caldwell and Hagen 1994); reductions in debts up to 20 percent (McDonnell 1992); decreases in inventory value up to 22 percent (Mazany 1993); expansions in market share (Caldwell and Hagen 1994); savings in waste (Brown, Alan 1992); and declines in workers' compensation payment up to 80 percent (Walters 1992).

4.6. *Reductions in turnover, absenteeism, and sick leave usage.*

Organizations that successfully implemented TQM have achieved major reductions in employee turnover (Keehley 1992; and Shetty 1993); absenteeism (Moore 1990); and sick leave usage (Stratton 1991). Naturally people search for growth, respect, self-esteem, dignity, and improvements. The practice of management today prevents employees from accomplishing

these goals. Accordingly, it is not surprising that turnover, absenteeism, and sick leave are high. In a TQM environment, however, employees are given the chance to pursue and accomplish these goals because the emphasis is strongly on the extrinsic motivators. Thus, stress will be limited and so will the rate of absenteeism, turnover, and sick leave.

4.7. Other Benefits of TQM.

In addition to the benefits discussed above, organizations that have successfully implemented TQM have documented major improvements in

- a) organizational effectiveness (Nyhan and Marlowe 1993);
- b) employee relations (GAO 1991);
- c) discovering and solving problems (Brown, Alan 1992);
- d) communication (Brown, Alan 1992; and Clinton 1992);
- e) employee motivation (Morgan and Taylor 1993);
- f) employee morale (Caldwell and Hagen 1994; and Roth 1993); and
- g) cooperation (Clinton 1992).

Moreover, organizations are experiencing major reductions

- a) in red tape (Moore 1990);
- b) days lost to injuries (Walters 1992); and
- c) administrative overhead (Harrison and Stupak 1993).

5. THE MISSING CONNECTION

Traditionally-managed organizations rely heavily on rules and regulations where employees do exactly what they are told to do with no deviation allowed. Any deviation from the written rules - even for the benefit of the organization - is considered a sin that deserves harsh punishment. In this type of culture, people work to serve the rules rather than to accomplish the goals of the organization. In turn, their creativity and capabilities to improve their work are suppressed. The consequences on the organization and on the people themselves, as noted earlier, are devastating. The result is that public organizations are seriously suffering from intolerable array of problems, most of which are the result of adhering to traditional management. If public organizations are to survive the next century, the problems discussed earlier must be openly addressed and solved. Otherwise, public organizations will find themselves broke and incapable of meeting the expectations of the citizens.

Organizations that have transferred from traditional management to TQM, on the other hand, have achieved significant results. The previous sections show that when TQM is successfully implemented major benefits can be gained, most of which are solutions to the public sector's problems. Yet, the connection between the problems traditional management generates and the benefits TQM promises is missing. Public managers need to openly address the problems their organizations are facing and examine the benefits

TQM promises, then see whether there is a connection or not. The previous examination of the public sector's problems and the benefits of TQM reveals that there is a great connection between the two (Figure 1). The figure demonstrates that successful TQM implementation leads to solving most, if not all, the public sector's problems. It shows that each problem the public sector is facing matches with a benefit of TQM. For example, improving productivity and reducing operating costs are important benefits of TQM. Declining productivity and increasing operating costs, on the other hand, are serious problems facing public organizations.

Figure 1
The Connection Between the Benefits of TQM and the Challenges Facing Public Organizations

The Public Sector's Problems	The Benefits of TQM
Traditional Management	Total Quality Management
MAJOR DECLINES IN:	MAJOR IMPROVEMENTS IN:
Productivity	Productivity
Effectiveness.....	Effectiveness
Performance.....	Performance
Financial Resources.....	Revenues & Savings
Employee Morale.....	Employee Morale
Employee Motivation.....	Employee Motivation
Employee Satisfaction.....	Employee Satisfaction
Citizens' Confidence.....	Customer Satisfaction
MAJOR INCREASES IN:	MAJOR REDUCTIONS IN:
Operating Costs and Debts.....	Operating Costs
Red Tape.....	Red Tape
Administrative Overhead.....	Administrative Overhead
Turnover.....	Turnover
Absenteeism.....	Absenteeism

In conclusion, if public organizations are to overcome the problems they are suffering from and effectively cope with the challenges they are facing, they have to transform from traditional management to total quality management. The transformation to TQM will not only solve the public sector's problems and enable it to deal with the challenges it is facing, but will make both the employees and the citizens happy. Considering the challenges as well as the problems the public sector is facing, the transformation to TQM is a requirement not an option. It is a requirement for survival not an option for improvement. It is all the responsibility of the public manager to lead the transformation process. Before it is too late, public organizations with no exception should all jump in the bandwagon of TQM.

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