

## **The Confucianism Quality Management Philosophy in ISO9000 and Total Quality Management (TQM) in Hong Kong**

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### **Abstract**

The concepts of quality assurance in the Chinese civilization have existed for more than two thousand and five hundreds years since the days of the two great Chinese philosophers Confucius (551-479 BC) and Mencius (390-305 BC). Nowadays, the ideas of Confucius philosophy which were advocated 2,500 years ago are manifested in ways that this ancient Chinese conceptual framework of quality management philosophy has become the basis of our economic activities in the modern society. The realization of quality assurance in project management has enabled the construction industry to deliver quality services which in turn made possible for the awareness of total quality management in the field of project management for the follow-up of global economic integration.

The objective of this paper is to evaluate the Confucian philosophy of quality assurance and to explore its implications on today's quality assurance concepts with specific reference to ISO9000 and Total Quality Management (TQM) in the Hong Kong construction industry from both conceptual and implementation perspectives.

### **Keywords**

Chinese culture, Confucius, quality assurance, Total quality management, Hong Kong

### **1. Introduction**

The development of a quality assurance system in an organization with the attitude of all individuals to share a mutual responsibility of promoting quality product or service is the prerequisite of a highly effective company. Nowadays, modern countries in North America, Japan, and Europe have to customize themselves to suit the pressures of competition due to globalization.

In this modern competitive world, it is important to ensure that an organization's culture ties in with the environment in which it operates (Karter et. al., 1992). The impact of quality is so immense that it can affect a company's competitiveness. The existence of a strong and clearly articulated quality culture for an organization is crucial for an effective performance of quality assurance (Watson, 1986).

For today successful companies such as Boeing, Microsoft, Honda, IBM, Mercedes and Singapore Airline, they all possess a common attribute that is a reliable customer oriented quality assurance system to enable them to increase their productivity, reduce operating costs and attract repeated customers. In fact, the concepts of customer oriented quality assurance have existed in the Chinese civilization for more than two thousand and five hundreds years since the days of the two great Chinese philosophers Confucius (551-479 BC) and Mencius (390-305 BC). For the past 2,500 years, Chinese culture has been influenced by the teachings of Confucius, who was a great philosopher, moralist and teacher.

## **2. History of Quality Assurance in Hong Kong Construction Industry**

In the year 1993, Hong Kong Government devoted a lot of resources in promoting quality assurance system in construction industry. Policies and regulations were put together to encourage the contractors to place more emphasis on quality works. During that period of time, the Construction Industry has undergone a drastic change in which the government would require contractors to possess the certification of an ISO 9000 quality management system (QMS) to be eligible for the bidding of government jobs. Upon launching the mandatory requirement for more than 10 years, it has been well documented that benefits derived from quality assurance were found to be varied and hence the idea of implementing Total Quality Management (TQM) has been intensified. It has been well conceived that construction companies in Hong Kong which have already been certified for ISO9000 (1994) will now have to certify in compliance to the new scheme of ISO9000 (2000) before the end of 2003 in order to stay in business, a quality management system which has the elements of TQM philosophy.

Although ISO9000:1994 (QA) system has proven to be a systematic approach in fulfilling the requirements to provide a mechanism to minimize drawbacks such as revision, leftover and hold-up etc., accordingly to Ahmed and Aoieong (1998), shortcomings such as unnoticed delays, frustration, low efficiency and low morale cannot be eliminated. The adoption of ISO9000:2000, a quality system compatible to Total Quality Management (TQM) seems to be the viable solution for curing these problems. The previously adopted ISO9000:1994 quality assurance scheme in the Hong Kong construction industry for satisfying clients' requirement and improving companies' reputation may have proven not to be as effective as it should be, however ISO 9000:1994 may act as a forerunner for the implementation of TQM.

Based on the studies revealed by Sung and Au (1999), ISO 9000:2000 version is a more general process-based structure which brings together a large extent prevailing international models of TQM. With the emergence of the new version of ISO9000 in December 2000, all construction organisations in Hong Kong certified to ISO 9000:1994 at one time will be required to prepare themselves for modifications to suit the ISO 9000:2000 with the deadline set by the Hong Kong Government to be in mid-December 2003. The requirements for TQM can be considered as ISO advancement and TQM is described as being proactive concerning quality rather than reactive with the inspiration to move the ISO 9000 standard towards the Total Quality Management (TQM) philosophy.

## **3. Chinese Culture and Confucianism Philosophy in Hong Kong**

Culture is a collectively term that comprises of a whole set of implicit, widely shared beliefs, traditions, values and expectations that characterizes a group of people which is a way of life handed down from one generation to the next (Barnouw, 1963). Others consider culture as how things are done habitually in an organization with the prevailing attitudes and the grown up pattern of a human behavior (Drennan 1992). As the majority of people in Hong Kong are Chinese, it is inevitable that the society has been highly affected by the Chinese culture. Confucius is renowned for his supreme human philosophy in the Chinese culture because he made many intellectual teachings which facilitated people to follow and apply in a society. He also helped the government and the emperor by suggesting how the emperor should rule his kingdom successfully.

Confucius advocated five cardinal relationships: between ruler and ruled, between husband and wife, between parents and children, between older and younger brothers, and between friends. According to Watson (1994), cultures provide guidelines for human action and resources to help us shape and justify actions for the best of our interests. The principles that he taught shaped the entire governmental administrative system and his teachings were executed so well that a neighboring governor became jealous on him.

The Analects, which summarizes all his wise teachings to his students, is similar to that of the King Solomon's 'Proverbs'. In (Analects 4:25), the Master said "Right conduct, morality, duty to one's neighbor." In (Analects 4:16), the Master also said "The gentleman understands righteousness, the small man understands profit". In (Analects 4:12), The Master said "If one acts aiming at profit, one will incur much resentment". His successor master Mencius (Meng Tzu) (390-305 BC) later extended and further systematized Confucius's ideas. Master Mencius said, "If a great man does not keep his promise, his action will not prosper, there is no quality in what he does." In (Analects 4:2), the Master said "The wise profit from trustworthy humanity". In (Analects 1:4) His descendant Tseng Tzu said, "Each day I examine myself three counts: whether or not I am loyal to those in whose behalf I act; whether or not I am trustworthy in my dealings with friends; whether or not I practice what is imparted". In conclusion, the Master postulated that the superior person seeks understanding, direction, responsibility, etc. within himself, whereas the inferior person seeks it in others and that if the superior person studies widely and then incorporates the knowledge then he will never stray from the proper way.

#### **4. International Quality Assurance Organizations and ISO9000**

In response to today's globalization movement in various industries, international quality assurance bodies such as Japanese Quality Assurance (JQA), International Standard Organization (ISO) and Total Quality Management (TQM) have been established to produce standards for comprehensive quality assurance systems in different countries. A report by Bounds et. al. (1994) indicates that the primary purpose of the quality system is to eliminate unnecessary elements in production to achieve high production at a minimum cost for customer's needs. An efficient quality assurance scheme should have a quality system to specify how something is to be done properly with verification (Hughes and Williams, 1991).

ISO 9000 (1994) is a quality standard term with the requirements that are based on a published international standard known throughout the world. This series can be divided into three major categories ISO9001, ISO9002 and ISO9003 to suit for the design, servicing and inspection types of business. The ISO9001 quality manual is the most comprehensive one which possesses quality related requirements in conformance with 20 essential clauses.

The ISO9000:1994 specifies that the customer's needs are met by implementing a consistent management system with the aforementioned requirements or clauses. ISO 9000:1994 standard does not specify how the systems should be used but it only states that relevant clauses of ISO 9000:1994 standards should exist. The above procedures enabled the organization to have a clear understanding of their business processes. Nevertheless ISO9000:1994 was a procedure based standard which may sometimes become a bureaucratic system. In order to enhance the 1994 versions, the generic ISO 9000 was revised in year 2000. This version was implemented with the idea to improve the quality assurance procedures. The edition of ISO9000:2000 uses the term 'quality management' and emphasizes criteria such as customer satisfaction, leadership,

involvement of people, process approach, system approach to management, continual improvement, factual approach to decision making and mutually beneficial supplier relationships.

## **5. Total Quality Management System Scheme**

ISO 9000 Quality Management System has been considered as manufacturing guideline since its establishment. In December 2000, the ISO 9000: 2000 was revised to enable the business management model to suit other businesses. The standard is applicable for almost all service providers with no restrictions so as to take advantage of and benefit from this excellent business management system.

In comparing to ISO 9000, TQM is a philosophy of continual improvement comprising a set of well proven processes for achieving the quality management goal. The philosophy is that everyone in the organization understands what their customers' expectations are met every time. Understanding and meeting customer expectations is a challenging proposition and requires processes that support continuing progress toward the goal of meeting customer expectations the first time, every time. According to Gilbert (1992), dedication to improvement is the core concept of TQM. In fact TQM has been available for many years which was originally developed in the US and the Japanese was the first to visualize its benefits and apply it successfully. They found that if management and employees could do joint problem solving; everyone would be committed to the solution.

If an organization had a set of tools for continuous learning, the team could then be able to manage change much more easily and when the management really tackled to solve the root problems, customer satisfaction will increase and the production costs will be reduced. Finally, the company had a process for measuring the cost of non-conformances which allowed them to solve their most costly problems first and to hold supervision accountable for achieving continual improvement until customer satisfaction was achieved. This keeps the cost down and gets the management team involved in the process. According to Dale and Cooper (1992), without the commitment and leadership from the management team, it is impossible to acquire customer satisfaction. Therefore, TQM is not just a technique of implementing management system, it is a culture of continual improvement and customer oriented services within an organization.

## **6 Relationships between TQM and Confucianism Quality Management Philosophy**

According to Cartwright (1999), there is a growing degree of cross cultural fertilization between the east and the west in the past years and that entities such as values, science, technology and industrial process will be integrated into a global economic technology. Confucius's philosophy which became the major culture of Chinese civilization has many characteristics which can be applied to the success of quality management for a society or a company. In (Analects 4:25), Confucius said "Right conduct, morality, duty to one's neighbor." which is interpreted as doing one's best in a right way, conscientiousness and reciprocity and what you don't want yourself, don't do to others.

A right philosophy and attitude of human behavior towards quality are prerequisites for the efficient management of a successful company and that it has been well documented that cultural values can influence our human behavior (Hofstede, 1980). As discussed, TQM is a culture and philosophy which seeks to maximize customer satisfaction. This has to do with interpretation of human behavior of conscious beings and preparation of the individual consciousness for quality results. The standard is rooted in the conviction that quality is the result of conscious judgments which shape the behavior of people in playing an important role in the development of a successful quality management. In the time of Confucius, there is a difference between our customer today and the neighbor in his time. The term "neighbor" merely

referred to the people around us. TQM in construction is achieved by ensuring that all related parties including client, designer, contractor and subcontractor should be involved in attaining total quality in construction. It is only through total participation that TQM can be succeeded. But in the old times, Confucius transformed the culture upside down and back to front that it can be perceived that the term “neighbor” can actually be applied today to our customer, employee as well as our supplier for the promotion of the mutually beneficial supplier relationships. Actually Confucianism’s customer oriented philosophy can be applied to the quality management of the Construction Industry quite widely across.

The ISO9000:1994 requires a Quality System Audits to be performed at least once a year so as to verify the effectiveness of the quality system. These audits should be conducted in order to assess the adherence to and the effectiveness of the overall quality system under the scope of the ISO9000 framework. The term continual improvement for the TQM has the meaning of integrating producing the best product and doing a good job which will eventually lead to fame and profit. The philosophy behind the system is similar to the philosophy of Analects where Master Tseng Tzu said, “Each day I examine myself three counts: whether or not I am loyal to those in whose behalf I act; whether or not I am trustworthy in my dealings with friends; whether or not I practice what is imparted”(Analects 1:4).

In (Analects 4:16) the Master said, "The gentleman understands righteousness, the small man understands profit". The term “Gentleman” means superior person with dignity, integrity and wisdom. Neither Master Confucius nor Mencius is opposed to profit; indeed they both seem to think that the humanity way is, in the long run, most profitable. In (Analects 4:2), the Master said that the wise would profit from authoritative humanity. What the Master does emphasize, however, is that the effort to aim at profit making as the primary goal, will fail. In (Analects 4:12) Master said, "If one acts aiming at profit, one will incur much resentment". The Master recognized that a person who continuously seeks for doing the right things is wiser than a person who continuing seeks for profit. Confucianism argued that a person who eagerly seeks for profit may be inferior to those who are constantly doing the right things in a long run and profit will come together eventually.

Although TQM does not specify the importance of establishment of recognition for a company, it inherently has the meaning of integrity. His successor Master Mencius (390-305 BC) later extended and further systematized Confucius's ideas. He said "If a great men does not keep his promise, his action will not prosper; there is no quality in what he does." This statement can easily be applied by rephrasing into "If a company does not keep his promise, his action will not prosper and there is no quality in what he does." As can be seen that promise, prosperity and quality are synonymous terms with respect to quality. As discussed, both TQM and Confucianism philosophy are actually related to cultural issues with the idea of change in attitudes for improvement based on measurable parameters and the elimination of the root problems to create a culture in the organization that seeks to continually improve all related activities.

## **7. Conclusions**

Two great Chinese philosophers Confucius and Mencius have been presented with thorough discussions and the total quality management philosophy in the context of quality assurance has been highlighted. Based on the discussions, it is possible to conclude that there are similarities between the western and the eastern quality management philosophy.

Since the commencement of ISO9000:1994, many organizations in Hong Kong have regarded quality improvements as a result of certification but rooms for improvement are still there. ISO9000: 1994 uses the term quality assurance by preventing nonconformity, ISO9000:2000 however uses the term quality management which is a more proactive approach.

As discussed, creating a quality culture and developing a customer services plan are essential for quality management systems which may involve deep-rooted cultural establishment in an organization. In the context of the above discussions, it is interesting to note that these ancient Chinese concepts of quality assurance of more than 2,500 years such as right conduct, morality, duty to one's neighbor are still applicable to the economic activities in our modern world.

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