

# QUALITY MANAGEMENT PRINCIPLES

*The following text is an integral reproduction of the content of the document "Quality Management Principles".*

## Introduction

This document introduces the eight quality management principles on which the quality management system standards of the ISO 9000:2000 and ISO 9000:2008 series are based. These principles can be used by senior management as a framework to guide their organizations towards improved performance. The principles are derived from the collective experience and knowledge of the international experts who participate in ISO Technical Committee ISO/TC 176, *Quality management and quality assurance*, which is responsible for developing and maintaining the ISO 9000 standards.

The eight quality management principles are defined in ISO 9000:2005, *Quality management systems Fundamentals and vocabulary*, and in ISO 9004:2000, *Quality management systems Guidelines for performance improvements*.

This document gives the standardized descriptions of the principles as they appear in ISO 9000:2005 and ISO 9004:2000. In addition, it provides examples of the benefits derived from their use and of actions that managers typically take in applying the principles to improve their organizations' performance.

## Principle 1: Customer focus

**Organizations depend on their customers and therefore should understand current and future customer needs, should meet customer requirements and strive to exceed customer expectations.**

### Key benefits:

- Increased revenue and market share obtained through flexible and fast responses to market opportunities.
- Increased effectiveness in the use of the organization's resources to enhance customer satisfaction.
- Improved customer loyalty leading to repeat business.

**Applying the principle of customer focus typically leads to:**

- Researching and understanding customer needs and expectations.
- Ensuring that the objectives of the organization are linked to customer needs and expectations.
- Communicating customer needs and expectations throughout the organization.
- Measuring customer satisfaction and acting on the results.
- Systematically managing customer relationships.
- Ensuring a balanced approach between satisfying customers and other interested parties (such as owners, employees, suppliers, financiers, local communities and society as a whole).

**Principle 2: Leadership**

**Leaders establish unity of purpose and direction of the organization. They should create and maintain the internal environment in which people can become fully involved in achieving the organization's objectives.**

**Key benefits:**

- People will understand and be motivated towards the organization's goals and objectives.
- Activities are evaluated, aligned and implemented in a unified way.
- Miscommunication between levels of an organization will be minimized.

**Applying the principle of leadership typically leads to:**

- Considering the needs of all interested parties including customers, owners, employees, suppliers, financiers, local communities and society as a whole.
- Establishing a clear vision of the organization's future.
- Setting challenging goals and targets.
- Creating and sustaining shared values, fairness and ethical role models at all levels of the organization.

- Establishing trust and eliminating fear.
- Providing people with the required resources, training and freedom to act with responsibility and accountability.
- Inspiring, encouraging and recognizing people's contributions.

### Principle 3: Involvement of people

**People at all levels are the essence of an organization and their full involvement enables their abilities to be used for the organization's benefit.**

**Key benefits:**

- Motivated, committed and involved people within the organization.
- Innovation and creativity in furthering the organization's objectives.
- People being accountable for their own performance.
- People eager to participate in and contribute to continual improvement.

**Applying the principle of involvement of people typically leads to:**

- People understanding the importance of their contribution and role in the organization.
- People identifying constraints to their performance.
- People accepting ownership of problems and their responsibility for solving them.
- People evaluating their performance against their personal goals and objectives.
- People actively seeking opportunities to enhance their competence, knowledge and experience.
- People freely sharing knowledge and experience.
- People openly discussing problems and issues.

### Principle 4: Process approach

**A desired result is achieved more efficiently when activities and related resources are managed as a process.**

**Key benefits:**

- Lower costs and shorter cycle times through effective use of resources.
- Improved, consistent and predictable results.
- Focused and prioritized improvement opportunities.

**Applying the principle of process approach typically leads to:**

- Systematically defining the activities necessary to obtain a desired result.
- Establishing clear responsibility and accountability for managing key activities.
- Analysing and measuring of the capability of key activities.
- Identifying the interfaces of key activities within and between the functions of the organization.
- Focusing on the factors such as resources, methods, and materials that will improve key activities of the organization.
- Evaluating risks, consequences and impacts of activities on customers, suppliers and other interested parties.

**Principle 5: System approach to management**

**Identifying, understanding and managing interrelated processes as a system contributes to the organization's effectiveness and efficiency in achieving its objectives.**

**Key benefits:**

- Integration and alignment of the processes that will best achieve the desired results.
- Ability to focus effort on the key processes.
- Providing confidence to interested parties as to the consistency, effectiveness and efficiency of the organization.

**Applying the principle of system approach to management typically leads to:**

- Structuring a system to achieve the organization's objectives in the most effective and efficient way.
- Understanding the interdependencies between the processes of the system.
- Structured approaches that harmonize and integrate processes.
- Providing a better understanding of the roles and responsibilities necessary for achieving common objectives and thereby reducing cross-functional barriers.
- Understanding organizational capabilities and establishing resource constraints prior to action.
- Targeting and defining how specific activities within a system should operate.
- Continually improving the system through measurement and evaluation.

## Principle 6: Continual improvement

**Continual improvement of the organization's overall performance should be a permanent objective of the organization.**

### **Key benefits:**

- Performance advantage through improved organizational capabilities.
- Alignment of improvement activities at all levels to an organization's strategic intent.
- Flexibility to react quickly to opportunities.

### **Applying the principle of continual improvement typically leads to:**

- Employing a consistent organization-wide approach to continual improvement of the organization's performance.
- Providing people with training in the methods and tools of continual improvement.
- Making continual improvement of products, processes and systems an objective for every individual in the organization.
- Establishing goals to guide, and measures to track, continual improvement.
- Recognizing and acknowledging improvements.

## Principle 7: Factual approach to decision making

**Effective decisions are based on the analysis of data and information**

**Key benefits:**

- Informed decisions.
- An increased ability to demonstrate the effectiveness of past decisions through reference to factual records.
- Increased ability to review, challenge and change opinions and decisions.

**Applying the principle of factual approach to decision making typically leads to:**

- Ensuring that data and information are sufficiently accurate and reliable.
- Making data accessible to those who need it.
- Analysing data and information using valid methods.
- Making decisions and taking action based on factual analysis, balanced with experience and intuition.

## Principle 8: Mutually beneficial supplier relationships

**An organization and its suppliers are interdependent and a mutually beneficial relationship enhances the ability of both to create value**

**Key benefits:**

- Increased ability to create value for both parties.
- Flexibility and speed of joint responses to changing market or customer needs and expectations.
- Optimization of costs and resources.

**Applying the principles of mutually beneficial supplier relationships typically leads to:**

- Establishing relationships that balance short-term gains with long-term considerations.
- Pooling of expertise and resources with partners.

- Identifying and selecting key suppliers.
- Clear and open communication.
- Sharing information and future plans.
- Establishing joint development and improvement activities.
- Inspiring, encouraging and recognizing improvements and achievements by suppliers.