

Quality management principles

Introduction

This document introduces the eight quality management principles on which the quality management system standards of the revised ISO 9001: 2000 series are based. These principles should be used by senior management as a framework to guide their organizations towards improved performance and more integral implementation of ISO9001: 2000. 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 9000:2000, *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 9000:2000 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
- Principle 2 Leadership
- Principle 3 Involvement of people
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- Principle 5 System approach to management
- Principle 6 Continual improvement
- Principle 7 Factual approach to decision making
- Principle 8 Mutually beneficial supplier relationships
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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 requires that you:

- Research and understand customer needs and expectations.



- Ensure the objectives of the organization are linked to customer needs and expectations.
- Communicate customer needs and expectations throughout the organization.
- Measure customer satisfaction and act on the results.
- Systematically manage customer relationships.
- Ensure 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. Leaders 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 quality 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 ensures:

- 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 will:

- Systematically define the activities necessary to obtain a desired result.
- Establish clear responsibility and accountability for managing key activities.
- Analyze and measure the capability of key activities.
- Identify the interfaces of key activities within and between the functions of the organization.
- Focus on the factors such as resources, methods, and materials that will improve key activities of the organization.
- Evaluate 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 about the consistency, effectiveness and efficiency of the organization.

Applying the principle of system approach to management develops a:



- Structured system to achieve the organization's objectives in the most effective and efficient way.
- More universal understanding of the interdependencies between the processes of the system.
- Structured approach that harmonizes and integrates processes.
- Better understandings of the roles and responsibilities necessary for achieving common objectives thereby reducing cross-functional barriers.
- More comprehensive understanding of 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 requires:

- Employment of a consistent organization-wide approach to continual improvement of the organization's performance.
- Organized effort to provide people with training in the methods and tools of continual improvement.
- The making of continual improvement of products, processes and systems an objective for every individual in the organization.
- Formal establishment of goals to guide, and measures to track continual improvement.
- Recognition and acknowledgement of individual and group improvements.

Principle 7 Factual approach to decision making

Effective decisions are based on the analysis of data and information

Key benefits:

- Implementation of considerate 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:



- Ensures that data and information are sufficiently accurate and reliable.
- Makes data accessible to those who need it.
- Involves analyzing data and information using valid methods.
- Further ensures that decisions and actions taken are 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 creates relationships that are focused on:

- Establishing relationships that balance short-term gains with long-term considerations.
- Pooling of expertise and resources with supplier partners.
- Identifying and selecting key suppliers.
- Clear and open communication relative to issues and product direction.
- Sharing of information and future plans.
- Establishing joint development and improvement activities.
- Inspiring, encouraging and recognizing improvements and achievements by suppliers.

These eight principles, properly considered and integrated into the framework of ISO9001: 2000 ensure that the parties most affected, and most responsible for extracting the benefits of the Quality Management System have the support and tools needed to ensure the company's success. The companies that recognize this and seek to capitalize on the sense of ownership and support developed within these guidelines find consistently that the benefits range from a decline in retention-related issues, as well as an overall improvement in the work quality being produced by their employees.