

Emerging Issues of Total Quality Management and Its Relevance to Organization Development

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ABSTRACT

Total quality management (TQM) is a management approach which an organization can apply for its overall development. Quality is the main thrust of this approach. It is based on the participation of all the employees of an organization for the achievement of long term success through constant satisfaction. It brings therefore, benefit to the members of the organization and to the society. Its aim is not only to satisfy but also to delight internal and external customers of the organization. It is a procedure based system with the integration of the organizational environment, continuous improvement and is related to employee participation. As it focuses on continuous process of improvement within organizations to provide superior customer value and meet customer needs, this research paper seeks to analyze all those issues and guidelines for organizational management to enrich performance with quality driven aspects of enhanced values and shared beliefs by all organizational members.

As a whole, the study will enlighten the thoughts of TQM process by recommending for bringing positive organizational change and development. It will also reflect judiciously with scientific temper of thought for the improvement in OD process.

Keywords: Customer Value, Human Resource, Innovation Performance, Organizational Change, Organizational Performance, Quality Control, Total Quality.

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I. INTRODUCTION

Total quality management (TQM) is a philosophy aimed at improving business as a whole. It heralds a change in the work culture by educating all employees on quality and making quality the concern of everybody, not just the Quality Control department. A major long term benefit of TQM relates to customer satisfaction. Hence, it aims at improving quality and identifies the best measure of quality as matching customer expectations in terms of service, product and experience. It includes most tricks and methods related to management and quality completely and with suitable combination in an integrated way¹. Thus, it is remarked by Zollo and Winter that quality went from being a one-dimensional attribute of the product to being considered a multidimensional construct which has to be managed and the implementation of which leads to a dynamic capability of firms². Again, the studies done by Anderson and others³ suggest that TQM strategy that focuses on increasing customer levels of satisfaction does have a significant and positive impact on performance. It can therefore be mentioned here that TQM is a management philosophy intended to empower every member of an organization. It thus, intends to promote continuous, sustained and long term improvement in quality and productivity and to eliminate employees' fear of change. Its basic principle is that the cost prevention is less than the cost of correction. TQM is therefore, capable of delivering real competitive advantage. In holistic sense, TQM approach integrates the fundamental techniques and principles of quality function deployment, statistical control and existing management tools in a structured manner. It permeates every aspect of a company and makes quality a strategic objective. Under TQM systems, product/service design efforts have two objectives: (i) designing manufacture able products and (ii) designing quality into the products⁴. In nutshell, quality is all inclusive and all embracing term and so, it requires adequate attention for overall improvement of an organization.

II. TQM AND ORGANIZATIONAL PERFORMANCE

Traditionally, performance of organization has involved management accountants through the use of budgetary control. It has also included in it (performance), the development of financial indicators such as return on investment (ROI). However, it has been claimed that conventional aggregate financial accounting indicators are inappropriate in TQM settings⁵. Performance management is a cornerstone of human resource (HR) management practices and is the basis for developing a systems approach to organization management. Theoretically speaking, performance management system has a link between organizational and employee goals through a goal-setting process. Subsequently, it also links employee goal achievements to a variety of HR management decisions through a performance measurement process. The thrust of the TQM philosophy is that quality and its management have to be built in from the beginning and that the accomplishment of quality standards and improvement is the responsibility of everyone⁶. Higher intensity of TQM practices results in improved quality performance. Researches on performance analysis have evidenced the fact that TQM is positively related to innovation performance, because it establishes a system and culture that will provide a fertile environment for organizations to innovate⁷. Some studies have found that the use of TQM practices reduces manufacturing process variance, eliminations reworks and scraps, and improves quality performance. However, it is true that TQM initiatives enhance the potential for firms to improve their performance. It can therefore, be said permeably that there is considerable anecdotal evidence on the extent to which TQM enhances the potential for firms to improve organizational performance. Recent study also reveals that fact that there is significant relationship between TQM practice and organizational performance. Thus, TQM practices are to some extent considered to be strong predictors of performance. An empirical study (Easton and Jarrell, 1998) has further compared financial performance of TQM and non-TQM firms, and reported an improved financial performance of the adopting TQM⁸.

2.1 TQM and Organizational Development

Organization development (OD) is a deliberately planned effort to increase an organization's relevance and viability. OD is the framework for a change process designed to lead to desirable positive impact to all stakeholders and the environment. OD can design interventions with application of several multidisciplinary methods and research, besides traditional OD approaches⁹. Again, Margulies has articulated the humanistic values of OD. He suggests for treating each human being as a person with a complex set of needs, all of which are important in his work and in his life¹⁰. Vasudevan has referred to OD as future readiness to meet change. Thus, it is meant to a systematic learning and development strategy which is intended to change the basis of beliefs, attitudes and relevance of values, and structure of the current organization to better absorb disruptive technologies, shrinking or exploring market opportunities and ensuring challenges and chaos¹¹. OD educates everybody in the organization including groups of individuals about the need for change, how to face the future. In the words of McFarland: "OD is a set of concepts and techniques by which organization members learn to initiate, accept and cope with change, to develop trust in each other and to function effectively as members of groups and teams"¹². From the above discussions, it can be suggested that TQM techniques implementation will bring in effective organizational development process. Thamos Packard¹³ opines therefore that TQM has proved to be an effective process for improving organizational functioning. Hence, it requires assessing correctly the expectations and perceptions of employees (workers and managers) for implementation of TQM practices; so that organizations can address them well in time.

2.2 TQM and Leadership

Leadership is one of the most fundamental breakthroughs of the overall management. Be it private sector or public sector, charitable or social organization, police, military or political organizations or even educational institutions, everywhere the role of a leader is much essential to be played for the effectiveness of the management functions¹⁴. As and when, the leader is concerned about the changing scenario of the organizational environment, then TQM needs to be applied and implemented with right kind of work philosophy, and therefore, it is essential that a manager or a leader in public, private or corporate sectors must have to be guided by the concept of quality, otherwise his product and/or services would not be conforming the new value system of the whole enterprise as well as the changing society¹⁵. However, it can be predicted well that TQM is the only guiding principle for not only the organization, but also to a nation. As for example, we may say that in Japan, Joseph Jaworski, Chairman of the American Leadership Forum, is among the many CEOs who suggest that quality depends upon a vision of excellence and that a vision becomes reality through excellent, compelling leadership¹⁶. Hence, the leadership role of the Chief Executive Officer (CEO) is stressed in many studies. It is therefore suggested that successful leaders of strategic change create inspiring visions of the future, and commitment of middle as well as senior management levels¹⁷.

In short, it is worthwhile to mention here that those firms or business/social entities that have succeeded in making the total quality work in practice, for them, have been able to do so because of their strong commitment by the leadership and an overall organizational culture¹⁸.

2.3 TQM and Organizational Communication

Communication system plays the same role in an organization as the nervous system in human body. In administrative context, the term communication has been defined by William Scott as “a process which involves the transmission and accurate replication of ideas ensured by feedback for the purpose of eliciting actions which will accomplish organizational goals”¹⁹. According to Peter F. Drucker, a true guru of management thought and practice, “The communications gap within institutions and between groups in society has been widening steadily – to a point where it threatens to become an unbridgeable gulf of total misunderstanding”²⁰. From all such explanations, it can be suggested safely and undoubtedly that TQM as the exchange of information and understanding can help strengthen relations between people, and thereby, organizational activities are performed in more efficient manner to achieve the goals for future progress and development. In nutshell, quality in the process of communicating things will bring in effective results, for which adequate feedback measures are needed to minimize gaps between sender of information and receiver of the same information. Thus, by means of TQM system the development and maintenance of a communication pattern is ensured, which needs technology to secure quicker and more effective flow of information²¹.

2.5 TQM and Organizational Culture

Organizational culture (OC) is the psychological structure of the organization and its sub-units. From the TQM perspectives, organizations require a significant strategy in the way people think, because culture in an organization is the pattern of shared beliefs and values that provides the members of organization rules of behavior or accepted norms for conducting operations. It is worth noting here that quality of culture of an organization is dependent mainly on two factors, like internal and external factors. OC deals with the valuable resources like manpower, among others. So, it has relevance to the TQM concepts and its application, as it relates to work environment of an organization, managerial value system, and members of organization’s characteristic attributes, leadership style, and economic factors in terms of internal factors. Besides, external factors which also much influence on activities of each organization needs TQM principles and practices to boost up organizational productivity by way human motivational factors²².

It short, a set of values, often taken for granted that help people in an organization to understand which actions are considered acceptable and which are considered unacceptable. Hence, it is suggested that OC is seen as being stronger when the values are basic and unwritten assumptions held by all organizational members. So, constituting qualitative value in OC, the key element of the TQM concept needs to be emphasized on symbolic means.

III. CONCLUSION

TQM is needed to be made operational in every organization for effective OD. It brings work culture with commitment of people working together for the achievement of common goals of organizations. It establishes a free and open door atmosphere in organizational culture, which becomes a hand-made tool for all working under the set-up. Thus, principles help in strengthening relationships between employees and management of organization. TQM norms also suggest for future designing of operational activities that are needed to be carried out for achievement of organizational goal²³. Hence, it is pertinently said that TQM can be viewed as an organization-wide effort to improve quality through changes in structure, practices, systems and attitudes (Dale and Cooper, 1992). In short, it is highly important to remember that TQM tools and techniques are required to be implemented in right way for addressing all types of change in proactive manner. When it is applied with systematic approach and in scientific temper of thought, comprehensive OD purposes²⁴ can be made successful for future growth and progress of every organization.

It is therefore, suggested that TQM principles and practices are to be made stronger value initiating process of human cooperative work environment; so that customer satisfaction is enhanced with the highest level and also all the stakeholders of organization can be satisfied much with value driven aspects of work culture, human commitment and shared beliefs and faith.

IV. NOTES

- [1]. Generally, those companies working with TQM methods must be sure about continuous quality improvement in all parts of the organization. – Chirani, E. & Naurpash, M. (July, 2013): “Role of Total Quality Management in Competition Business”, *Journal of Business and Management Review*, 2(11): 71-74.
- [2]. Zollo, M. & Winter, S. (2002): “Deliberate Learning and the Evolution of Dynamic Capabilities”, *Organization Science*, 13(3): 339-351. It is therefore required benchmarking which is a process of measuring performance and things related to the best practices in an organization.
- [3]. Anderson, E. W., Fornell, C. & Lehmann, R. T. (1994): “Customers Satisfaction, Market Share and Profitability”, *Journal of Marketing*, 58: 53-66. It reveals the fact that TQM and performance has scientific relationship, as it relates to quality performance which depends on strong and positive customer relations.
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- [6]. “The Choice of Productivity Measures in Organizations”, in Kaplan, R. S. (ed.): “Measures for Manufacturing Excellence”, Harvard Business School Press, Cambridge, pp. 91-126; Vollmann, T. (1990): “Changing Manufacturing Performance Measurements”, in Turney, P. B. B. (ed.): “Performance Excellence in Manufacturing and Service Organizations”, American Accounting Association, Sarasota, FL., pp. 53-62.
- [7]. Morgan, C. & Murgatroyd, S. (1994): “Total Quality Management in the Public Sector”, Open University Press, Buckingham, UK. It is claimed by scholars that quality is, in fact, largely a customer perception based on how well the product or service meets the customers’ needs and expectations. Hence, poor quality occurs when these needs are not met. Satisfying the customer is an important aspect of the manufacturing process and this requires the customer’s input at all stages of manufacturing. – Lubben, R. T. (1988): “Just-in-Time Manufacturing”, McGraw-Hill, New York.
- [8]. Mahesh, C. (1993): “Total Quality Management in Management Development”, *Journal of Management Development*, 12(7): 19-31. In this sense, it is worthwhile to note that the present empirical research supports the view point that there is a direct relationship between the adoption of TQM and improved firm performance. For clarity of this fact, readers are suggested to see Harari, O. (1993): “Ten Reasons TQM does not Work”, *Management Review*, 82(1): 33-38 and Lemak, D. J., Reed, R. & Satish, P. K. (1997): “Commitment to Total Quality Management: Is There a Relationship with Firm Performance? *Journal of Quality Management*, 2: 67-86.
- [9]. In this context, it is important to mention here that researchers have stated that to be global competitive, firms should not only use productivity measures based on financial perspective (return on assets and return on sales) but should also view their operations from internal business and customer perspectives.
- [10]. Marvin, W. (1987): “Productive Workplace: Organizing and Managing for Dignity, Meaning and Community”, Jossey-Bass Publications, San Francisco. The research has found that quality circle (QC) mooted (in these survey units) with reward systems have shown positive and significant effect on the parameters of organizational change and development.
- [11]. Margulies, N. (1972): “Organizational Development: Values, Process and Technology”, McGraw-Hill Book Co., New York, pp. 3-10. Another important point he has noted here is that it is seeking to increase the effectiveness of the organization in terms of all of its goals.
- [12]. Khadri, Y. & Khan, B. A. (Dec. 2012): “A Study of TQM and Organizational Change and Development: A Study of Few Industries”, *Journal of Exclusive Management Science*, 1(11). Improvement in OD is the major benefits of TQM. The focus on quality leads to a proactive work culture aimed at preventing mistakes rather than correcting mistakes.
- [13]. McFarland, D. E. (1979): “Management: Foundations and Practices”, Macmillan, New York. Thus, the educational strategy of the OD deals with those copying concepts and techniques which are dealt with increasing human skills in organization.
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- [15]. Deb, S. (2001): “Contemporary Issues on Management”, Atlantic Publishers & Distributors, New Delhi, p. 24. Therefore, traits of leadership can be enhanced to achieve the goal of the organization.

- [16]. Today's leader is often bluffed or frustrated by new kind of politics, which arises from significant interaction with various governmental agencies, relevant laws and regulations, the courts, the media, the customers and so on. It is the politics of maintaining institutional inter-directedness and mastery in terms of rapid change. – Bennis, W. G. (1975): "The Unconscious Conspiracy: Why Leaders can't Lead", AMACOM, New York.
- [17]. Whiteley, R. C. (Sept. 1990): "Creating a Customer Focus", Executive Excellence, pp. 9-10. It is apparent to note that some principles and practices of TQM may vary among firms, industries and corporate entities, but there is an unanimous consensus about the important role that leadership should play, especially, at the top levels (besides other levels of managerial pyramid).
- [18]. For more understanding, also see Bowman, C. (1998): "The Essence of Strategic Management", Prentice-Hall of India Pvt. Ltd., New Delhi, p. 113.
- [19]. Juran comments thus, that it (leadership) cannot be delegated. – Juran, J. M. (March 1991): "Made in U.S.A.: A Quality Resurgence", Journal for Quality and Participation, pp. 6-8.
- [20]. Scott, W. G. (1967): "Organization Theory", Richard D. Irwin, Homewood, Illinois, p. 153. It is inextricably linked in the quality process, yet some executives find it difficult to tell others about the plan in a way that will be understood.
- [21]. Drucker, P. F. (1973): "Management: Tasks, Responsibilities, Practices", Harper & Row, New York, p. 481. It seems thus that TQM practices are essentially needed for minimizing the gaps between institutional activities and social awareness, customer's relationship and a harmonious understanding among workers of the organization.
- [22]. It helps management to communicate things from one department or office to another or from one city or country to another. In this context, 'information' may be defined as an orderly, concise and useful arrangement of facts / idea, where TQM needs to be implemented for overall effectiveness of organizational activities.
- [23]. Thus, there should be an attempt for the success of TQM in organizations, to give meaning to the uniqueness of a specific set of human relationships in an organizational setting. – Deb, S. (2001): "Contemporary Issues on Management", Atlantic Publishers & Distributors, New Delhi, p. 36.
- [24]. Also see, Samuel, K. M. Ho (1999): "TQM and Organizational Change", International Journal of Organizational Analysis, 7(2): 169-181.
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