



Roll of Total Quality Management & Organizational Learning

Author

R. Purushothamrao

M.Sc;M.Phil; (Ph.D), Teaching Assistant

Indian Institute of Management (IIM), Bangalore, India

Email: *Purushothamrao1976@gmail.com*

Abstract: *Total quality management is frequently considered to be a means for achieving competitive advantage. small businesses have several Statistical limitations when they implement quality practices. However, total quality practices can foster the creation of the indispensable knowledge for continuous improvement and for competing in the current markets. The management of knowledge has also been identified as an important antecedent of performance. Using structural equations modeling, this article analyses the linkages between total quality management, organizational learning and performance. The most significant implication of this article is that small businesses should pay more attention to total quality management practices as these can support both knowledge management practices and organizational performance.*

Keywords: *limitations, linkages, modeling performance, significant.*

Introduction

Total Quality is a description of the culture, attitude and organization of a company that strives to provide customers with products and services that satisfy their needs. The culture requires quality in all aspects of the company's operations, with processes being done right the first time and defects and waste eradicated from operations. Total Quality Management, TQM, is a method by which management and employees can become involved in the continuous improvement of the production of goods and services.

It is a combination of quality and management tools aimed at increasing business and reducing losses due to wasteful practices. Some of the companies who have implemented TQM include Ford Motor Company, Phillips Semiconductor, SGL Carbon, Motorola and Toyota Motor Company.

TQM is a management philosophy that seeks to integrate all organizational functions (marketing, finance, design, engineering, and production, customer service, etc.) to focus on meeting customer needs and organizational objectives. TQM views an

organization as a collection of processes. It maintains that organizations must strive to continuously improve these processes by incorporating the knowledge and experiences of workers. The simple objective of TQM is "Do the right things, right the first time, every time." TQM is infinitely variable and adaptable. Although originally applied to manufacturing operations, and for a number of years only used in that area, TQM is now becoming recognized as a generic management tool, just as applicable in service and public sector organizations. There are a number of evolutionary strands, with different sectors creating their own versions from the common ancestor.

Principles of TQM

The key principles of TQM are as following:

Management Commitment

- Plan (drive, direct)
- Do (deploy, support, participate)
- Check (review)
- Act (recognize, communicate, revise)

Employee Empowerment

- Training
- Suggestion scheme
- Measurement and recognition
- Excellence teams

Fact Based Decision Making

- SPC (statistical process control)
- DOE, FMEA
- The 7 statistical tools
- TOPS (Ford 8D- team-oriented problem solving)

Continuous Improvement

- Systematic measurement and focus on CONQ
- Excellence teams
- Cross-functional process management
- Attain, maintain, improve standards

Customer Focus

- Supplier partnership
- Service relationship with internal customers
- Never compromise quality
- Customer driven standards

Implementation Principles and Processes

A preliminary step in TQM implementation is to assess the organization's current reality. Relevant preconditions have to do with the organization's history, its current needs, precipitating events leading to TQM, and the existing employee quality of working life. If the current reality does not include important preconditions, TQM implementation should be delayed until the organization is in a state in which TQM is likely to succeed.

If an organization has a track record of effective responsiveness to the environment, and if it has been able to successfully change the way it operates when needed, TQM will be easier to implement. If an organization has been historically reactive and has no skill at improving its operating systems, there will be both employee skepticism and a lack of skilled change agents. If this condition prevails, a comprehensive program of management and leadership development may be instituted. A management audit is a good assessment tool to identify current levels of organizational functioning and areas in need of change. An organization should

be basically healthy before beginning TQM. If it has significant problems such as a very unstable funding base, weak administrative systems, lack of managerial skill, or poor employee morale, TQM would not be appropriate.

However, a certain level of stress is probably desirable to initiate TQM. People need to feel a need for a change. Kanter (1983) addresses this phenomenon by describing building blocks which are present in effective organizational change. These forces include departures from tradition, a crisis or galvanizing event, strategic decisions, individual "prime movers," and action vehicles. Departures from tradition are activities, usually at lower levels of the organization, which occur when entrepreneurs move outside the normal ways of operating to solve a problem. A crisis, if it is not too disabling, can also help create a sense of urgency which can mobilize people to act. In the case of TQM, this may be a funding cut or threat, or demands from consumers or other stakeholders for improved quality of service. After a crisis, a leader may intervene strategically by articulating a new vision of the future to help the organization deal with it. A plan to implement TQM may be such a strategic decision. Such a leader may then become a prime mover, who takes charge in championing the new idea and showing others how it will help them get where they want to go. Finally, action vehicles are needed and mechanisms or structures to enable the change to occur and become institutionalized.

Steps in Managing the Transition

Beckhard and Pritchard (1992) have outlined the basic steps in managing a transition to a new system such as TQM: identifying tasks to be done, creating necessary management structures, developing strategies for building commitment, designing mechanisms to communicate the change, and assigning resources.

Task identification would include a study of present conditions (assessing current reality, as described above); assessing readiness, such as through a force field analysis; creating a model of the desired state, in this case, implementation of TQM; announcing

the change goals to the organization; and assigning responsibilities and resources. This final step would include securing outside consultation and training and assigning someone within the organization to oversee the effort. This should be a responsibility of top management. In fact, the next step, designing transition management structures, is also a responsibility of top management. In fact, Cohen and Brand (1993) and Hyde (1992) assert that management must be heavily involved as leaders rather than relying on a separate staff person or function to shepherd the effort. An organization wide steering committee to oversee the effort may be appropriate. Developing commitment strategies was discussed above in the sections on resistance and on visionary leadership.⁶

To communicate the change, mechanisms beyond existing processes will need to be developed. Special all-staff meetings attended by executives, sometimes designed as input or dialog sessions, may be used to kick off the process, and TQM newsletters may be an effective ongoing communication tool to keep employees aware of activities and accomplishments.

Management of resources for the change effort is important with TQM because outside consultants will almost always be required. Choose consultants based on their prior relevant experience and their commitment to adapting the process to fit unique organizational needs. While consultants will be invaluable with initial training of staff and TQM system design, employees (management and others) should be actively involved in TQM implementation, perhaps after receiving training in change management which they can then pass on to other employees. A collaborative relationship with consultants and clear role definitions and specification of activities must be established.

In summary, first assess preconditions and the current state of the organization to make sure the need for change is clear and that TQM is an appropriate strategy. Leadership styles and organizational culture must be congruent with TQM. If they are not, this should be worked on or TQM

implementation should be avoided or delayed until favorable conditions exist.

CASE STUDY/APPLIATIONS

A. Improving Recruitment Processes

In this case study, a team strives to improve the recruiting process in a large, fast-moving consumer goods company. Part 1 focuses on reducing the recruiting cycle time.

B. Reducing Turnaround Time of Lab Reports in the ICU

Having successfully improved customer satisfaction in its diagnostic clinics, a hospital addresses the next problem area – delays in receiving lab test results for patients in the intensive care unit.

C. Fixing Payroll Problems: A TQM Case Study in Human Resources

The case study details a consumer goods companies experience using the TQM methodologies seven steps of problem solving in its human resources department to address the payroll process.

D. Improving Financial Services Through TQM:

A young, rapidly expanding company in the financial services sector with no previous experience with total quality management (TQM) learns the value of a formal program to improve quality.

Future Research Perspectives

In an exploratory study such as this, recommendations for future research would address the issues generated from this study. Based on these findings, future research may start from a relatively higher level of knowledge. First, a replication of this study would be helpful in reexamining the validity of its findings. Further empirical studies using larger sample sizes, greater geographical diversity, and firm type diversity would be helpful in validating specific parts of the theoretical models proposed in this study. Second, subsequent research needs to be engaged in the development of more valid and reliable operational definitions for the proposed constructs, overcoming the limitations posed by the data source used in this study. For example, more

categories could be developed in order to score the responses for strategic business performance.

The data of employee and customer satisfaction would be obtained from employees and customers, respectively, rather than from respondents. Third, the relationships found in this study would be investigated in different countries to test whether they go in the same or different directions. Fourth, a set of longitudinal studies would be very valuable in studying the time dimension of TQM implementation. Fifth, more structured interviews would be conducted in different kinds of Chinese manufacturing firms in order to continuously improve the TQM implementation model. Thus, model could better meet the requirements of different Chinese industries. Sixth, an in-depth case study would be conducted in a Chinese manufacturing firm to gain more insight into using this TQM implementation model in practice. Finally, the influence of external environment could be studied in order to explore how external environment affects firms' TQM implementation.

Conclusion

TQM encourages participation amongst shop floor workers and managers. There is no single theoretical formalization of total quality, but Deming and Ishikawa provide the core assumptions, as a "...discipline and philosophy of management which institutionalizes planned and continuous... improvement ... and assumes that quality is the outcome of all activities that take place within an organization; that all functions and all employees have to participate in the improvement process; that organizations need both quality systems and a quality culture."

Footnotes and References

1. "The Proverbs of Total Quality Management: Recharging the Path to Quality Improvement in the Public Sector." *Public Productivity and Management Review*,

16(1), 25-37.

2. Martin, L. (1993). "Total Quality Management in the Public Sector," *National Productivity Review*, 10, 195-213.
3. Swiss, J. (1992). "Adapting TQM to Government." *Public Administration Review*, 52, 356-362.
4. Tichey, N. (1983). *Managing Strategic Change*. New York: John Wiley & Sons.
5. Hill Stephen, 1991. "Why Quality Circles Failed but Total Quality Management Might Succeed." *British Journal of Industrial Relations*, 29(4), 541-568.
6. Ishikawa, K, 1985. *What Is Total Quality Control? The Japanese Way*. Englewood Cliffs, New Jersey, Prentice- Hall.

Author Profile



Purushothamarao Completed his M.Sc (Mathematics) from SriKrishnaDevaraya University in 1997—1999. And Completed his B.Ed Course. He is Awarded by M.Phil Degree in Mathematics from Alagappa University Karaikudi (TN) in 2013.

He is having 10 years of Teaching and 4 years of Research & Industrial Experience. Presently working as Teaching Assistant in IIM, Bangalore. He is pursuing Ph.D in Statistics from Bharthiar University, Coimbatore. He Organized Several FDP's in his working areas. He attended 8 National & International Conferences in reputed Universities & Institutions.