



Quality Management

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Abstract: This study came to investigate the impact of Total Quality management (TQM) practices and strategies on organizational performance. TQM is defined as a strategy that essentially aimed to establish and deliver high quality products and services that cover all customers' demands and achieve a high level of customer satisfaction. This paper discusses the implementation of total quality management in Pakistan and explores the relationship between the effective implementation and organizational performance. TQM in Pakistan was implemented in three categories of implementation methods which are; quality control, quality assurance and continuous improvement. The findings indicate that TQM has two organizational performances, either is TQM practices effect the organizational performance, or it hinders organizations to achieve their goals in which this will negatively affect the organizational performance.

Keywords - Total Quality management, organizational performance, high quality products and services, customer satisfaction

I. INTRODUCTION

The business environment has seen significant changes and improvements in quality, and it has become one of the most important tactics that every corporation can use to gain a competitive edge. Furthermore, as the global labour market continues to expand, businesses must improve the quality of their products and services in order to compete with other businesses. Several comprehensive Quality management methods were introduced in order to improve organizational performance and improve customer satisfaction. Total Quality Management (TQM) is founded on the idea that all employees in an organization should work together to provide high-quality products and services in order to meet consumer demands. Controlling manufacturing processes is one method that might be applied in order to reduce errors. Quality management procedures were put in place.

Total quality management encompasses a variety of quality instruments and techniques, as well as shared attitudes and ideas across all employees within the same firm (Gharakhani et al., 2013). TQM is a strategy for generating and transferring more efficient and superior services by achieving collaboration among organizational members (Lakhal et al., 2006). Despite the fact that various studies have directly addressed comprehensive quality management methods, these practises are still seen as ambiguous and unclear (Dean & Bowen, 1994). This could be explained by the fact that total quality management (TQM) has several definitions depending on the individual's perspective on the term. Several studies have been undertaken in order to discern the relationship between total quality management methods and organisational performance, which is the major goal of our research. The investigation covers a wide range of industries, including financial, operational, and quality performance.

According to these studies, there is a positive relationship between effective TQM implementation and organizational performance, with one organization's organizational and employee performance being greatly enhanced (Prajogo et al. 2004), productivity increasing, and operational costs decreasing (Lam, 1995) when total quality management practices are implemented effectively.

Terziovski (1999) stated that comprehensive quality management has a significant impact on operational performance, particularly in large organizations that specialise in manufacturing processes. Several aspects of overall quality management, like as leadership, individual management, and customer focus, were identified as critical performance predictors. The impact of overall quality management strategies on organizational performance is discussed in this study.

I. PROBLEM STATEMENT

TQM is still seen as a relatively new ideology, and many managers and staff are unfamiliar with its principles and techniques. Existing theoretical research on TQM is still insufficient to provide a comprehensive grasp of the phrase total quality management (Thiagarajan et al., 2001).

Different strategic reasons, such as globalization, directly increase developing countries' interest in quality; hence TQM is emphasized to achieve economic benefits in these countries. Furthermore, buyers in various countries demanded high-quality services and products more than ever before. All of these factors contribute to a fresh wave of quality interest among various corporate organizations around the globe.

Despite the fact that there have been various studies on TQM and its relationship with performance (Baidoun and Zairi, 2003), this study will define TQM practices and procedures, as well as their impact on organizational performance.

II. RESEARCH AIMS AND OBJECTIVES

The aim of the research is to find the effectiveness of Quality Management in creating a better working environment in the corporate world. This research paper came to find out the following key objectives which are;

1. To explore the TQM practices and technologies.
2. To show the relationship between Quality Management and better working environment.
3. To identify the impact of TQM implementation on the organizational performance.
4. To generate a guidelines for effective implementation of TQM practices at organizations.

III. LITERATURE REVIEW

4.1 Total Quality management:

The quality management concept was recognized since ancient times in Japan in the late 1930s specifically after the World War II. After that, several firms in the manufacturing sector were focused on enhancing quality and utilizing tools that directly aim to control quality at these firms (Demirbag et al., 2006; Talib et al., 2010). Furthermore, both USA and UK accepted the idea of quality management (QM) especially in manufacturing sector in those countries. Subsequently, QM has been recognized widely in several international standards such as in the ISO 9000 and the idea of QM was largely accepted these standards (Sachdeva et al., 2007). Several principles were recognized at each TQM practices and the principles are clarified in figure (1); Various techniques were also proposed for QM practices, in which it is considered as a method to enhance quality and efficiency of different industries services and products. One of the main internationally accepted approaches is total quality management (TQM) in which this approach essentially attempts to create a comprehensive cooperation between all organization functions in order to fulfill customers' demands in an efficient way and to achieve all organizational goals.

Total quality management also engages all organization staff members in the process of covering customers' expectation through utilizing problem solving methods to enhance the quality of all organizational.

products and services. The main focus of total quality management philosophy is to achieve a comprehensive integration among organizational staff and their functions in order to gain better enhancement, progress and preservation of products and services quality to achieve customer satisfaction (Talib, 2013).

This managerial philosophy is directly focuses on improving business quality and satisfaction of managers through enhancing the employee's involvement in decision making processes by utilizing teams of quality improvements and quality circle strategies (Yusuf et al., 2007)

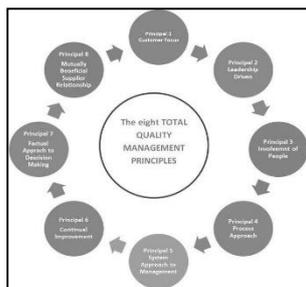


Fig 1. Principles of TQM practices (source: Northlink College, 2015)

Many sources (Talib et al., 2012) offer different perspectives on TQM, yet they all include the same core characteristics. One example is that in this managerial strategy, every TQM considered the client to be the most important factor. Furthermore, management commitment is one of the most critical factors in ensuring the success of TQM processes. Organizational culture and changes are also important factors to consider when pursuing TQM success. As a result, overall quality management is a management strategy aimed at improving organisational performance and efficiency through improving the quality of services and products (Arumugam et al., 2008).

In the recent two decades, there has been a significant increase in interest in whole quality management approaches, and many researchers consider it to be an important topic to study (Yusof and Aspin wall, 1999; Arumugam et al., 2008). According to Gharakhani et al. (2013), TQM is widely acknowledged across many service industries as a management method aimed at improving organisational performance. TQM is also viewed as a thorough integration of many models, procedures, persons, and communication processes in order to meet all client requests (Van Ho, 2011).

Talib and Rahman (2010a) suggested the "Components of TQM" model as a TQM model. As shown in figure, they emphasized the important techniques that might help organizations operate better (2). Top-management commitment, customer focus, training and education, continuous improvement, supplier management, staff involvement and encouragement, benchmarking, and quality information and performance are all examples of TQM processes. The outcomes include increased productivity and quality, high levels of customer satisfaction, increased customer loyalty, and on-time delivery. In general, all TQM models said that each managerial action consists of processes for planning, implementing, and evaluation.

4.2 Organizational performance:

Performance measurement is one of the most important aspects of achieving effective organisational management procedures. The ability of an organisation to fulfil its strategic and financial goals can have a direct impact on its performance (Li et al., 2006). The performance of organisations has been largely ignored in previous research, with some (Katou, 2008) analysing organisational performance solely in terms of financial performance. Stock et al. (2000) also discussed how to monitor financial and market harmonic performance, such as return on investment (ROI), sales profit and growth, and market share advancement. One fact must be also mentioned here is that the organizational performance could be measured either depending on operational performance one fact must be also mentioned here is that the organizational performance could be measured either depending on operational performance which is referring to the whole performance of one organization that includes financial performance, customer satisfaction and effectiveness of product quality(Brah et al.,2000).Whereas the operational performance of one organization is directly handled with the enhanced delivery performance, flexibility, minimizing costs and errors and enhancing process productivity(Nunnally, 1978).

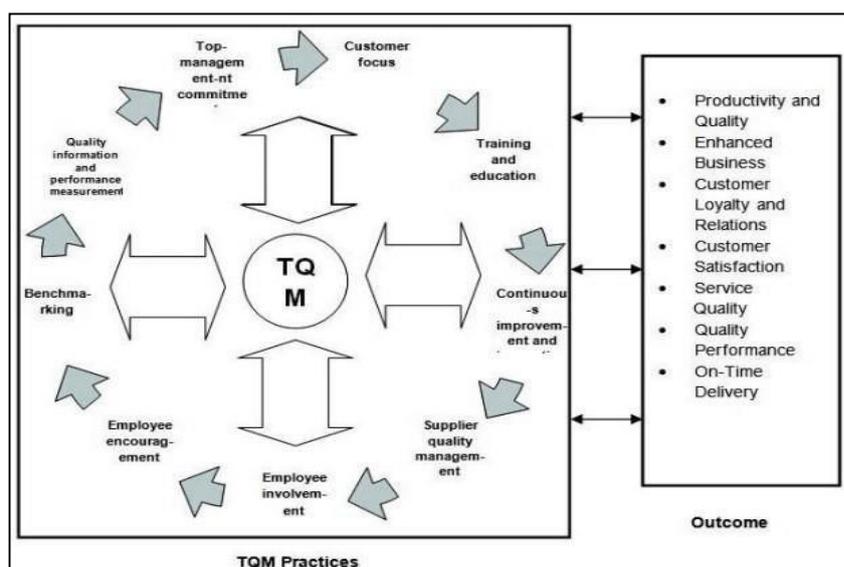


Fig 2. Components of TQM model (source: Talib and Rahman, 2010a)

4.3 Total Quality management and organizational performance:

Performance measurement is a necessary component of all management approaches. Cost and quality, the two most important determinants of organisational success, are both influenced by comprehensive quality management systems. Implementing various TQM approaches such as training, process management, customer management, and others has an impact on staff performance, which in turn has an impact on the overall success of the firm, according to Sadikoglu (2009) and Brun (2010). TQM has a considerable impact on organisational performance, particularly in terms of financial success, according to Gharakhani (Gharakhani et al., 2013). In response to increased demand for high quality products and services, organizations have recognized the importance of applying complete quality management principles to production processes in order to save costs and produce products with high quality features. TQM is defined as a strategy that prioritises the demands of customers and tries to meet those needs by infusing continuous improvement into production processes (Harmon & Peterson, 1990). Another study aimed to define the discrepancy between senior managers' views on TQM and intermediate managers' perceptions. There are four core TQM concepts, according to Soltani and Wilkinson (2010): quality assurance, individual, firm, and senior manager functions. TQM is still considered a new technique, according to Soltani and Wilkinson's findings, and the quality control approach is the most generally utilized method for implementing TQM (Soltani and Wilkinson, 2010).

Wen et al. (2009) and Letica (2007) both discussed the impact of TQM techniques on customer satisfaction, particularly in the public sector and from a manager's perspective. Strategic planning, process and personnel management, leadership, customer care, and analyzing internal and external customer satisfaction levels for perceived product and service quality were the main topics of discussion. There is a link between TQM practices, employee focus, and customer satisfaction levels, according to this study. The study's findings also demonstrated that there is a strong correlation between managerial commitment and customer satisfaction. Other TQM tasks, like as strategy planning and process management, on the other hand, have a lesser impact on customer satisfaction.

Quality process management, according to Lord & Lawrence (2001), must begin at the start of the project (organisation formation) and end when quality standards are reached. Each organisational member is responsible for organisational reforms to some level. The capacity of a product or service to meet the needs of customers and achieve a high level of customer satisfaction is referred to as quality (Waldman and Gopalakrishnan, 1996). According to Lakhal et al. (2002) and Talha (2004), TQM procedures contribute directly to enhancing enterprise performance by lowering costs, improving staff performance, and increasing customer satisfaction. Although TQM has a positive impact on organisational performance, according to Saizarbitoria (2006), Dooyoung et al. (1998), TQM adoption may not always achieve the desired organisational goals.

IV. CONCLUSION

The purpose of this research is to look into the relationship between comprehensive quality management and organisational performance. Several previous studies have established a link between TQM and organisational performance, particularly financial performance. According to these studies, when a company adopts TQM effectively, its performance improves dramatically in a variety of ways (Hendricks & Singhal, 1999; Ittner & Larcker, 1996). In a review of the literature on the impact of total quality management on organisational performance, Saizarbitoria (2006) found a positive direct relationship between TQM and organisational performance. However, Dooyoung et al. (1998) found that TQM practices may obstruct organizations' ability to achieve their objectives. Nonetheless, the key conclusions drawn from this study are that implementing various quality efforts at firms can improve customer happiness and product and service quality performance. TQM strategy focusing on improving customer satisfaction levels will immediately increase organisational performance, and leadership commitment is regarded a vital essential for ensuring the successful implementation of TQM procedures at firms. Although the focus of this study is on the relationship between TQM and organisational performance, some aspects that directly affect organisational performance were overlooked, including the size, culture, and amount of innovation. As a result, future research might look into the impact of TQM on organisational performance in a broader sense by looking into the effects of the elements described above. Another area of research that should be investigated is the use of TQM in the business sector, in order to gain a better knowledge of TQM implementation.

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