

# Implementation of total quality management and the balanced score card by sme res...

[Business](#), [Company](#)



## **Dissertation Proposal**

### Chapter 1: Introduction

This research will seek to perform an in depth study on implementation of total quality management (TQM) and the balanced score card by SME's. The study will be interested on learning how small and medium enterprises are involved in the implementation of TQM and the balanced score card which are key components of the business management. In business total quality management refers to a management strategy that aims at maximizing the human resources and other available resources so as to accomplish the organizational objectives. Hence, it is of interest to know how SME's implement this management strategy. TQM is mainly adopted by SME's to improve their competitiveness in the industry. As it is well known, in the current era business do not risk in compromising quality. TQM is a management philosophy that advocates for quality in order to realize the organizational goals (Berry, 1991, pg 121). However, TQM has mainly been applied by large companies and multinationals.

Conversely, smaller companies have also been adopting the philosophy in a way to achieve their organizational goals. On the other hand, the balanced score card is a management tool used by SME's to provide the procedures that drive performance of these firms. Therefore, this tool provides clear actions that the management should take so as to improve performance.

This approach was developed by Dr. Kaplan and Dr. Norton of the Harvard Business Review early in the 1990's (Kaplan & Norton, 1996, pg 223). The balanced score card also makes an assessment of previous management tools that might have been used by the SME's. To this effect, it provides the

weaknesses of those previous approaches and also provides a better way of management for the firms. A fully implemented balanced score card helps to align employees to the strategy been adopted by the firm. Hence, it ensures that employees can abundantly support the management strategy in order to achieve the organizational objectives.

## **Problem Statement**

This paper will be seeking to understand better, how small and medium enterprises (SME's) implement the philosophy of TQM in their operations (Dahlgaard, 1998, pg 143). Consequently, the study shall also take a keen interest on how the balanced score card is achieved by SME's. Thus, the paper will look at the strengths and weaknesses of SME's in the process of implementing total quality management and a balanced score card. This shall also include the problem encountered in the implementation phase of these business management approaches. However, the study shall also take a critical evaluation of the various achievements that SME's have realized as a result of implementing TQM and the balanced score card. Despite the continued success of implementation of these management approaches, there have also been reported cases of failure. This is especially rampant in design and the processes of these tools. Hence the study will also look into the best practices in implementation so as to avoid any instances of failure.

## **Interest on the Topic**

The current business world has been characterized by an influx in the number of practitioners hence leading to extremely high levels of competition. This implies that businesses would have to perk themselves up

with proper strategies of dealing with this. It is therefore, of great interest to know how the implementation of total quality management and the balanced score card would help businesses in improving performance. Thus, the interest has been as a result of my need to know how to incorporate the philosophy of TQM and balanced score card tool especially in MSE's (Yusof & Aspinwall, 2000a, pg 35). The numbers of MSE's have increased and to this effect more should be done by these firms to ensure that they remain competitive and highly performing.

## **Chapter 2: Research Purpose, Questions and Objectives**

### Purpose of the Research

Implementation of TQM and the balanced score card has widely been regarded as a fruitful approach to the MSE's. The aim of the research would be to evaluate how implementation of these management approaches benefits the MSE's. For instance, the study would be interested in knowing how implementation of TQM and the balanced score card promotes growth of MSE's (Temtime, 2003, pg 55). Here the study shall rely on the context of the management efficiency that is created through the implementation of these approaches. Hence, the study will be keen to know how this efficiency in management would impact on investments of the company. This is especially on whether it has the capability of influencing the decisions made by possible investors. The study would also be purposed to know if implementation of TQM and the balanced score card has an influence on customer satisfaction.

It is viewed that these approaches of management have the tendency to

improve the levels of customer satisfaction. It is also pertinent for the research to find out whether implementation of TQM and the balanced score card has an empowering effect on the employees. Therefore, this study will examine the belief of employees in supporting TQM and the balance score card. This will be measured against the management style adopted by these MSE's. Another very important issue that the study would aim to understand is how implementation of TQM and the balanced score card influences the competitiveness of MSE's. Generally, the research will create a platform of understanding the implementation of these management approaches in MSE's. Consequently, the study will give an insightful understanding of the canons of TQM and the balanced score card. This will help in learning the benefits accrued by the MSE's as well as the challenges in implementation.

## **Research Questions**

- What is the basis for implementing TQM and the balanced score card in MSE's?
- How does the management of MSE's align itself in ensuring successful implementation of these management approaches?
- What are the challenges faced by MSE's in implementation of TQM and the balanced score card?
- What benefits are accrued from implementation of TQM and balanced score card in MSE's?
- Does implementation of TQM and the balanced score card improve the performance of MSE's?

## **Research Objectives**

The general objective of this research will be to examine the impact of implementing TQM and balanced score card on the performance of MSE's

### **The specific objectives of the research will include;**

- Identify how the management of MSE's aligns itself in ensuring successful implementation of TQM and the balanced score card.

## **Conceptual Models of the Study**

This research is formed under the rationale of performance management (PM) in SME's which is an important aspect of the management. Performance management seeks to identify the output accrued from various agents that comprise these organizations. These include the employees, customers, suppliers as well as the investors in these firms. As a result, PM asserts that SME's must identify models that would provide support in ensuring a successful assessment of the SME's performance (Niven, 2002, pg 134). In this research, we put a keen interest on implementation of TQM and the balanced score card. However, the balanced score card (BSC) is one model that has been adopted in performance measurement of SME's. Most of the SME's have applied the BSC model for performance measurement.

Conversely, this model is applicable using two different approaches which include; the integrated approach and the differential approach. The integrated approach advocates for the incorporation of the BSC together with other models such as the Business Excellence Model (BEM).

The BEM model is built upon the excellent end results on performance of society, customers and the people (Armitage, 2002, pg 28). This is achieved

through the strategies set up by the leadership of the organization as well as the partnerships that are involved. The BEM model works by critically analyzing the enablers and the results accrued. The differential approach to performance management calls for application of a single performance management model in the SME. However, the integrated is seen as a more beneficial approach than the differential approach. This is due to the fact that it relates to the issues that determine both the business efficiency and effectiveness. Furthermore, this approach also provides a higher level of cohesiveness between the various SME's strategies put in place.

### **Chapter 3: Key Literature**

Studies of implementation of TQM and the balanced score card in MSE's are quite minimal because most literature puts much interest in larger organizations. Majority of the studies only points out the strategies that MSE's have formulated in the pursuit of implementing TQM and the BSC. It is evident that most MSE's are still lagging behind in the implementation of these approaches to their business management (CIMA, 1993, pg 52). This explains the constant success of many larger businesses due to the adoption of these management approaches. However, most SME's have put more emphasis on process and product improvement. To this effect, they have gone ahead and established new production strategies which in turn promote an extremely motivated management set. Since SME's tend to have a more lean qualified human resource than most of the large companies. There has been a need for implementation of TQM and the balanced score method to help in training of a more skilled personnel in SME's (Garengo &

Bernardi, 2007, pg 521).

This would thus mark an improvement of the workforce which will consequently be translated to the overall SME performance. A previous case study that involved four SME's been studied demonstrates that these firms could successfully implement TQM by taking advantage of the strengths that are inherent to the SME's. The study was performed on the basis of implementation process, the benefits accrued from adoption of TQM and the balanced score card and also on the difficulties involved in adoption of these management approaches. However, most studies on MSE's have recommended that these small firms should embrace the concept of cost effectiveness in the implementation of TQM and the balanced score card (Ghobadian & Gallear, 1997, pg 152). Furthermore, most of the literature reveals that the reasons behind SME's adopting TQM and the balanced score card are vital for the success of implementation. These reasons include; promoting growth, to improve customer satisfaction and the management style and also to improve the company's performance levels.

It is unmistakable that these reasons point to the objective of making more profits for the firms. However, studies indicate that SME's must also put the working environment into consideration since this is also a significant determinant of the implementation of TQM and the BSC. Finally, as a way of ensuring success in implementation of the performance measurement frameworks by the SME's only the most significant performance pointers must be selected ( McAdam, 2000, pg 315). This is due to the reason that most SME's seem to have constrained resources which could not support a



variety of performance indicators. SME's must also clarify their objectives in implementation of TQM and the BSC to enhance success.

## **Main Arguments**

The main arguments resulting from authors of the different literature is on the issue of success of implementation of TQM and the BSC in MSE's.

Majority of the authors argue that implementation of these performance measurement frameworks may not be realizable in MSE's. They only think that these management approaches could work best in large companies who have the resources and skilled personnel to support the operations of these frameworks (Moreno-Luzon, 1993, pg 172). This explains why we have very few studies conducted in the implementation of TQM and the balanced score card in MSE's. However, there are a number of people who propose that it is possible to implement these performance measuring frameworks in small companies and still be able to realize the same benefits. It is argued that with the necessary resources and favorable working environment, SME's would be able to successfully implement TQM and the balanced score card.

## **Chapter 4: Methodology**

### **Alternative Methodology**

In studying this research one would adopt a variety of methodologies to effectively make inferences on the subject of study. To begin with, a holistic description of the study can adopted where the researcher would use multiple case studies in the research (Yin, 2003, pg 82). However the researcher can also adopt a single case study approach to study the subject in context. It may also be possible to undertake an exploratory approach by

surveying different research ideologies to be used. However, a researcher can also undertake a qualitative research or also opt for a quantitative research to study the given topic. The research would also involve various methods of collecting data which include; observation, interviewing or even having to collect secondary data.

### **Actual Methodology**

In this study, the research methodology to be adopted will involve a holistic case study approach where a single case study will be researched on.

However, the case study to be selected will involve a decisive case which will be in a position to test well formulated theories. This will be a longitudinal case that will allow the researcher to study the case in two distinct times. This will be to allow for a study of any changes in the set conditions in the given time. Data will be collected through interviews and also by observation. After the data is recorded it will be checked for accuracy and also coded for easier reference. The data will then be analyzed quantitatively by applying the best methods given the nature of the data.

### **Justification for the Methodology**

This methodology will be adopted because of some significant aspects related to the study and the researcher. The use of a single case study will be applied since the case to be studied will be a critical representative of various cases. Hence, it will be in a position to provide the necessary information regarding a majority of SME's. Secondly, this will be a unique case in MSE's. As stated earlier most SME's have not recorded success in implementation of TQM and the BSC. Thus will be a case of success which

will mark the rationale of this research. Thirdly, this will be a revelatory case that gives the researcher to study and observe what science has not been able to achieve in the past. It is also important noting that use of multiple case studies would be constrained to the researchers' resources (Yin, 2003, pg 84). This includes both the financial resources and the time factor which also vital in research.

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