

Impact of globalization on total quality management

[Economics](#), [Globalization](#)



Total quality management (TQM) has been defined as ‘ continuous improvement of every production output whether it be a product or a service, by removing inefficient variations and by improving the backbone of the work process’. International managers like their domestic counterparts have found that incorporating the notion of total quality management into their management process and style can give the competitive advantage.

A manager’s decision-making process regarding new or increased international operations involves reacting to the environment, seeking competitive advantage globally and assessing the company’s capability in the global context. Globalization makes managers ask certain questions. These questions include: ‘ Must we be more International?’ ‘ Are we capable of becoming more international?’ ‘ How can we improve capability?’ ‘ What opportunities should we pursue?’ This sort of questioning which globalization creates will enable the firm to identify specific weak areas and/or general lack of strength. The focus now shifts to expansion.

These might include things like internal changes as well as linkages with other organizations that help provide the desired result. Therefore, the options or strategic plans must be selected with caution. Globalization makes management assess the costs and benefits of various possible modes of entry into the global market. In general, the choices can be seen as ranging from no ownership in foreign locations, to joint ventures, to sole ownership of foreign subsidiary. Globalization enables managers to make a lot of choices and decisions regarding improving their output and expanding their business activity.

Each of the options they assess has benefits as well as disadvantages that the managers must weigh to make the right choices. Once the managers have made their choice, a plan of action is formulated and executed to achieve the desired foreign activity. The decision process should be assumed to be a kind of iterative process - that is having been through the model once, a manager will periodically return to the first question and repeat the process. This has the effect changing a reactive strategy into a dynamic one.

Globalization creates an atmosphere where companies look to embark on international operations which in turn foster a degree of synergy. Having business operations in more than one international location provides the opportunity to transfer learning from one international location to another. The 1990s is considered to be the decade when the new era of the beginning of quality management. This was because during that period of time, firms were facing a high degree of competition, the encroachment of their market share and a depreciation in the perceptions of the quality of their products.

Hence, it was necessary to adopt a quality management technique that would override any existing traditional management styles. Literature Review- This brings us to the topic of identifying the Impact of Globalization on Total Quality Management. What has been the impact of Globalization on Total Quality Management"? TQM has played in its origins a decisive role in Globalization. Globalization is a direct consequence of TQM. In 1954, John Foster Dulles, then the US Secretary of State, despised Japan as a

commercial threat to USA. “ The Japanese don’t make anything the people in the US would want.

Twenty five years later, in 1979, when Japanese car were starting to be built in America, Business Week mocked: “ With [more than] 50 foreign cars on sale here, the Japanese auto industry isn’t likely to carve out a big slice of the US market. ” Later it came “ If Japan can... Why can’t we? ” broadcasted by NBC in 1980. And Deming. Anyway, as TQM always does, it has to adapt its processes to the needs of the organization (environment) in every moment and circumstance. Globalization is not an exception Globalization has allowed small businesses and major corporations to expand its products and services to the global market.

People from all over the world can access products because of the opportunities globalization has provided. Even though some of outcomes of globalization have been controversial, the market has become more competitive than ever, thus creating the high demand for quality management. The fact that globalization has expanded the market for organizations means that TQM is more important than ever before. Customer demands are higher and if a company does not create products and services that meet their expectations they can easily access the same or similar products and services from another company.

If managers do not implement TQM into their company procedure then they will fail to meet the high standards of customers all over the world and eventually lose their business. When it comes to implementing TQM, it’s the

managers responsibility to create an environment where people can work together to improve their work processes. If the ownership or senior management does not buy into this concept you will never succeed. Many people in leadership roles are either too set in their ways or closed minded to the necessary change needed to really improve the way things get done.

You have to buy into the concept that there is always a better way to do something. By tapping into all the knowledge and experience your employees possess, you develop solutions that not only improve your execution, you provide everyone with a sense of accomplishment.. These " process improvement teams" give employees a chance to help steer the future direction of their company. The other problem you have in implementing a team concept is the team members themselves. Many people have great ideas but do not feel comfortable sharing them.

They would rather be told what to do, this way if something goes wrong it's not their fault. They actually know a better way to do something, but they don't want to stick their neck out for fear of taking responsibility. By creating a team solution everyone has a vested interest in its success, thus everyone becomes responsible. You are collectively working together to implement these changes, so the chances of success are greatly improved. If a company can develop a team concept that permeates through out its entire workforce, they are much better equipped to handle the constant challenges they face.

If everyone has a vested interest in the current and future success of their company, the company's best interest would always come first. The real challenge any company faces is making these concepts a reality. The following outlines the pros and cons of globalization on quality:

Pros

- Viewing both the productivity grows quickly when countries produce goods and services in which they have a comparative advantage. Living standards can go up faster.
- Global competition and cheap imports keep a lid on prices, so inflation is less likely to derail economic growth. An open economy spurs innovation with fresh ideas from abroad.
- Export jobs often pay more than other jobs.
- Unfettered capital flows give the US access to foreign investment and keep interest rates low.
- The Pros for globalization show that prices will be kept at one set price and that money will be quickly made by all. The help with foreign countries could also speed up technology as well. Technology could help the underdeveloped countries in the long run, and everyone overall economically.

Cons:

- Millions of Americans have lost jobs due to imports or production shifts abroad. Most find new jobs – that pay less. Millions of others fear losing their jobs, especially at those companies operating under competitive pressure.

- Workers face pay-cut demands from employers, which often threaten to export jobs.
- Service and white-collar jobs are increasingly vulnerable to operations moving offshore.
- US employees can lose their comparative advantage when companies build advanced factories in low-wage countries, making them as productive as those at home.

The Con list shows that the concerns are that smaller businesses will be put out of business by larger ones. Also stating that only the white-collar or richer people will be making a benefit in the changes.

Demonstrations and Applications in the Business World

Total Quality Management at Tyson Foods- Tyson Foods is known for its high quality products such as chicken, pork, and beef to name a few. Tyson Foods has carefully implemented quality management practices to stay ahead of the competition and because their products are closely regulated by government officials. Recently Tyson Foods opened a new laboratory in Arkansas to test and research food safety. The new laboratory has earned two International Organization of Standardization (ISO) certifications which are the ISO 9001-2000 and the ISO 17025.

Tyson Foods is responsible for creating and maintaining the highest quality products on the market. Without this seal of approval from the USDA, Tyson Foods could not operate in the United States nor globally and no company would buy their products. TQM is the most important aspect of Tyson Foods' management process because without TQM they would cease to exist. Total

Quality Management is very important in today's industry because of the high demand for quality from customers. The competition to create high quality products and services is ever increasing because the market is very large.

Customers can find products from anywhere in the world thanks to technology and the internet so this increases the demand for Total Quality Management within companies. If companies want to continue to stay in business selling their products and services to customers they must implement TQM into their business practice or they will fail to meet customer demands and ISO regulations. TQM has become the new wave of management in today's society because the needs, desires, and demands of customers can be easily met by the vast majority of competition. Competition is the hardest thing a company must deal with and to ensure the competition is fair and equal each company must use Total Quality Management to stay ahead of the game.

Conclusion & Reflection

In conclusion, as the demands on firms are changing and increasingly requiring more flexible manufacturing and work practices, team work and multi-skilling are essential if firms are to stay competitive. This means training the work force in a variety of skills so that they can react quickly to changes in models and production runs.

Moves in other countries to encourage greater cooperation between industry and education are a testament to the benefits that can be derived. Cross-

cultural training is also a necessity for any organization in order for it to survive in today's increasingly globalized and quality-oriented environment. Also, reflecting back on this assignment and how this class has enhanced my knowledge on quality and how important quality is not only to the consumer, but also how it can set the standard on any particular industry. I also learned that quality at a globalization level is any less important than it is at a local level.