

# Literature review - total quality management



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## **INTRODUCTION**

Total Quality Management (TQM) is a strategy that embodies the belief that the management process must focus on integrating the customer - driven quality throughout an organisation (Stah, 2002). It stresses continuous improvement of product quality and service delivery while taking into cognisance the reality that in order to achieve this goal, employee relations needs to be equally addressed, as the customer cannot get the satisfactory service delivery from ill- motivated employees (Lewis, 2004)

The philosophy underlying the implementation of a TQM strategy is to see organisational customers and clients as the vital key to organisational success. Organisations with TQM strategy see their business through the eyes of their customers and clients and then measure their organisations performance against customer/client expectations (Fran, 2002). It therefore follows that organisations that want to be successful with the implementation of TQM strategy must evaluate its operations through the eyes of its customers b y strengthening and exploring all avenues including the people (employees)that make up the organisational structure(Stah, 2002).

According to Balogun and Hope-Hailey (2008), strategy should be seen as a system/process, that should be able to engender in the employees a culture of total commitment to the vision and mission of the organisation, and thus, a functional strategy that embodies the collective contribution of various components that make up the organisational hierarchy should be such that compliment each other in the implementation of a strategy. For a strategy to

accomplish the desired goals and objectives of an organisation, effective strategy implementation mechanisms should be put in place and one of the most potent ways for achieving this is by exploiting the internal capabilities of the organisation in the form of its employees as a veritable asset while encompassing various HRM initiatives, such as recruitment and selection, training and development, reward systems, performance appraisal, the need for enhanced employee voice systems, employee engagement and greater line manager involvement with management, because they should be seen as a bridge between the employees and management for enhanced psychological contract, which will in turn facilitate greater employee commitment (Murphy et al, 2001).

Quality products or services need not only to conform to consumers requirements; the product/service must be acceptable. Effective TQM strategy entails that the product/service must go beyond acceptability for a given price range. For example, rather leaving customers/clients satisfied that nothing went wrong with the product or service, a product/service should give the customers/clients some delightful surprises, or provide unexpected benefits (Collard, 2001). This means, therefore, that product/service quality assurance requires more than just meeting customers/clients minimum standards. The level of product quality is the degree, to which a product/service is equal to or greater than customers/clients expectations,

That is  $LPQ > CE$

Where LPQ = Level of Product Quality, and CE = customer/client expectation.

Thus, for organisations who desire to have TQM strategy in place and make it work effectively, should as a matter of principle endeavour to be positively disposed to the idea of quality management philosophy in their organisation. According to Haigh and Morris (2002), quality management is an ingredient towards adequate quality delivery to customers . Quality management involves: management systems, delivery, quality, cost, technology and of course the employees, because according to Donaldson, (2001), no matter how perfect a strategy might be, it depends on people for implementation. All these various components of quality management when effectively harnessed will result in customer satisfaction; where the intention is not to stop at a point in the process of implementation, but rather a continuous improvement of the mechanism for a sustainable competitive advantage (SCA), through the use of employees as organisations effective internal assets for a successful implementation (Haigh and Morris, 2002). This can be further understood with the diagram below

### **People**

- Dedication and commitment from the employees, by means of well established voice systems and employee engagement.
- Adequate tools to do the work effectively and efficiently, an enabling environment, and training.
- Team approach to management policies and procedures for strategic implementation.

**Quality**

- No compromise alternative when aiming at quality because the outcome will definitely tell , ' the customer knows it when he sees it'

**Delivery**

- Customers should be able to receive products/service, when they want it.

**Management systems**

- Understanding variation and effective development of human resource capacity utilisation.
- Constancy of purpose and direction
- Preventing error margin rather than detecting errors in quality delivery
- Pride of workmanship
- Problem solving

**Technology**

- This involves research and continuous development in terms of product/service design.
- Up to date with contemporary manufacturing and service capabilities.

**Cost**

- Efficient and competitive production system for good products/services
- Continuous cost improvement for the benefit of the customers (customer loyalty) as well as other associated costs like overhead costs associated with running the organisation.

Thus, from the foregoing, a number of issues can be associated with the implementation of an effective TQM strategy, but as stated by Stanford, (2005) success lies in the ability of managers to adhere to these under mentioned twelve elements:

- Quality awareness
- Effective management leadership style
- Organising for quality improvement
- Creating a participative environment by means of employee involvement and participation and employee engagement.
- Problem prevention and solving.
- Training for quality improvement
- Involvement of every function(e. g. front line leaders) at levels
- Customer (employees as internal customers) and supplier involvement within and around the organisation.
- Measurement of Quality performance
- Continuous appraisal of measurement system for sustainability.
- Recognition for achievement/excellence.
- Continuous improvement.

Although all these twelve elements may seem too tasking at the beginning, a committed manager will appreciate how mutually important and inter-related all these elements and their recognition is vital for a successful implementation of TQM strategy.

Various proponents of TQM strategy see it from different angles, right from the early works of Crosby(1979, 1984, 1989), Deming(1986, 1994), Feigenbaum(1991), Juran(1988), Juran and Gryna(1993)and Ishikawa(1985), but central to their beliefs and working methods, is providing quality delivery through people . TQM begins with education and ends with education, and so crucial is the role of the employee in seeing to its successful implementation, because, when employees are aware of what is required of them in the process through effective voice system and engagement, they become highly motivated and committed to its actualization, (Dale, 1994). TQM should go farther than production operations/activities and involve every employee in the organisation. More often than not, companies that have failed in the implementation of TQM strategy fail not because they desire to fail in strategy implementation but rather, because of the emphasis laid at the door step of the ‘ hard’ aspect of the organisation such as costs and production performance, thus leaving little or no significant room for the ‘ soft’ people centred values of an organisation which encompasses employee involvement, participation, commitment and engagement (Slerning, 2007).

For TQM to be effective, managers have to take into proper perspective the relevance of the workforce that make up the organisational structure, as no organisation exists to carry out business operations/activities without employees (Carol et al. 2006). People are the effective tools management can readily use in transforming /implementing strategic choices(Edwards, 2005) and as Guest (1987) puts it “ because they are the most variable, and the least easy to understand and control of all management resources, effective utilisation of human resources is likely to give organisations a

significant competitive advantage. The human resources dimension must therefore be fully integrated into the strategic planning process”.

The above quote by Guest (1987) is aptly correct and relevant, if organisations are to attain the goals and objectives required of them, so as to justify the huge financial commitment by owners of business like the investors (shareholders) and even joint stakeholders in the operations of the business, for example the suppliers, regulators, customers, employees and communities they operate, because apart from justifying what is expected of them, TQM as a strategy allows and build in the employees the following:

- A decentralisation of decision-making responsibility to well trained problem solving labour force, that is , it provides an avenue for the employees of an organisation to participate in decision- making about how the business operates, and this can further improve relationships, develop trust and confidence as well as facilitate co-operative activity (Druker, 2008).
- Methodologically improving the quality of all organisational processes and strategies from an internal and external customer perspective, because with TQM, it helps with building collective responsibility, aid personal development and build confidence, develop problem solving skills and also facilitate employees awareness of quality improvement potential, leading to behavioural and attitudinal changes(Farnham, 2000).
- A combined emphasis on both incremental continuous total quality improvement and break through strategies, because TQM as a strategy



encourages the employees to improve operating effectiveness as employees work in a common direction and thus, foster a change in management style and culture(Fullan, 2003).

- A reasonable focus on the customer, both in setting strategic objectives and in building organisational routines that link as many units and levels in the firms as possible to identifying and meeting customer needs, wants, desires and expectations, and this can only be achievable with the enhancement of employees morale within and around the organisation ,(Simons, 2000).
- A linkage of reward and measurement systems, both formal and informal, to support these new directions, because TQM builds in the employee the ability to solve problems to be able to align his/her personal needs, wants and desires with that of the organisation (Green et al, 2003).

### **TQM AND EMPLOYEES: THE USE OF HRM PRACTICES AND INITIATIVES**

Every employee in an organisation should contribute reasonably to quality improvement and satisfaction of customers'/clients' needs and wants (Collard, 2001). For organisations that practice TQM strategy, the manufacturing department orientation, for example, towards lowest-cost productivity should synchronise with the marketing commitment to market quality products at acceptable prices. The idea that quality improvement is every employees responsibility should permeate throughout the organisation, so that advertising, human resource, order-processing, production, delivery, and other organic functional areas of the organisations'

business will be in harmony. This will eliminate or reduce the problem of sub-optimisation associated with departmental excellence at the detriment of organisational excellence (Aluko et al, 2000).

The idea should be top-down and bottom-up approach policy by management so as to allow for open line of communication within employees and between management. One way of achieving this, is by means of HRM practices and initiatives in the implementation of the strategy through training, learning and continuous development of the employee, recruitment and selection, reward system, succession planning and engendering employee voice culture, where they will be allowed to air their opinion on ways of moving the organisation forward for better growth and development (Lewis, 2004), because according to Murphy et al,( 2001), an engaged employee is the satisfied employee , and a satisfied employee, is happy and able to deliver and meet set targets. Professional development is particularly crucial for employees of any modern organisation that aims to be competitive in business, by satisfying the customers through quality delivery of products and services (Kremetik, 2004). Practices and initiatives of HRM is by no means, an invaluable instrument in achieving a successful implementation of TQM strategy. In order to be abreast with the current trends in the ever dynamic business environment, it is pertinent that organisations invest in their workforce who will see to the implementation of TQM as a strategy that allow employees the opportunity to be aware of new trends and development in their fields (Collinson et al, 2003).

Purcell et al. (2003) research, established the link between people and organizational performance. According to Purcell et al. (2003), by providing <https://assignbuster.com/literature-review-total-quality-management/>

employees with the necessary training, their skill and motivation levels will increase, thus leading to enhanced performance within the organization. There is the need for line managers to be actively involved and committed to the development of employees, to enhance a strategic development, say in the area of training, learning and development (TL&D) Garavan (2007). This is because, line managers are better placed to understand the needs of both organizations and employees, so, it is ideal for line managers to have greater involvement, by aligning individual needs to organizational needs, so as to ensure that TL&D is more strategic, helping to encourage vertical integration (Kremetick, 2004). For organizations to fulfill their vision and mission, front line leaders have to ensure that employees are clear about their roles and how it fits with the overall organizational objective. This can be done by reinforcing the concept of the golden thread, Martin and Jackson, (2005) ensuring the strategic link is maintained. According to Morgan, (2000), organizations have to take into cognisance, the employee aspect of the enterprise, because, they enable it to thrive financially, through the services that they render. Hence, there is the need for open line of communication, at all levels within the organisation. For TQM to take firm root in an organization as a strategy that can contribute to improving performance of an organization through quality delivery of products and services, it has to be backed up with Ability, Motivation and Opportunity(AMO) as postulated by Purcell et al, 2003; because when employees are equipped with the skills and knowledge to do their jobs, the result is commitment and discretionary behaviour which are necessary ingredients to achieve high performance and turn skills into effective action.

TQM strategy can be enhanced when using the AMO model (Purcell et al. 2003) and here, employees must have the ability, opportunity and motivation required to enable them do their work effectively and efficiently. However it relies heavily on the role of line managers, and in this case, since line managers are responsible for people management, they have to get more involved with their employees' development and provide them with the three important aspects of the AMO model. Trust and confidence, resulting from psychological contract are ingredients that are needed for a greater involvement of employees in the implementation of TQM processes.

From the diagram above, it highlights some of the main domains of HRM practice which are in the areas of training and development, performance appraisal, recruitment and selection amongst others. The link between these domains, when harmonized, will ultimately result in better optimization of human resources (employees) in an organisation. When the employees are given the necessary motivation and skills which they will acquire through the training and management development programmes by management of organisations, the staff will in turn be motivated and committed to give in their utmost best while seizing every opportunity to demonstrate to the management as well as customers of the organisation that a strategy that is people oriented and participative to employees will promote growth and development in an organization, Purcell et al.,(2003), this of course will only be possible with effective collaboration with a functional line management. What this model tend to demonstrate, is that teamwork, opportunity to participate, pay satisfaction, open communication between management and employees, enhanced career development will give the employees a

sense of organisational commitment, well motivated staff strength and job satisfaction which ultimately will lead to greater performance outcomes and effective human resources capacity utilization(Grant, 2008).

Organizational characteristics such as transformational leadership, job design, social interaction and organizational culture are identified as potential predictors of ability, motivation and opportunity (Simons, 2000). Organizations that allow their employees to practice their profession to the point of attaining the highest position available in the organization, will certainly get the best out of their employees, knowing fully well that climbing up to the highest position in terms of hierarchy will not be compromised as this practice is also embedded in TQM strategy (Donaldson, 2001). The psychological contract is the bond existing between the employer and the employees; it says much about the trust and cordiality that exist between both parties i. e. the employer on one hand and the employee at the other side (Druker, 2008). The psychological contract “ both fill the perceptual gaps in the employment relationship and shapes day-to-day employee behaviour in ways that cannot necessarily be discerned from a written contract”, (Rousseau and Ho 2000 pp 476). According to Gyelan and Waldman, (2005), embedded in psychological contract is the inevitable reward of use of discretionary behaviour by the employees. Confidence building and trust in the management by the employees will bring about this development, in order for the workforce of an organization to be whole heartedly involved in the day to day operations of an organization.

It is only in an atmosphere of camaraderie that trust and confidence can be established, Geary,( 2003); thus, for organizations to succeed with the

implementation of TQM strategy, HRM practices and initiatives, that allow for an atmosphere of psychological contract to be entrenched in its body of policies, should be allowed to flourish, so as to facilitate the linkage between psychological contract and the use of discretionary behaviour. An employee that is allowed freedom of choice in using his/her discretionary behaviour as encouraged by the implementation of TQM by seeing the employee as the internal customer, and not necessarily adhering to all rules as directed by management hook-line and sinker, will definitely give his/her best to an organization, because the phobia of high handedness which inevitably leads to human resource capacity under utilization of employees and poor performance from above management when eliminated, will allow for greater performance from employees, Grant,( 2008) and thus, the idea behind AMO(Ability, Motivation and Opportunity) as postulated by Purcell et al.,(2003) would have been achieved, because, within the AMO model lies the desire to see employees not being bossed into a tight corner of having to implement all that management of organisations have to say to their employees but having the freedom to exercise their innate knowledge, which of course can only be demonstrated and made manifest, when given the necessarily opportunity and motivation to do so.

### **EMPLOYEE INVOLVEMENT IN TOTAL QUALITY MANAGEMENT AND NEW RESEARCH EVIDENCE**

Recent research by authors on TQM sees the participative involvement of the employee during the conceptualization stage to the implementation stage of the strategy as crucial. In a survey carried out in six named organizations(British Steel , Shotton Works, in North Wales); the Halifax Building Society; the London Borough of Lewisham; Philips Domestic

Appliances (Hastings site, in Sussex); Severn Trent Water; and South Warwickshire NHS Trust. It was based on interviews with managers and trade union representatives and a detailed survey of employee opinions; a total of 280 employee responses was obtained by Collinson, Edwards, and Rees, (2003). Result of the research shows (a) that employees welcome some but not all features of TQM, (b) that existing accounts have an unduly strict benchmark for the effects of TQM, and (c) that success depends on certain conditions. More than four-fifths of the sample survey revealed that employees saw quality as the crucial issue for their organisations' success, growth and development in order to sustain competitive advantage over competitors and as such, welcome the need for the implementation of TQM. Almost two-thirds of the same sample survey felt that employees had a "great deal" or a "fair amount" of influence over quality, and over 70 per cent of the sample survey acknowledge that their own involvement in problem-solving had increased enormously. Five employees in six identified the presence of meetings designed for problem-solving.

Of the sample survey, 72 per cent acknowledge that there had been an increase in communication activity recently. The most favourably evaluated method was team briefing, followed by informal communication with individual managers. It was direct, face-to-face, communication, where the worker is allowed to air his mind, as regards operations and how things are done in the organization they work for, thus giving them that sense of 'belonging' to an organization who cares for their input in the day to day running of the organization (internal customers) and this open line of communication was most valued by this segment of employees during the

research sample survey. Many proponents of TQM claim that it “empowers” workers. Critics equate it with work intensification and stress. The research sample survey result shows that neither picture is accurate. Managements in the organisations surveyed, did not use the language of empowerment and had more pragmatic goals, as one of the managers summarily puts it as “empowerment is not a word used at local level; we can and do involve people more but we need to have constraints”. Employees reported greater effort outputs, but most liked the pace at which they worked. Those who were working harder and who were most subject to the measurement of their performance were also the most likely to favour quality strategies like the TQM.

According to the research, acceptance of TQM was greatest where several conditions prevailed:

- Better feeling of job security was a key element in encouraging acceptance of quality initiatives.
- Training was very crucial; it was the pivot upon which quality strategies was built, as it involves educating the employee on what is expected of them in the implementation of quality delivery strategies, invariably suggesting that, it is not the overall amount which mattered, but the extent to which quality delivery strategies were specifically linked to quality or teamwork.
- Cooperative interactions with employee representatives were an important element in easing the acceptance of TQM. All the organizations during the research were unionized, and it was found



that organizations which maintained working relationships with their unions were also the most likely to maintain their quality delivery strategies effectively, but does not claim that a trade union role was too essential. It quotes related research as showing that TQM can work well in non-union cases, but even in these, there was a system of employee representation in place.

- It was also evident from the result of the research that ad hoc measures tended to undermine TQM implementation. They were of two kinds: production measures, which made it hard for quality activities to be maintained; and financial measures, which could result in human resource capacity under utilization and commitment to TQM.

Quality delivery strategies like TQM can", the study says, " be seen as catalysts", bringing out workers' willingness to take responsibility and providing a focus and rationale for efforts at involvement. TQM strategy seem to promote a narrowly focused but real sense of discipline and purpose, rather than being a means to make workers work harder, the report concludes.

### **THE ROLE OF QUALITY IMPROVEMENT TEAMS IN TQM STRATEGY**

One of the major obstacles that have bedeviled the successful implementation of TQM is the non - recognition of quality teams in organizations in the quest for a successful strategy that will lift the organization above its competitors (Stanford, 2005). Team effectiveness is crucial to the implementation of TQM because the development of people and their involvement in the operations of an organization through teamwork is very essential , and for it not to be seen as such , will only ruin the

collective effort of inputs towards the actualization of a functional quality delivery strategy like the TQM(Lewis, 2004)

Quality improvement teams cuts across employees of organizations, representatives of customers and suppliers with a major objective of meeting the set target of achieving quality. In doing this, it is pertinent to note that certain criteria have to be fulfilled in order to get the desired result from a quality improvement team, since it embraces almost all the stakeholders that lay claim to a business, and these criteria, according to Geirhybein (2004) include choosing the leader and members of the team. In doing this, the team leader must:

- Possess effective Leadership Behaviour
- Possess the attributes of effective conflict management
- Should have the ability of encouraging innovation
- Have adequate knowledge of effective meeting management
- Manage and send out schedule of events and activities.
- Make certain that the team members are conversant with the modus operandi of team meetings/activities.
- Endeavour to make certain that meeting venues are secured well ahead of time.
- Engage in meeting with front line managers on favourable times for team meetings.
- Should be prompt and alert to time.
- Ability to record activities of team meetings in minutes as well as collation of data.

- Sets an agreed time for the next meeting as well as communicates minutes and ensure that action is taken for matters raised.
- Ability to identify training needs of the quality team in addition to be a good contributor and listener, and this can be achieved by being dedicated to the intended purpose of the team through effective commitment.
- Similarly, Geirhybein (2004) suggested what members need to have in order to be effective in quality delivery teams:
- Members must be willing, not forced or coerced to join a quality team for the fun of it.
- Members need to be passionate about what the quality team sets out to achieve at all times as the direct result of such commitment is the outright benefit of quality service.
- Members should be prepared to share their experiences with the team leader as well as among themselves, for the overall benefit of the team.
- Members should be able to buy into shared team vision
- Present in the members should be the spirit of natural collaboration
- Need to respect the views of other members when they speak, listen to them when they have issues to raise as well as, be able to communicate effectively with both the team leader and members.
- Members should equally be ready to take down minutes at the request of the team leader, be prepared to follow up actions when directed and never be afraid to say ' I don't understand' when situations arise .

- Members need also to be able to contribute meaningfully to discussions on the floor during meetings as well as being effective listeners.

Quality improvement initiatives typically involve the directed efforts of quality improvement teams. Making adequate use of quality improvement teams and empowering employees to solve quality-related issues using such tools as AMO(Ability, Motivation and Opportunity) as exemplified in the work of Purcell et al.( 2003) can serve as a leverage for the implementation of a TQM system. The effective use of quality improvement teams, and the TQM system as a whole, can be strengthened by the basic application of principles of motivation, especially the the recognition of team achievements as against those of individual employees, and the effective use of goal setting for team efforts, are crucial in driving the process of TQM. The HRM department is in a vantage position to help institutionalize team approaches to TQM by designing appraisal and reward systems that focus on team performance, Fran, (2002).

### **INSTITUTING TQM CULTURE IN ORGANISATIONS: EMPLOYEE INVOLVEMENT**

People can be better managed to embrace TQM by institutionalizing TQM organizational culture in the employees, so as to be able to deliver quality products and services to customers, Collinson et al, (2003). Human resource management can play a crucial role in the i

mplementation of TQM strategy. HR managers or practitioners are responsible for recruiting and selecting high-quality employees, the continuous training and development of these employees, and the creation

and sustenance of reward systems. Therefore, TQM sees to the control of processes that are pivotal to the accomplishment of cultural changes often required for TQM to be successfully implemented, Haigh and Morris, (2002). Directing the TQM cultural development initiatives to the organisations' conditions is important in subduing opposition to change and moving beyond simple compliance toward a total commitment to TQM processes.

According to De Wit and Mayers, (2005), holding a significant connecting role between top management and employees, HRM has many avenues to institute communication channels between top management and other members of the organization. Using these