

# A Theoretical Review of Innovation Technique of Total Quality Management in Organizations

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**Abstract:** *In all sectors of the economy Total Quality Management (TQM) is an important innovation technique that has been adopted about one decade ago as a better approach for good service delivery, waste reduction, quality and productive business performance. It is a philosophy that involves everyone in an organization in a continual effort to improve quality and achieve customer satisfaction. Numerous researchers and academicians have also acknowledged the applicability of TQM for sustainable competitive advantage for organizations. This study therefore provides a review of TQM in organizations. The research methodology adopted for the study was qualitative which was based on the extent literature. There are two key philosophies in TQM. One is a never-ending push to improve and the other is a goal of customer satisfaction which involves meeting or exceeding customer expectations. Hence, the purpose of this study is to understand the concept of TQM as applicable to organizations and to provide systematic guidelines for effective implementation of TQM in organizations. It also provides a better understanding of TQM and its practices in organizations. In other to ensure changes in employees' attitude to quality management, the study recommends training and education of management at all levels in the area of TQM practices.*

**Keywords:** Total Quality Management (TQM), Innovation and Organizations

## 1. INTRODUCTION

The dynamic, turbulent and challenging nature of the market conditions/environment occasioned by globalization and economic dominance has brought untold/heightened competition among organizations. Thus, organizations are making frantic effort to distinguish themselves from their counterparts by maintaining quality in service and product in order to survive and attain a sustainable competitive edge. Organizations can increase their customers' satisfaction through quality practice that may make the customers different from other competing organizations (rivals). A good quality product or service will enable an organization to add and retain customers, which will make them sustain competitiveness and profitability. While poor quality will lead to discontented customers, which means that the costs of poor quality are not just those of immediate waste or rectification but also the loss of future sales.

In an attempt to address this issue, most organization over the years are adopting and implementing Total Quality Management (TQM) as a management approach to achieve continuous quality improvement. This TQM is applicable to any organization irrespective of size, and motives. Hence, many organizations have responded to these challenges by adopting TQM in order to make them effective in meeting customer demands and as well achieve competitiveness and business excellence.

Quality issue, as earlier mentioned is gaining prominence due to the following major reasons. One of such reason is the

rapid globalization and competition in today's market economies as has been said from the earlier paragraph. As trading barriers are collapsing all over the globe due to technological innovations and firms are competing for markets that were previously controlled by monopolist; the issue of satisfying the customer has become organization's concern in order to survive. Another major reason is the understanding that organizations has gained of the cost of poor quality. This is because quality affects all aspects of organization and has cost implication. Hence, an organization that is meant to produce poor quality will experience customer dissatisfaction and consequently lack of patronage.

In view of the above benefits of TQM to firms, most organizations have embraced the quality approach with focus on a multi-dimensional, including management consulting, customer satisfaction measurements, employee feedback, motivation s, training and ongoing reinforcement. The ability of management to understand the principles and techniques of TQM and their ability to respond appropriately to this approach is critical factor affecting organizational performance.

## 2. LITERATURE REVIEW

This section review related literature on TQM, its principles, importance and its implementation. It also provides theoretical framework for the study.

### 2.1 Total Quality Management

Quality management s have been extensively adopted around the world as organisations seek to attain and sustain a

competitive edge. TQM is a quality management principle which helps companies increase both customer satisfaction and financial benefits (Breyfogle, Cupello, and Meadows, 2001; Tenmant, 2001). This (TQM) seeks to find and eliminate causes of defects or mistakes in business processes by focusing on outputs that are important to customers (Anthony and Craig Fergusson, 2004). In the early 1950's Japanese firms and later after 1970's firms in the US and Europe started to adopt this approach to quality management, moving away from just controlling the production processes to continuously improving the products and production processes (Anthony and Craig Fergusson, 2004). This was because product/service quality was paramount to the survival of firms. Also it is understood that quality dictates the viability of an organization.

Porter and Tanner (2005), define Total Quality Management as an approach which focuses on improving the organization's effectiveness, efficiency and responsiveness to customers' and other stakeholders' needs by actively harnessing people's skills and competencies in the pursuit of achieving sustained improvements to organizational performance. Both authors define TQM with particular end goal of the customer being the cardinal focus of sustaining quality in an organisation. In another perspective, Kanji and Wallace (2000) maintained, TQM is a culture by an organization that is committed to customers' satisfaction through continuous improvement based upon meeting or exceeding their customers' expectations. By this it means that TQM has four main targets; satisfying customers, satisfying staff, increasing revenues and reducing costs. And since it is a culture, it also means that it varies from one country to another and between different industries, but has certain essential principles which when implemented could secure the four main targets mentioned above.

The overall objective is to ensure continuous improvement in the quality of processes, products, services and people by involving all employees to achieve superior customer satisfaction through a set of principles, techniques, and tools (Mukhles & Andrew, 2011). Since implementation of TQM is associated with benefits to both the organization and its clients, it is regarded a double sided competitiveness tool (Mukhles & Andrew, 2011). It is important to note that any organization can implement TQM irrespective of the size or operations (Mukhles & Andrew, 2011). However, the success of the implementation process depends on how well the organization understands the process and the strategies adopted.

As the name implies, TQM is the management of total quality: Quality of products/services i.e. to satisfy stated needs of end users; Quality of returns of shareholders; and Quality of life of employees and those outside the organization.

TQM therefore goes well beyond meeting customers' needs or merely offering quality products/services. TQM realigns the organization from detection to prevention via timely monitoring. TQM views quality in relation to the process and not the product. To have such a process, it has to

begin with a corporate transformation where all employees shed individualism for a unified set of corporate values. This can be achieved via a lasting commitment to the process of continuous improvement. The main driving force of TQM is customer satisfaction.

TQM as a management philosophy has revolutionized operations and productivity in modern organizations-manufacturing or services industries. Yalokwu (2002) states that organizations that adopt TQM as a way of life and not just as a means of being relatively more successful than those which do not incorporate TQM in their system of doing things. This is supported by Evans and Lindsay (2001) that many companies achieved astonishing success through total quality emphasis and because the world is becoming more quality conscious, companies that resist TQM may not be in business for long. Moreover, TQM has been credited with some extraordinary success stories (Stainer, 2001). These successes involve business turnarounds for industry giants such as Ford, Samsung, and XEROX (Krishman et al. 2004). Organizations therefore must place high premium on not only productivity but high profitability as well as high quality in order to remain relevant in today's competitive global market. Coupled with these are external pressures which fuel the quest for quality improvement in the production/provision of goods and services.

Perhaps this explains the position of Yalokwu (2002) in which he maintains that for every progressive organization to succeed in this turbulent and competitive world is TQM. For an organization to apply TQM means that it has the potentials of developing efforts towards changing its own managerial approach in the production of goods and services which continue to meet agreed customer requirements at the lowest cost through the utilization of the potentials of all employees of the organization. It follows that it is not merely a technique of management but a style of working in the organization.

Implementation of TQM is an elaborate process that takes time and resources. It is a process that must be initiated and managed by the top management. The top management must make available all critical resources required as well as the organizational structure and culture required. The process must focus on finding out, meeting and exceeding customer needs and expectations through total involvement of everyone in the organization and through continuous improvement. Oluwatoyin (2008) is of the view that TQM process requires exceptional skills and team work that call for continuous employees training and development.

It is important to note that there are factors that may inhibit successful implementation of TQM. Arshida & Agil (2012) refer to them as barriers of TQM implementation. These factors include; lack of top management commitment which is associated with lack of critical resources and poor leadership leading to poor employee empowerment and motivation, poor or weak organizational vision and plan statement that dilutes employee's efforts in quality. Another important factor is government influence that is associated with bureaucracy and other slow systems. Lack of favorable

quality policy or low government support of quality s makes it a challenge to adopt and implement quality initiatives.

There is no gainsaying that the introduction of TQM is set to achieve certain goals which include cost effectiveness, defect free work, and customer satisfaction. However, many researches and articles talk about TQM and its elements since the 1980s and 90s. Their analysis of the elements of TQM varies from author to author and includes Leadership and Management Commitment, Training, Communication, Teamwork, Customer Satisfaction, Continues improvement and Empowerment.

From the foregone, TQM is aimed at quality improvement process of individuals, groups and organizations, hence, people need to know what to do, how to do it, having the right equipment to do it, being able to measure performance, and get feedback on present levels of achievement, etc. This implies that TQM does not apply “a fix it quick” principle (or a “fire brigade” approach). However, it requires the cooperation of managers in every function of an organization if it must succeed.

## 2.2 General Principles of Total Quality Management

Principles are comprehensive and fundamental law, doctrine, or assumption. Hence, for TQM to achieve the much talked about continuous quality development and improvement in organizations, management must understand and stick to the following mentioned general principles; Customer centeredness/orientation; Make continuous improvement a way of life; Do it right the first time; Build teamwork and empowerment (employee involvement); Produce at lowest cost; Management by fact; Supplier Quality Management; Recognition and Reward and Education and Training

Among all, training has been found to be an essential factor for any successful quality management (Oakland, 2000; Porter and Parker, 1993; and Motwaniet, 1994). Chief executives and quality experts have successfully implemented these in their organizations. This is in harmony with the study of Oluwatoyin & Oluseun (2008) on total quality management, that there is positive relationship between employees training and TQM implementation. The two argue that cost is minimized and defects of error reduced when training of employees on quality are effectively facilitated in an organization.

## 2.3 Importance of Total Quality Management (TQM)

The potential attachment to quality of products and services cannot be overemphasized. Quality is the main concern of TQM and it affects an organization in the following ways:

- i. Improved image and reputation:- quality products promote both the organization and its product/services since perceptions are developed based on customers’ experiences with such products/services.

- ii. Improved profits: - quality products guarantee increased market share, higher sales and cost saving. This translates to profitability
- iii. Lower costs: - TQM stimulates improved performance and increased productivity which means lower rework time, scrap costs, and warranty costs. This means increased profits. Products that emanates from TQM are usually cheaper to produce because of efficiency in performance.
- iv. Competitive advantage: - there is a gain to any firm that produces quality products and services in terms of competition edge over its competitors.
- v. Enhanced commitment: - this means since TQM is employee driven, all are deeply involved in the processes and it helps in boosting the members’ morale and productivity.
- vi. Products liability: - defective products may generate ligations, complaints which involve cost to the organization. Quality reduces the instances of being held liable for products deficiencies.

## 2.4 Nature of TQM and its implementation

All over the world, organizations operate in differing work environments and contexts, with diverse organizational cultures and differing business requirements. Quality initiatives that match one organization may not work well for another. Naturally therefore, some TQM practices might not be as applicable to some firms/companies as to others. Such difference is likely to exist among companies, countries and regions, mainly due to organizational and national (country) cultures. In the study of Flynn and Saladin (2005) examining the relevance of theoretical TQM factors across national cultures, found that national culture plays a strong role in the effectiveness of the Baldrige constructs. Their findings also indicate the need for countries to develop awards and quality initiatives tailored to their national cultures.

When planning TQM implementation, a prevalent question that strikes organizations is “what TQM practices to implement”. Internationally, quality managers have differences in perception of the importance of TQM practices (Rao et al., 1997, Solis et al., 1998, Black and Porter, 1996). Because the managers of each company are knowledgeable about their strengths and weaknesses, they are in the best position to select what is right or wrong for them in terms of the quality activities and practices to implement in their organizations. Accordingly, a set of TQM factors based upon the perceptions of actual industrial practitioners is arguably more valid than a `standard` prescriptive set of activities and practices (Black and Porter, 1996).

According to Oakland (2004), the company leaders and quality managers of many industries may not be specifically familiar with TQM but may be practicing TQM principles routinely without even knowing it. Therefore, any TQM in any organization should be validated by the leaders of the organization. For this purpose, an appreciation of the perceived importance of TQM factors by managers at every level is required. Furthermore, the managers should be



familiar with the recognized best practices in a TQM me, and allowed in an informed manner to choose what they feel right for them. As such, their preference in implementation would be based on their practical experience in addition to their knowledge of the TQM theory or any TQM framework.

Similarly, Soltani et al (2005), noted a great deal of confusion about what TQM actually comprises, and each writer's version reflects their management background. Soltani et al. (2005), further argue that such variations in TQM practice are also replicated differently in different organizations. Thus, although, it is likely that core TQM principles will be present in one form or another during implementation, complementary practices will differ from organization to organization. Therefore, it is important to consider TQM implementation from the perspective of each organization having different TQM and organizational culture profiles. Each organization should follow individual implementation strategies that fit its business needs (Ghobadian and Gallear, 2001). Organizations need to develop their TQM initiatives tailored to their organizational and national cultures and business environment (Oakland, 2003).

An equally relevant argument regarding the bespoke nature of TQM implementation was made by Ghobadian and Gallear (2001). They undertook an empirical examination and proposed a generic model by developing a non-prescriptive model of TQM implementation within which practitioners and researchers can place other evidence in order to enhance their understanding of the complexities. According to Ghobadian and Gallear (2001), organizations have different contingencies in terms of their internal and external environments and thus, the details of implementation, like activities and tactics, may differ substantially.

Shin et al. (1998) also concluded that implementation should be unique to each company. They argued that the success of TQM is a function of many variables (both controllable and uncontrollable), and many of them are unique to the company situation. Therefore, they concluded that each company should tailor its approach to exploit its unique strengths and focus on its particular weaknesses. As cited by Gallear and Ghobadian (2004), a number of researchers and authors have noted that for all the attention TQM has received, there appears to be an apparent neglect of the design issue (Glover, 1993; Tolchinsky and Ranney (1994); Mann and Kehoe (1995). The arguments put forward in this section support the proposition that organizations should use a rational approach of identifying areas of improvement, identifying existing organizational culture, understanding significant TQM implementation barriers, and dealing with them on a priority basis, in order to help to save effort and money during the TQM implementation.

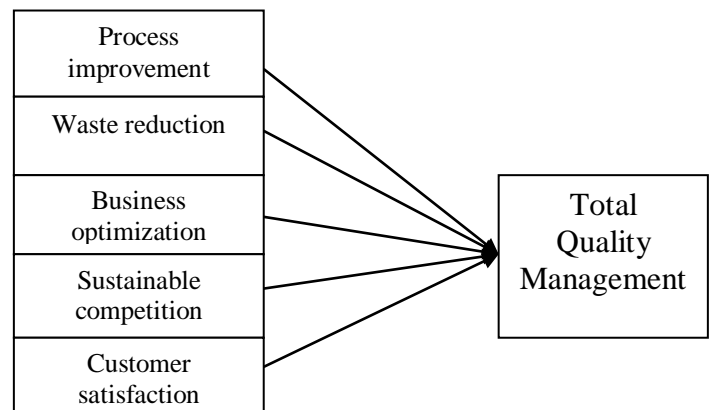
### 3. THEORETICAL FRAMEWORK

The study uses Critical Success Factors Theory developed by John F. Rockart in 1979 as a way to define the information needs for the purpose of managing organizations. Critical success factors are those things that must go well to ensure

success for managers or organizations to achieve success in their operations. Such things are managerial or enterprise areas that must be given priority in order to achieve high performance. Thus, this coincides with the philosophy of TQM that if accords priority will bring about quality management in the organizations. The theory was modified and adopted to serve as framework for this study using the following operational factors as critical success factors for quality management.

Modified research framework to the study

### 3.1 METHODOLOGY



Since the study is review the methodology adopted was based on extent literature where secondary data was collected through literature review from reputed journals, articles, books, magazines, and Google Scholars.

### 4. FINDING

This study provides an insight into the adaptation of innovation technique of Total Quality Management in organizations. It was found that although TQM is a philosophy that involves all levels of management in organizations it required more of top level management dedication towards improving quality and achieves customer satisfaction. Thus corroborates the view of Oluwatoyin (2008) view that TQM process requires exceptional skills and team work that call for continuous employees training and development.

### 5. CONCLUSION AND RECOMMENDATIONS

From the finding above, it is concluded that organizations that want to implement TQM effectively must have patience because TQM takes a long time to get implemented and to have fruitful results. It requires major changes in cultural aspects as well as employee mindset in an organization. Availability of critical resources enhances capacity of the involved employees in adopting quality management programs.

Based on the above, the following recommendations and those of others were made;

- i. There should be constant training and education of staff in TQM practices. This will ensure changes in employees' beliefs, behavior and attitude to quality.
- ii. Employees should be rewarded and recognized for their quality improvement efforts
- iii. Identify customers and learn what customers' need are. Leads his/her people in identifying how to better serve customers
- iv. Management of firms/companies should ensure that level of awareness of TQM among staff does not fail. Rather they should create more awareness by ensuring that specific structures that will support TQM practices are created.
- v. All employees should assigned roles and responsibilities of total quality operations. This will ensure that employees are accountable for deficiencies.
- vi. There should be constant evaluation of TQM practices so as to ensure constant improvement in quality

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