Conceptual Review Of Total Quality Management 
On The Organizational Performance

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Abstract
The study examines the concepts of Total Quality Management (TQM) and how it could enhance organisational performance. TQM is a tool that helps stabilise high work quality at the organisational level and increases the workforce’s elevated level of productivity. To be more exact, TQM practise and implementation ensure a business with a formidable reputation. Consequently, this study reviewed existing literature on Total Quality Management and its impact on organisational performance. It critically evaluates the conceptual development, as well as related underpinning theories of the concept. The study is conducted in the form of review of literature, consequently, the empirical validation of the concepts presented is outside the scope of this paper.

Keywords: Total Quality Management, Organizational Performance

Introduction
A wide range of TQM definitions are presented in quality management literature (Al-Dhaafri et al., 2013). TQM is a method that requires participation from all levels of employees, to continuously enhance the quality of delivered products (Boateng-Okrah & Fening, 2012). TQM is a management philosophy that helps organisations produce efficient and quality products by enhancing quality, with the aim of raising standards to meet customer satisfaction (Junior et al., 2014). According to Calvo-Mora et al. (2013), TQM is a collection of strategies and action plans used to remove variances in processes to increase reliability, efficiency and quality. Since the 1990s, Malaysian organisations have shown interest in Quality Management (QM) practices (Thiagaragan, 2001). In comparison to other emerging countries in Asia, Lasserre and Probert (1994) asserts that Malaysia has superior quality standards. Research on TQM practices have been carried out in Malaysia in the service industries (Ooi, 2011), manufacturing industries (Aamer et al., 2017), as well as other sectors, including the hospitality sector (Sin et al., 2021).
Concept Of Total Quality Management (TQM)

Total quality management (TQM) refers to a management philosophy that focuses on continually improving the quality of products, and/or processes by concentrating on the needs and expectations of customers to increase customer satisfaction and firm performance. According to Jammal et al. (2015), TQM can be defined as the process of continuously improving administrative and productive processes by reviewing and analyzing achieved results, identifying additional means and methods for increasing performance, and attempting to reduce the time and effort required to complete production processes by eliminating all unnecessary functions for consumers and the productive process.

Evolution of total quality management.

Existing research suggests that there is a rise in popularity of TQM as an essential management tool and this has attracted the attention of stakeholders and scholars who have come out with varied definitions (Dahlgaard et al., 2019). However, despite growing scholarly interest in TQM, scholars are yet to come out with an accepted definition that fully captures the dynamics of this phenomenon. In fact, there have been challenges regarding defining the concept of TQM because scholars have given varied definitions that conform to their beliefs, prejudices, and business and academic experiences (Nair & Ramachandran, 2013). Therefore, no specific definition for TQM as a concept is available. Consequently, according to Lau and Anderson (1998) there are no uniform definitions of what TQM is. They argued that twelve out of thirteen articles on TQM published in the special issue of the magazine Quality Progress in July 1995 gave twelve different definitions of TQM. Hence, this indicated that there are variations in the definition of TQM (Addo & Ackah, 2017; Mahmud & Hilmi, 2014). Following the above, within this section, the prevailing TQM definitions are presented.

Firstly, looking at it from the angle of it being a long-term success tool for customer satisfaction, Kumar and Sharma (2016), defines TQM as:

A management style for a company that is centered on quality, involves all members, and aims for long-term success through customer satisfaction and benefits to all members of the organisation and society.

The researchers went on further to state that TQM is a process by which management and employees can collaborate on the ongoing improvement of goods and services production.

On the other hand, looking at it from the point of view of a premium on quality improvement, Mohrman et al., (1995) stated that TQM practices is a management approach that places a premium on continuous improvement of quality and customer satisfaction. According to them TQM entails the use of systematic tools and approaches for managing organisational processes with these goals in mind, as well as the establishment of structures such as quality improvement teams and councils for maintaining focus on these goals and enacting organisational policies.

Viewing it from the perspective of quality being a changing preference for customers, Deming is of the view that, quality is about people and not products (Aich et al. 2018). According to him, as customers' preferences are always changing, there is a need for organisations to assess these needs, and to produce goods and services to cater for these changing preferences (Alauddin & Yamada, 2019). Therefore, to improve organisational effectiveness Deming established his “14 Points” ideology. Deming’s “14 points” was formulated with the aim of instilling joy in people’s work. The role of management was amplified to be that of providing leadership towards continuous improvement of the
organisations’ systems, as well as continuous development of its people. The Deming Prize, which is the highest TQM award, is based on the Deming philosophy and is awarded to individuals, who successfully spearhead TQM initiatives, as well as to organisations that have successfully implemented TQM initiatives (Hussain & Khan, 2020).

Furthermore, available literature indicates Joseph Juran developed a philosophy of quality while working at Western Electric in the 1920s. During this period, Juran developed a similar approach to that of Deming but with some minor differences (Addo & Ackah, 2017; Dil Rougan, 2015). Juran just like Deming argues that products with mediocre quality in the US, results in losing customers to foreign competitors, thereby creating a disaster for some companies. Also, Juran agrees with Deming that quality improvement involves better means of introducing changes within the hierarchy of management at all levels (Kacemi et al., 2018). Nevertheless, Juran argued that management must play a dominant role in bringing about change within the organisation.

Viewing it from a different angle and contrasting Deming and Juran, Feigenbaum places emphasis on the role of management controlling and coordinating all operational functions of the organisation. According to Feigenbaum this function thus includes social and technological dimensions (Hamid et al., 2019), therefore, managers need to attend to all these various facets of the organisation to become effective. Consequently, managers must focus on providing customer satisfaction and having good relationships with suppliers (Oparinde, 2019). Feigenbaum asserted that quality goes beyond mere inspections of products during the production process. Lofty standards should permeate through the structures and the organisation should adopt highly skilled operatives, good quality materials, and mechanisation. Finally, the organisation should provide good customer service at economical prices. Feigenbaum, therefore recognized four main key stages of quality control:

It must be emphasised that despite the variations in definition of the TQM concept, one common theme that runs through all the definitions is that quality should meet the needs and expectations of customers within an acceptable range.

Challenges In Implementation Of Total Quality Management Practices

Despite the several benefits in implementing TQM practices, organisations face numerous challenges as well. According to Dahiya and Bhatia (2013), challenges faced by organisations include lack of employee commitment, poor communication channels, as well as difficulties in identifying customer needs and wants. Guga and Mugyenyi (2022) in their research on the implementation of TQM practices in secondary schools in Northern Tanzania, identified lack of teamwork, shortage of resources and lack of motivation as key challenges. Adeyemi et al. (2022) in their review identified lack of management commitment, implementation of strategies which are not customer orientated, communication issues between employee and management, as well as lack of adequate planning and implementation strategies, as key challenges. Anuar et al. (2017) in their research involving hotel managers employed in Malaysia identified lack of top management commitment, lack of employee involvement and deficiencies in product and service design, as well as poor implementation of quality systems.

Relationship Between TQM And Organisational Performance

Total quality management (TQM) plays an important role in augmenting organizational performance, but it may not necessarily create outcomes per se, even though it appears to be an action-based initiative, which provides the basis to implement and execute
quality initiatives within a firm. For example, Mehmood et al., (2014) findings revealed that continuous improvement and employee involvement had significant impact on organizational performance, whilst customer focus and top management commitment had no significant impact on organizational performance. Anggadini et al. (2021) evaluated the impact of TQM practices of customer focus, continuous improvement, and employee empowerment on organizational performance, using the Balanced Scorecard approach and found that continuous improvement had a more propound influence compared to the other two variables. According to Honarpour et al. (2012), TQM practices and innovation are inextricably linked. Apart from that Bock & Kim, (2002) have demonstrated through their research among Korean employees that TQM methods boost employee performance.

TQM Dimensions

According to some academics, the intangible, behavioral, or "soft" variables, or customer focus, employee involvement and top management support and leadership, are the most important TQM dimensions because they are not only apparent but also directly affect the organizations’ success (Dow et al., 1999; Powell, 1995). Therefore, the following dimensions of customer focus, continuous improvement, employee improvement, and top management commitment are discussed below. These features or elements can be responsible for helping organizations to better manage the total quality of their product and service.

Customer Focus

Customer focus is the key factor of total quality management which enables the authorities of business organizations to know the demands of the consumers (Basheer et al., 2019). Customer focus refers to the interactive viewpoint or outlook between the customer and the seller. Total quality management ensures the seller sells their product to the customers based on their primary requirements. According to the view given by Dewnarain et al., (2019), the performance of an organization and quality of their products can be improved or enhanced if they are focusing on factors such as customer needs and customer satisfaction. The total quality management team could generate a strategy focusing on the customers’ requirements and their beliefs on the brand.

The products of any manufacturing company are made to satisfy the customer’s needs (Dawabsheh et al., 2019). The quality of the product needs to satisfy the customer. Any plan made before starting the process of manufacturing a product needs to be customer oriented. Organizations need to do market research to know what needs to be planned for manufacturing a product (Saffar & Obeidat, 2020).

A product needs to be customer-oriented and any product not satisfying the customer’s needs will not be able to get penetrated in the respective industry and competitive market. Focusing on the customer is one of the basic dimensions of total quality management. To maintain sustainability against the competitors in the market, the business organization can consider assessing the perspectives of their consumers so that they can be able to improve their service. Organizations need to delight their customers by introducing new ideas to the product of the organization. As opined by Dewnarain et al., (2019), the method of introducing new ideas to the products of the organization can help any organization win against other organizations to get a huge number of customers. According to Asikhia (2010), customer orientation or focus is favorably correlated with organisation performance.
Continuous Improvement

After planning the method of manufacturing the whole process needs to be conducted under the supervision of the experts. The process manufacturing of a product can come across a few errors or mistakes. These mistakes need to be recorded by the employees and they should be reported to the managers of the company. In case the mistakes have any kind of root causes then those need to be identified by the managers and supervisors of the company. The improvement of products and services should be done based on those identified mistakes as well as the process of manufacturing needs to be improved. The process of total quality management should be included in the improvement of the quality of the products, as well as the assessment of organisational performance (Shams, 2017).

As per the view of Gamini and Rajapaksa (2020), all the workers working at different levels of the organization need to put in a continuous effort to achieve the desired goal of a firm. Continuous improvement requires having in place procedures that will assist the staff to get better quality results from their effort. The main aim of total quality management is to ensure that the right decision is made at the right time, every time resulting in improved service. Tavana et al., (2021) has stated that continuous improvement includes some key elements like customer focus, an individual's wellbeing including their physical health and mental peace, total involvement, and process improvement. The focus of continuous improvement includes continuity of efficient workflow and improvement in employee productivity levels. Progressive improvements in efficiency coupled with improvements in quality and process times, also are important in all aspects of continuous improvement. Employees and managers are encouraged to innovate and perform at high levels through continuous improvement efforts undertaken by organisations (Prajogo and Sohal, 2001). Such programs enable organisations to better focus their efforts and resources to increase performance significantly.

Employee Involvement

Employees are the core building blocks of any organization. The employees are the ones who make the major effort in manufacturing the products. Any organization needs to put a certain amount of effort into training their employees properly in a regular manner so that they remain updated with the cutting-edge technologies or ideas used in the firm. Better the training will better the outcome of the product. Also training the employees and developing their skills can empower them and make them loyal to their corresponding organization (Al-Tit, 2017). Training to develop the skills of the employees can make them take active decisions for a positive change.

Employees' involvement is one of the significant factors of total quality management which comprises the direct employees' involvement in the improvement of organizational performance. Employees could apply their own idea; own points of view to make the right decisions as well as to solve the crucial problems to improve their organization's continuous improvement (Abu-Rumman, 2018). As opined by Pokharel et al. (2023) while employees are involved with the quality management team, they execute their own calculations, framing their work, and give enthusiasm or encouragement to their jobs, and their subordinates. With the help of employee involvement, the improvement process of an organization will be done more clearly.

Li (2000) found that training employees and involving them in decision-making, as well as sharing information are methods that help the organisation use its resources effectively, which in turn improves organisational performance. Training and development boost
employee loyalty and give them the tools they need to actively participate in change processes for ongoing improvement, which ultimately improves organisational performance (Lorente, et al., 1999; Mertins et al., 1997).

Top Management Commitment

Top management play a very important role in increasing the total quality of the manufactured products. The top management should be supportive, strategic, and empathetic so that the firm can improve more. Management systems require a great level of management commitment (Fernaldi et al., 2020). Taking strategic decisions with an objective vision helps organizational performance. The program installation can be responsible for ensuring the success of the program and it requires commitments from the top management of the company. Commitment of the management is important for the organization to encourage their employees to deliver better performance (Aletaiby et al, 2021).

Total quality management ensures support towards the employees’ efforts in improving their skills and achieving the ultimate targets set by management (Mahfouz, 2019). Basically, top management commitment from the total quality management team focuses on the employees’ empowerment and their improvement through a proper direction and commitment. Top management plays a role in consistently assessing the organisations' quality management systems at predetermined intervals to ensure efficacy and effectiveness. Regular top-down communication can contribute towards improving quality management systems and ensuring that these remain relevant in a dynamic environment (Sirma et al., 2019).

Conceptualisation Of The Framework

The following diagram provides the framework that establishes the relationship between TQM (the independent variable) with its respective dimensions and organizational performance, which is the dependent variable.

Figure 1: Conceptual Framework

TQM and organisational performance have been closely analysed, yet the findings have been contradictory. Most earlier studies concluded that TQM and organisational performance were positively correlated. The conceptual model illustrates how TQM and OP are related. TQM is a multidimensional construct with four main activities that include top management commitment, customer focus, continuous improvement and employee involvement with organisational performance acting as a dependent variable (see Figure 1). According to Kaynak (2003) top management commitment and employee involvement have
an indirect influence on performance. Flynn et al. (1995) in their research identified that customer focus, with elevated level of customer satisfaction initiatives more likely contribute to improved organisational performance. The researchers also asserted that TQM practices, like customer focus and continuous improvement have the highest impact on organisational performance.

Top management should lead the way in developing a quality culture, incorporating continuous improvement, and encouraging employee involvement, by creating opportunities for creativity and innovation. Top management can also improve TQM training effectiveness, facilitate better top-down communication, link rewards to quality improvement, as well as implement client-driven strategies, which will lead to improving the organisations’ performance (Karunakaran & Bayavanda, 2022).

**Theoretical And Contextual Contribution**

The theoretical and contextual contribution of the paper lies in its exploration of the relevance and applicability of TQM concepts in the Malaysian service sector, akin to their utilization in the manufacturing industry. This research endeavours to bridge the gap between TQM's historical association with Malaysian manufacturing and its potential to revolutionize practices in service-oriented organizations. This shift is significant in today's economy, where services play an increasingly dominant role.

From a theoretical perspective, the paper advances the understanding of TQM as a versatile and adaptable management approach. It challenges the conventional belief that TQM is solely suited for manufacturing, and instead posits that its core principles - customer focus, continuous improvement, employee involvement, and top management commitment—can be effectively translated into the service industry. This theoretical extension of TQM's domain has the potential to reshape the way organizations, particularly in the service sector, perceive and implement quality management practices.

In a practical context, the paper offers a research outline that paves the way for the integration of TQM principles into service organizations. By advocating for the adoption of TQM practices, particularly the core elements mentioned, the paper underscores their role in fostering better customer service and satisfaction. This resonates with the contemporary emphasis on customer-centricity and excellence in service delivery. Furthermore, the proposed research outline guides organizations on how to improve their overall performance by leveraging TQM principles effectively.

The contextual contribution of this paper is especially relevant in an era where customer expectations are at an all-time high, and competition in the service sector is intense. It highlights the need for service organizations to embrace TQM practices to stay competitive, enhance customer experiences, and achieve higher levels of performance. Additionally, it considers the evolving role of technology, data analytics, and changing customer dynamics in the service sector, thus positioning TQM as a vital strategy for adapting to these shifting paradigms.

In sum, this paper's theoretical contribution challenges traditional perceptions of TQM’s applicability, while its contextual contribution underscores the urgency for service organizations to leverage TQM principles to improve their operational performance, enhance customer satisfaction, and remain competitive in a rapidly evolving business landscape. The integration of TQM into the service sector represents a strategic opportunity for organizations to thrive in a customer-driven economy and foster sustained growth and success.
Conclusion

Therefore, this study evaluates and discusses the relevance of TQM concepts and its impact on organisational performance. In fact, a comprehensive review of literature shows that the TQM concept could be applied in an analogous way in the service sector as its being applied in the manufacturing industry. The study, therefore, proposes a research outline that will enhance the practical and theoretical aspects of TQM practices and how it could result in better customer service and satisfaction, as well improved organisational performance. Based on evidence emerging from the literature, the study proposed that organisations should adopt better TQM practices, especially focusing on customer focus, continuous improvement, employee involvement and top management commitment to achieve their goals and improve organisational performance.

References


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