

Total Quality Management and Organisation Development

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ABSTRACT: The concept of Total Quality Management is now recognized by most of the successful organizations, world over. Now-a-days customers are not bothered about price for purchasing goods or services, but quality and reliability are the overriding factors for the customers. Meeting customer specifications, dependability of services and speed of delivery are very distinguishing features for the successful organization. TQM is to be seen as a philosophy and a set of guiding principles that represent the foundation of continuously improving organization where each person is committed to Total Customer Orientation. So, it indicates that TQM is playing a very significant role in the organization and its development. In view of this the present paper makes an attempt to highlight the concept of TQM, to emphasis on the relationship of TQM with OD and to focus on the techniques of TQM which are playing very important role in the OD

I. INTRODUCTION

Now-a-days customers are more quality conscious than the price for purchasing goods or services. Quality and reliability have become overriding factors for the customers in their buying decision. Meeting customers specifications, dependability of service and speed of delivery are very distinguishing features for the success of an organization. The primary role of management is to lead an organization in its day-to-day operations as well as to maintain it as a viable entity in the future. Quality has become an important factor to success in this strategic responsibility. Providing high quality was recognized as a key element for success. At the end of the twentieth century, business organizations were involved in what has become a quality revolution. It began in Japan and has spread to other parts of the world. It involves entirely new way of thinking about and dealing with quality that encompasses the entire organization. This new approach has gained the popularity with different names viz., “Six sigma” at Motorola, “Leadership through quality” at Xerox, “Perfect Design Quality at Intel and “Total Quality Control” at Hewlett-Packard, but more often referred to as “Total Quality Management”.

“Total Quality Management (TQM) is a philosophy that involves everyone in an organization in a continual effort to improve quality and achieve customer satisfaction”. There are two key philosophies in TQM, one is a never ending push to improve (i.e. continuous improvement or Kaizen in Japanese) and the other is a goal of customer satisfaction which involves meeting or exceeding customer expectation.

It will be relevant to mention at the outset that as TQMs’ emphasis is on creating an organizational culture, which involves extensive participation, an emphasis on teams and teamwork, cooperation between units, generation of valid data and continuous learning, TQM is highly congruent with organization Development (OD) approaches and values. Most of the companies are interested to improve quality of their products and services through the TQM.

II. CONCEPT OF TQM:

The concept of TQM and what does the three terms in total quality management mean are explained in the following chart:

Total	Quality	Management
<ul style="list-style-type: none"> → Covers all functional areas. → Covers all employees at all levels. It is employee-centered. → Covers all others- <ul style="list-style-type: none"> • Suppliers, • Customers, • Who have a stake in the organization. 	<ul style="list-style-type: none"> → Conformance to customers needs expectations, quality service, → Fitness for use → Customer satisfaction 	<ul style="list-style-type: none"> → Effective utilization of: <ul style="list-style-type: none"> • men • machines • material • methods • money • time → Work towards continuous improvement in all spheres and activities of an organization.

TQM is a strategy that is formulated by the top level management and then diffused at all levels. Everyone in the organization, from CEO to lowest paid workers/clerks are involved in the TQM process.

Under TQM, not only the "Customer is King", but so are internal customers such as co-workers or other departments. In essence, TQM becomes the dominant culture of the organization. Some core values of every one are, involved in effective TQM and they are as follows:

- Make it right for the customer at any cost
- Customer is always right
- Internal customers are as important as external customer
- Respond to customer inquiry or complaint by the end of the day
- Answer the phone bell within two rings
- Not only meet customer expectations but delight customers in the process
- Team work and co-operation are important
- Every one involved in quality effort
- Respond to every employees suggestion for quality improvement
- Always strive for continuous improvement. Never be satisfied with level of quality.

Organization Process towards TQM:

Quality is not absolute but continuously changing the perception.

- 1) **Awareness:**
- 2) Every employee responsible for continuous improvement and should be aware of the benefits, TQM will bring, e.g. communicate the need for TQM and educate employees.
- 3) **Involvement:**
- 4) Organization should induce sense of belonging in the employees and involve them in every proactive process, e.g. communicate vision, develop supportive culture, develop them.
- 5) **Commitment:**
- 6) All employees are committed to satisfy internal and external customer and TQM becomes way of life, e.g. develop teams, goals, recognition systems, promote change etc.
- 7) **Ownership:**
- 8) Good initiative and innovative technique should be recognized which encourages employees to give their best, e.g. recognize achievements, reward success, empowerment, etc.

III. TQM AND ORGANIZATIONAL PERFORMANCE

Samson and Teriovski (1999) used a large database of 1,024 usable responses from Australia and New Zealand manufacturing organizations to examine the relationship between TQM practices, individually and collectively and firms performance. The study showed that the relationship between TQM practice and organizational performance is significant in a cross-sectional sense. The performance elements include quality performance, operational and business performance indicators. Some but not all of the categories of TQM practices were particularly strong predictors of performance. The categories of leadership, management of people and customer focus were the strongest significant predictors of operational performance.

An empirical study (Easton and Jarrell, 1998) compared financial performance of TQM and non-TQM firms, and reported an improved financial performance of the adopting TQM. However, many researchers have state that to be global competitive firms should only use productivity measures based on financial perspective (e.g. return on assets and return on sales) but should also view their operations from internal business and customer perspectives (The General Accounting Office Study,(GAOS),1990). The GAO Study (1990), categorizes performance measures for a manufacturing firms in three groups;

- (1) Financial measure;
- (2) measures from customer perspective and
- (3) measures from internal business perspective.a

The financial measures of performance according to the study are; market share, sales per employee, return on assets, and return on sales. The measures of performance from customer perspective are; overall customer satisfaction, customer complaints, customer retention, and order processing time, defects produced, reliability and cost of quality. Finally the measures of internal businesses prospective are; employee satisfaction, attendance, turnover, safety/health and employee suggestions received.

Techniques of TQM:

There are mainly three innovative techniques of TQM, which are play a very significant role in the organization development, they are;

- 1) Reengineering
- 2) Benchmarking, and
- 3) Empowerment.

i) Reengineering:

Reengineering is defined as “the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance such as cost, quality, service and speed”. Reengineering involves asking basic questions about business processes such as:

- 1) Why do we do it?
- 2) Why is it done this way?

The purpose of such questions is to uncover obsolete, erroneous or inappropriate assumptions. Radical redesign involves abandoning existing procedures and reinventing the process, not just incrementally improving it. But the goal is to achieve quantum leaps in performance.

For the successful adopting of reengineering process the organization has to comply with the following prerequisites:

- Fundamental understanding of processes
- Creative thinking to break away from old traditions and assumptions and
- Effective use of information technology.

There are several examples of reengineering in India and abroad. For example, Ford Motors, implemented reengineering in purchasing department, where over 500 clerks handled accounts, purchase orders invoices and other documents. After this, number of employees was reduced and things started working faster.

ii) Benchmarking:

Benchmarking is the process of “measuring your performance against that of best-in-class companies, determining how the best-in-class achieve those performance levels and using the information as a basis for your own company’s targets, strategies and implementation”. In short, benchmarking means “the search of industry’s best practices that lead to superior performance”. The term ‘best practices’ refers to approaches that produce exceptional results, are usually innovative in terms of the use of technology or human resources and are recognized by customers or industry experts.

Benchmarking helps a company to discover its strengths and weakness and those of other industry leaders and to learn how to incorporate the best practices into its own operations. It can provide motivation to achieve “stretch goals” by helping employees to see what others can accomplish.

Benefits:

- (a) This technique helps organizations to compare against successful company’s for identifying improvement strategies.
- (b) Enables to learn from others
- (c) Helps a need for change, by showing the organization how procedures and work assignments should be altered.
- (d) It has gained importance due to global and domestic competition.
- (e) Broadens people’s experience base and increase knowledge and
- (f) It is a tool for continuous improvement.

iii) Empowerment:

Empowerment is the process of delegating decision-making authority to the lower levels within the organization. Empowerment gives both responsibilities for delivering quality and authority to identify problems and then formulate and implement solutions to employers free employees from the need to ask for permission from a manager. Employees simply do whatever they must to solve the problem.

As employees become more empowered in their work, the feeling of ownership and responsibility becomes more meaningful. Further the act of empowering employees provides evidence of the management’s trust in the employees.

There are several basic conditions necessary for empowerment to become part of organization culture. These are:

- ◆ *Participation:* Participation encourages people to improve daily work process and relationships. Empowerment helps to take decisions.
- ◆ *Innovation:* Empowerment encourages innovation because employees have the authority to try out new ideas and make decisions. For an example, in one company, two engineers spent large amount to design and develop a new household product but were unsuccessful. CEO called these two engineers and treated them as guest of honour and appreciated their efforts by encouraging their innovative effort through empowerment. CEO also ensured that two engineers would continue to try new ideas to market a new product.

- ◆ *Access to Information:* When employees are given access to information, their willingness to cooperate and to use their empowerment is enhanced.
- ◆ *Accountability:* Accountability is not intended to punish but they will give their best effort and behave responsibly.
- ◆ *Putting empowerment into action:* There are number of ways that organization's go about implementing empowerment. One of the most common is to tie the technique to an action approach. For example, Cummins Engin provides 5 days training programme that combines empowerment with Kaizen, Japanese term that means "continuous improvement". This principle means:
 - (a) Discard conventional, fixed ideas about doing work
 - (b) Think about how to do it
 - (c) Start by questioning current practices
 - (d) Begin to make improvements immediately, even only 50% of them can be completed and
 - (e) Correct mistakes immediately.

IV. CONCLUSION

Total Quality Management is the much broader concept it encompasses product, service and process quality improvements, but also costs, overall productivity, the development and involvement of all employees at all levels. TQM is seen to emphasis problem prevention more than problem solving. It is customer driven, both internal and external, that is a customer is anyone, including work colleagues, who receive our individual work output. TQM is more of a long-term organizational strategy. Within TQM various emphases are possible and some writers distinguish between a 'hard' TQM approach which relies heavily on statistical analysis, and 'soft' TQM which emphasizes teamwork, employees empowerment, open communication, involvement and participation, skill development. Overall there is probably a shift toward s 'soft' TQM. TQM is a strategy that is formulated at the top management level and then diffused at all levels. Every in the organization, from CEO to lowest paid workers/clerks are involved in the TQM process.

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