Total Quality Management: The Modern Business Excellence

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Abstract- Total Quality Management (TQM) has become today's modern practices in business ventures therefore become very predominant in almost all organisation worldwide, penetrating in today’s business society. This article reflects on the extensive literature review being carried out. It also highlights the organising, structuring knowledge and leading to the need for future research. The Quality Management literature review exposed the quest to the following: The work explores the notion of TQM, specifically focusing on Product Quality (PQ) and the effect of Quality Management in the service sector (QMSS). It also discusses the backdrop of Quality Management theory and analyses its practical implementation. Implementing Total Quality Management and Management Innovation is essential for organisations to achieve a competitive edge in the ever-changing business environment.

Index Terms- Total Quality Management, Quality Performance, Customer Satisfaction, Product Quality

I. INTRODUCTION

Corporate survival depends on multiple factors, some of which are outside of the organisation’s control (Pfeffer, 2019). Markets are shifting rapidly in today’s era of globalisation and liberalisation, and convergences in taste, trends, and prices have created new opportunities for companies to share in the benefits of world economic development (Martin, 2019). However, these transformations have also generated new challenges to corporate survival, as the growing competition between producers and marketers of goods and services in the present international market has resulted in an increased focus on higher quality services as a strategic imperative for survival and achieving a competitive advantage. According to the study done by Charles et al (2017), intense global rivalry has resulted in significant changes in the way organisations function. Survival in the business world has become more difficult for companies unless they can surpass their competitors and establish a distinct advantage. Evaluating organisational success in today's fast-paced business environment requires careful consideration of quality, which is a vital aspect (Alrowwad et al., 2020). Management experts have highlighted the need of maintaining stringent quality and reliability in goods and services, while also fostering innovation. A range of methods and strategies have been used to achieve these objectives. The emergence of total quality management in the 1980s has had a significant impact on the field of management. It has had a substantial impact on enhancing the quality of products or services and has become a generally embraced method. Egwunatum et al (2022) performed research that defines TQM as the comprehensive management of several activities and processes aimed at guaranteeing the delivery of superior goods and services. Researchers have used several definitions of Total Quality Management (TQM), all focused on the pursuit of exceptional quality, cultivating favourable mindsets and mechanisms to enhance staff productivity, and optimising customer happiness via heightened efficiency and effectiveness. TQM, or Total Quality Management, is a management approach that has been increasingly embraced by service businesses to enhance their competitiveness and attain sustainable development (Magd and Karyamsetty, 2020). When implemented successfully, Total Quality Management (TQM) may significantly improve an organisation's ability to provide better service to both society and its own people. Total Quality Management (TQM) improves the effectiveness of organisational management, hence increasing the value provided to customers and promoting business competitiveness.

According to Othman et al (2020) the importance of TQM as a source of competitive advantage cannot be overemphasised. Organisations seeking to enhance effectiveness across all functions and processes have chosen TQM, and empirical studies have demonstrated that the ways in which companies implement TQM can significantly affect market impact and overall organisational outcomes. As per the findings of Litsareva (2017) effective TQM implementation is particularly critical in the manufacturing and service sectors in this age of rapid changes in market and economic development stimulated by globalisation, the deregulation of markets, the rapid growth in technology and increasingly aggressive competition. Consumer demand and dynamic technological change have opened up new and highly competitive markets. Moreover, due to new government safety regulations, product recollection and fast increases in product and services liability decisions favorable to the public have changed society’s attitude from ‘Let the buyer beware’ to ‘producers beware’, and suppliers are now increasingly being required to adhere to product take-back regulations that oblige them to manage their product and services at the end of life (Leclerc and Badami, 2020). Such regulations seek to co-opt the entire lifecycle costs of product and services into market prices, with the definitive objective of reducing their environmental impact. Companies must use quality management concepts to enhance
customer service and minimise product returns, recalls, and waste. TQM focuses on attaining long-term quality by ensuring customer satisfaction via the collective efforts of all individuals inside the organisation. Mehralian et al (2017) found that TQM is ‘an approach to managing organisations in a manner that enables them to meet stakeholders’ needs and expectations efficiently and effectively, without compromising ethical values’. The service industry has realised that increased attentiveness to quality is vital to survival, even in the case of non-profitable institutions such as hospitals and schools, and many organisations are beginning to feel an increased moral responsibility for product safety and the efficient use of natural resources. Owen et al (2017) stated that the quality of goods and services can no longer be taken for granted, as industries that previously enjoyed monopolies over domestic demand must now contend with competitors abroad.

TQM seeks to integrate all facets of an organisation with the objective of prioritising the satisfaction and exceeding of customer expectations and organisational objectives. The implementation of TQM in the service industries is thus very challenging its success has often been hampered by incomplete or inadequate adherence to the procedures and principles of TQM implementation. According to Khuraniawan et al (2020) the failure of many organisations to meet their expected targets after initiating TQM is usually due to the half-hearted approaches often taken to implementing this framework, applying only bits and pieces of the core principles, or else running TQM like a self-operating program that is expected to function and perform the ‘magic’ of managing quality all by itself, with no human oversight or intervention (Foster and Gardner, 2022). TQM implementation and practices do not develop overnight, but rather require a long-term commitment; therefore the success of implementation and adoption of TQM practices depends on planning, time and hard work. In order to improve customer service, companies must fully embrace quality management principles and total quality management implementation.

II. LITERATURE REVIEW

The literature review focused on the applicability of the various concepts of TQM in the service sector. It provides a conceptual framework of TQM implementation, describing its theoretical evolution and reviewing core practices and issues related to service quality and performance, continuous improvement, critical success factors, customer orientation, management commitment and leadership, problems and benefits. The literature reviews some empirical studies of quality models implementation in the service sector and describes the approaches of prominent theorists on quality management. Finally, it reviews performance measurements associated with TQM implementation, elucidates the relationship between TQM and the ISO 9000 family of quality management systems standards, and reviews several quality awards. In conclusion, it summarises and evaluates preceding studies on TQM, particularly in the service sector.

The roots of TQM can be traced to the early 1920s, when statistical theory was first applied to product quality control in manufacturing (Chen et al., 2022). This concept was further developed in the late 1940s-early 1950s, led by American engineers working in post-war Japan, particularly W. Edwards Deming, who was also a statistician, Joseph M. Juran and the quality control expert Armand V. Feigenbaum, whose 1961 seminal work Total quality control widened the focus from production activities to encompass the quality of all issues within an organisation from the design stage to delivery. Although Deming was first brought to Japan to improve the quality of census-taking operations on behalf of the American occupation forces, he and the other quality control experts were invited to work with the Japanese government beginning in the 1950s to develop a comprehensive quality control system to improve the poorly produced goods comprising most manufacturing output (Qayyum, 2021). In the early 1980s, Western companies began to pay attention to the achievements of the 'Japanese style' of organisational management. They have lagged behind Japan in terms of manufacturing superior products at a comparatively affordable price. The precise origins and chronology of the phrase 'total quality management' in connection to 'total quality control' remain uncertain. Nonetheless, the word was used by the UK Department of Trade and Industry in their 1983 'National Quality Campaign', and subsequently adopted by the US Naval Air Systems Command two years later to characterise their efforts in improving quality (Sherry et al., 2021). By the late 1980s, TQM techniques had been adopted by many parts of the US government and its Armed Forces, and by the 1990s, the approach had become widespread in the private sector.

The interest in TQM peaked in the early 1990s, when organisations in Belgium, France, Germany, Turkey, and the United Kingdom worked towards establishing a shared set of practices, under the guidance of standard-setting bodies. By the mid-1990s, however, its popularity began to decline in many developed countries, as its use began to be overtaken by ISO 9000, a family of international standards for quality management systems based on seven core principles that provides guidelines for meeting statutory and regulatory requirements related to products services (Shaikh, 2020). However, in more recent years, business competition has intensified on a national and global scale as consumers can access many more options. Excellence is a required value for a company to survive and grow in this fierce arena. The globalisation of markets has forced corporations in all sectors to concentrate on maintaining a sustainable competitive edge, which is directly related to the upkeep of quality services and productivity. According to Fader (2020) consumers have begun to anticipate and demand high quality, effective and reliable products and services that provide value for their money, and courts have supported their expectations by passing legislation regulating quality for products and services. Strengthened by active and powerful interest groups, an increased focus on consumerism has created more pressure for suppliers to ensure that good products and services are provided. This shift in consumer behavior has particularly affected today’s technology-oriented businesses, since the more technologically complex the product or service, the more likely it is for issues to arise in its production (Thoben et al., 2017). Many corporations are now revisiting the principles of total quality management as they seek effective models for achieving competitive success. Total quality management focuses on improving quality through the involvement of all members of the organisation and aims to achieve long-term success by satisfying customers and benefiting all members of the organisation.
Although TQM was first developed for the manufacturing business, its principles and methodologies may also be used in the service sector. This is because both sectors rely on providing services to fulfill and beyond customer expectations. TQM, short for Total Quality Management, refers to a complete collection of management methodologies that may be used across all areas of an organisation. It entails orchestrating endeavors to improve customer happiness, boost employee engagement, cultivate robust partnerships with suppliers, and nurture a culture of ongoing quality improvement. The primary objective is for the organisation to continually fulfill or surpass customer expectations. Researchers widely agree on the positive association between improving quality and decreasing costs, as well as increasing productivity, market share, and customer satisfaction. Nevertheless, other methods have been proposed to achieve these goals.

Magd and Karyamsetty, (2020) stated that the potential of TQM to provide a competitive advantage has led some academicians and businesses managers to advocate for the widespread adoption of TQM in the service sector and service organisations have increasingly applied this approach as an effective management tool to improve their service quality for the past two decades. TQM requires the unwavering commitment to exceptional quality standards in all aspect of a company's operations. This involves ensuring that tasks are performed accurately on the first try and that any defects and inefficiencies are eliminated from the operating procedures. According to Keinan and Karugu (2018), reducing errors may be achieved by giving priority to continuously enhancing operational procedures and systems. In addition, integrating total quality management into organisational operations helps to minimise waste and errors. Baidoun et al (2018) proposed the use of TQM in enterprises due to its incorporation of recognised concepts in organisational management, including participative management, staff training and development, and responsive customer service.

Nevertheless, several crucial and exceptional aspects of TQM, such as ongoing improvement, quality instruments and evaluation, and customer-centric strategising, are seldom used in businesses. Although firms strive to meet consumer needs by implementing TQM, they encounter challenges that impact their service delivery operations (O’Brien and Forman, 2019). Rather than take embrace TQM process holistically, many service organisations have limited their quality approach to few core processes in other to cut costs. If the TQM approach is not taken seriously by traditional organisations, they might soon begin to lose customers to those who do so, which might ultimately drive them out of business because customers and consumers are paying more attention to the quality of product and services they receive from suppliers. Therefore, it is essential to alter the organisational culture and structure to accommodate a new approach to service delivery (Mohelska and Sokolova, 2018). Service businesses may improve their current ideas and practises by integrating parts of TQM approaches. This enables individuals to expand their range and enhance their capacity to strategise, resolve issues, and foresee forthcoming consumer requirements.

III. ORGANISATIONAL IMPACTS OF TOTAL QUALITY MANAGEMENT AND TRANSFORMATIVE PROCESS

Rosak-Szyrocka et al (2022) argued that comprehensive quality management directs organisational efforts towards meeting or exceeding consumer expectations. Understanding and grasping client desires and expectations is crucial for attracting new customers and maintaining existing ones. A company must assure the provision of a superior product or service to its customers that meets their needs at a reasonable price, including timely delivery and exceptional service. To successfully execute efficient TQM initiatives, it is crucial to begin by creating a precise definition of quality from the customer's perspective. The increased acknowledgement of quality as a crucial strategic issue requires the development and implementation of essential success criteria to improve quality in all service sectors. To attain a superior level of customer satisfaction, an organisation's management must regularly assess its quality system to guarantee its adaptability to the ever-changing demands and expectations of consumers. Nasim (2018) stated that it is generally accepted that TQM involves managing change; however, this technique can also serve as a force for managing organisational capability for future success. Managers often face challenges in the transformational processes of TQM implementation, such as resistance to change and organisational power struggles. For any strategic TQM implementation to be successful, it is important to create a productive working environment that focuses on the needs of each individual employee and establishes structures that will motivate personnel to work toward attainment of organisational goals (Varma, 2017).

As elucidated below, several distinctions exist between TQM and conventional management:

- **TQM asserts that quality leads to profitability, rather than the reverse.**
- **TQM prioritises customer satisfaction and meeting their expectations above financial gains.**
- **TQM establishes purposeful linkages between management, suppliers, consumers, and all workers inside the organisation.**
- **The TQM system fosters employee motivation to actively contribute to quality, while conventional management is characterised by a monolithic structure where managers alone manage and workers solely work.**
- **TQM encompasses the active participation of all members within the organisation, irrespective of their hierarchical positions, in enhancing work processes and the overall work environment.**
- **TQM is process-oriented, not result-oriented as in traditional management.**
- **TQM rejects labour division systems and emphasises job rotation and teamwork to improve employee performance and develop multi-skilled workers.**
- **TQM prioritises continuous improvement, whereas conventional management focuses on making changes only when necessary.**
- **TQM prioritises delegating more responsibility and authority across all levels, whereas conventional management leans towards narrower spans of control and more rigid organisational structures.**
TQM stresses defect prevention rather than mere detection. TQM is a strategy methodology aimed at minimising defects, improving profitability, and delivering better products and services to customers, all while adhering to a constrained budget. This approach is assessed mainly on financial and operational factors, rather than giving priority to customer satisfaction. Collaboration among suppliers, designers, management, and staff is necessary to ensure fault avoidance. Zaidi and Ahmad (2020) define TQM as a comprehensive approach that integrates many components to effectively decrease the total production and operating expenses for both the business and its consumers. This may be achieved via effective leadership, strategic planning, and training of personnel, teamwork, motivation, and continuous improvement. The aim of implementing TQM is to reduce costs, provide services of superior quality, achieve customer satisfaction, and enhance competitiveness (Petrick, 2017). While profit-driven companies prioritise financial gain above quality or customer satisfaction, it is essential to strike a balance between these elements to guarantee the long-term viability and growth of the organisation.

IV. CUSTOMER SATISFACTION

In their study, Khadka and Maharjan (2017) said that the ultimate goal of all acts is to attain customer satisfaction. The main focus of marketing thinkers and practitioners is to ensure customer satisfaction and cultivate customer loyalty. The increased emphasis on the difficulties of sustaining long-term client retention in the contemporary business landscape is propelled by the intense rivalry among firms to ensure customer loyalty and dedication, hence guaranteeing a steady flow of earnings. Based on the study done by Linder and Willander (2017), it is advisable for organisations not to strive to retain all of their customers, since some clients may incur high costs in terms of service provision. Instead, it is advisable to prioritise the customer lifetime value (CLV), which represents the current worth of the potential profits created by a client throughout their whole lifespan.

Hogreve et al (2017) said that the existing literature on customer satisfaction in the service industry is mostly shaped by two prevailing theoretical frameworks, namely the service profit chain. The service profit chain illustrates a clear and direct relationship between staff happiness, service excellence, customer contentment, and ultimately, financial prosperity. The SERVQUAL approach recognises the significance of both staff satisfaction and service quality in impacting customer satisfaction. However, it differentiates between two dimensions of service quality: functional service quality, which pertains to the effectiveness of tasks performed, and technical service quality, which pertains to the accuracy and correctness of task execution. The model prioritises functional service quality to a larger extent (Hadi et al., 2019). The customer's rating depends on the overall level of service provided in relation to the expected level of quality; thus, both the quality of the process and the quality of the outcome are important.

Zhao et al (2019) observed that although a customer might also be a consumer, it is not universally true that a consumer is always a customer. More precisely, a client is the one who buys a thing, but a consumer is the one who eventually utilises or consumes the items. Consumer satisfaction is often seen as a response that may be either emotional or cognitive in nature. Satisfaction represents the consumer’s fulfilment response rather than the customer, and is judged by the level of plausible consumption-related fulfilment that accompanies the customer’s purchase, including ‘levels of under- or over fulfilment’ (DEREJE, 2020). Satisfaction may also refer to an individual’s subjective condition of contentment or dissatisfaction that emerges from contrasting their expectations with the perceived performance or outcome of a product. Satisfaction may be described as the pleasurable feeling that a person has while consuming items or services given by others, or as the condition of being pleased with a certain situation. The degree of contentment varies across persons owing to its subjective character. Stebbins (2017) stated that as one old adage states, ‘one man’s meal is another man’s poison,’ which highlights the impossibility of satisfying everyone or even determining satisfaction among groups. Giese and Cote (2000) found that there is no specific definition of customer satisfaction, and after their studies of several definitions, they come to conclusion by defining customer satisfaction as ‘customer satisfaction is identified by a response (cognitive or affective) that pertains to a particular focus (i.e., a purchase experience and/or the associated product) and occurs at a certain time (i.e., post-purchase, post-consumption). According to Ok et al (2018), customer satisfaction is defined as ‘the individual’s perception of the performance of the products or services in relation to his or her expectations.

V. CRITICAL SUCCESS FACTORS OF TQM IMPLEMENTATION IN SERVICE INDUSTRIES

Critical success factors (CSFs) are internal or external factors that can significantly impact a firm’s performance. For TQM, CSFs are the areas where results must go right for the business to flourish. These factors provide an early warning system for management and help avoid surprises or missed opportunities. Kumar and Sharma, (2017) identified ten critical factors for TQM, including supplier partnership, people and customer management, customer satisfaction orientation, external interface management, communication of improvement information, strategic quality management, operational quality planning, quality improvement measurement systems, teamwork structure for improvement, and corporate quality culture. Kulenović et al (2021) developed eight CSFs of QM, which relate to leadership roles and quality policies, quality department, training, product/service design, supplier quality management, process management, quality data and reporting, and employee relations. CSFs into three dimensions: organisation, process, and technology. The organisational dimension includes committed management support and sponsorship, a clear vision, and a well-established business case. According to Olszak (2022) the process dimension comprises business-centric championship and balanced team composition, business-driven and interactive development approach, and user-oriented change management. The technological dimension includes business-driven, scalable and flexible technical frameworks and sustainable data quality and
integrity. Top management commitment (TMC) is a pre-requisite for effective and successful CSF in TQM implementation (Al-Maamar et al., 2021). Top management plays a critical role in any key business decision, and the degree of visibility and support that management takes in implementing total quality management determines the success of TQM implementation. Effective leadership for TQM involves everyone in the organisation in value-adding activities, and senior management should firmly believe that TQM is the only way to do business and manage the organisation. Chen (2020) urged that senior employees conduct themselves as leaders rather than managers, setting the tone for the implementation of total quality management. TQM (Total Quality Management) is a critical aspect of the service industry, as it aims to satisfy customers' expectations and improve performance and productivity. Top management plays a crucial role in supporting TQM implementation by allocating budgets and resources, controlling through visibility, monitoring progress, and planning for change. They must also establish an organisation-wide quality policy, set up a quality management structure, and manage the entire process through close monitoring and evaluation.

Leadership is essential for implementing TQM, as it puts companies ahead of their competitors in terms of sales, profits, and employee morale (Chen et al., 2020). However, without strong support from top management, any strategy for change is likely to fail. Top management commitment is the most decisive factor for the success of TQM, and its lack is the most often-cited drawback. The first-time adoption of TQM is associated with the development of new organisational policies, procedures, and tools that must be learned. Top management must develop clear quality mission and goals, put in place a proper quality planning process, and identify quality values and communicate them to all employees (Bakotić and Rogošić, 2017). Effectively managing the relationship between the organisation's vision/mission statements/strategies, and values is a key challenge for leaders.

Top management must communicate TQM to the entire organisation to create awareness, interest, desire, and action. However, only conveying the strategy is insufficient; vision and mission statements must be operationalised into daily activities. According to Bibby and Dehe, (2018) the role of management should focus on driving, involving, and assessing, rather than merely planning and controlling. TMC to quality and leadership must be demonstrated by developing and communicating the organisation's vision throughout the organisation. According to Throop and Mayberry, (2017) leaders are required to create a quality vision, reduce or minimise resistance to change, initiate quality as a culture, meet customer dynamics expectations, and encourage continuous improvement. A successful organisation requires more than just sound business strategy; it needs a quality culture to support that strategy. In many cases, particularly in service organisations, TQM practice fails because there is no strong support from senior managers in the organisation (Dilawo and Salimi, 2019). Top management is the person who must create the vision for the organisation, design the rules and regulations, and communicate and distribute the duties among other departments. Leaders should understand the importance of empowerment and teamwork and have an aptitude for learning. In a TQM process, effective leadership should develop a clear mission statement and build up suitable strategies to support the mission. According to Chai et al (2017) top management commitment to quality and leadership must be demonstrated by developing and communicating the organisation's vision throughout the organisation.

Cho et al (2017) suggested that most quality tools associated with TQM do not generally produce an advantage; however, certain tacit behavioral features such as executive commitment can do so. Top management must be completely involved in implementing and stimulating the TQM approach, as a lack of commitment at these levels will result in problems in the process of implementing TQM.

VI. CONCLUSION

The literature review on Total Quality Management (TQM) practices and implementation in service organisations has explored the broad framework of TQM theory, its evolution, varying definitions of quality and total quality management, core concepts and practices of TQM, the impact of TQM in service systems, and explanations for the success and failure of TQM implementation in service organisations. The TQM concept has evolved over the decades to focus more on serving customers and giving them priority before, during, and after the production and service process. Organisations must develop their own definition of quality, which must be communicated to and understood by everyone in the organisation. There is no single and specific theoretical definition of TQM, but some TQM gurus and authors have provided a set of common core assumptions of TQM as a discipline and philosophy of management to organise, plan, and continuously improve activities. Total quality management is commonly viewed as a method to reduce defects and production costs to maximise outputs and improve customer satisfaction. Customers perceive quality as the difference between pre-purchase expectation and after purchase performance and whether the final products and services meet or exceed their expectations within the available budget. Many organisations adopt more flexible methods that involve everyone in an organisation to contribute to the quality improvement initiative.

Total quality management is not only concerned with achieving certain levels of competitiveness, applying and developing new techniques, concepts, and technology, but also with seeing changes in attitudes and behaviors to conducting business in accordance with the requirements set by customers. From the literature review, it was found that all functional activities should be involved in quality improvement efforts and employees should be recognised and rewarded for their quality improvement efforts. The award models help provide a strong foundation for the research through their insights into practical ways of applying TQM, giving a better understanding of the concept of Total Quality Management implementation. The literature review also examined issues related to quality, with a particular focus on service quality and customer satisfaction. In such conditions, organisations that want to survive, grow, and develop in the market must be able to recognise the needs and desires of customers and realise them appropriately. Focusing exclusively on acquiring new customers is risky, as pursuing new clientele costs more than retaining existing patrons. Customer satisfaction is the foundation for building loyalty, trust, and long-term relationships with customers, which in turn forms the basis.
for the successful operation of the company. Customer satisfaction is an important determinant of customer satisfaction, but very few studies have confirmed the linear relationship between the level of quality of service and the actual level of customer satisfaction. This suggests that customer satisfaction is influenced not only by service quality, but by other factors such as the specificity of the process of buying services, different influences on the decision to purchase, perceptions of key service benefits and their mutual relationship by users, the customer’s emotional state at the time of evaluation, or unexpected situations at the time of assessment of sensations (pleasure-displeasure).

In the service industry, customer satisfaction does not end with a purchase but is rather an ongoing process. Organisations focus on the application of the principles of total quality management with some adjustments from manufacturing-based models. Customisation is embodied in the implementation of total quality satisfaction (TQS), which means continuous improvement of service processes oriented to customers. Common to all these concepts is that they focus on customers and the fulfillment of their wants and needs in a manner that achieves satisfaction, such that the companies eventually acquire and maintain loyalty and long-term relationships with customers.

REFERENCES


