

Chapter 46

The Role of Total Quality Management Practices on Quality Performance

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ABSTRACT

This chapter introduces the role of Total Quality Management (TQM) practices, thus explaining the introduction of Quality Management (QM) systems, the significance of TQM, the concept of TQM practices, the utilization of QM practices, and the relationship between TQM practices and quality performance. In addition, 17 TQM practices associated with quality performance (i.e., top management commitment, customer focus, training and education, continuous improvement and innovation, supplier quality management, employee involvement, information and analysis, process management, quality systems, benchmarking, quality culture, Human Resource Management [HRM], strategic planning, employee encouragement, teamwork, communication, and product and service design) are explained. This chapter serves as a valuable guideline for both researchers and practitioners to review their TQM programs in order to improve quality performance. Understanding the role of TQM practices on quality performance will significantly enhance the organizational performance and achieve business goals in the global business environments.

INTRODUCTION

Researchers have dedicated considerable efforts to examine the capacity of TQM to generate wealth, from the conceptual framework of the resource-based view (Garcia-Bernal & Garcia-Casarejos, 2014). From this approach, TQM is basically an inimitable resource that generates competitive advantages in an organization (Garcia-Bernal & Garcia-Casarejos, 2014). Both small and large businesses are required to become more efficient and cope with a competitive global market where customers' expectations continually increase (Sharabi, 2014). In addition, the systematic improvement of organizational performance should include the managers' commitment to QM, effective quality planning, and organizational learning

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(Delic, Radlovacki, Kamberovic, Maksimovic, & Pecujlija, 2014). Quality has been typically regarded as a key strategic component of competitive advantage and the enhancement of product quality is still a matter of prime concern for firms (Li, Su, & Chen, 2011; Soltani, Azadegan, Liao, & Phillips, 2011). In highly competitive markets with escalating demands of consumers for getting better products and services (Thiagaragan, Zairi, & Dale, 2001), survival of companies in the ever-expanding marketplace (Zakuan, Yusof, Laosirihongthong, & Shaharoun, 2010), economic success of companies (Curkovic, Vickery, & Droge, 2000), improvement in productivity, customer satisfaction, profitability, and innovativeness (Sadikoglu & Zehir, 2010), changing organizational culture (Prajogo & McDermott, 2005), and globalization of world trade (Fotopoulos & Psomas, 2010), the emergence of quality plays a vital role, and has become a top priority for many companies worldwide in order to achieve the above-stated objectives and gain competitive edge. The importance of quality for company's performance in several terms and success, in the marketplace, is widely accepted in business literature and practice (Kumar, Choisne, De Grosfoir, & Kumar, 2009). In an attempt to improve the quality, numerous approaches to management of quality and continuous improvement have been pursued, most notably, and a recommended approach is the concept of TQM (Talib, Rahman, & Qureshi, 2013). A considerable body of empirical evidence suggests that TQM implementation improves quality performance of the company (Talib et al., 2013). TQM is an organization-wide process-oriented philosophy that requires changes not only in production, but also in decision-making processes, employee development, and employee involvement (Power & Sohal, 2000; Mehra, Hoffmann, & Sirias, 2001; Abdullah, Uli, & Tari, 2009).

TQM has come to be recognized as a major business driver to improve quality performance and provide customers with high quality products and services (Cai, 2009; Vecchi & Brennan, 2011). Many companies claimed substantial benefits of implementing TQM in terms of financial results, operating performance, customer satisfaction, and employee satisfaction (Brah, Serene, & Rao, 2002; Fuentes, Montes, & Fernandez, 2006; Yang, 2006; Sila, 2007; Kumar et al., 2009). It is a holistic management approach (Hafeez, Malak, & Abdelmeguid, 2006) that seeks to manage quality; it requires development of quality strategy (Kanji & Wallace, 2000) and a framework for its implementation (Chin & Pun, 2002). TQM principles and practices have been embraced by many quality managers and practitioners from different sectors and have earned the attention of many researchers from diverse areas (Talib et al., 2013). TQM principles and practices come out with many success stories related to TQM practices (Lagrosen, 2003; Prajogo & McDermott, 2005; Karia & Asaari, 2006; Yoo, Rao, & Hong, 2006; Sila, 2007). Many researchers stated that the performance measurement is one of the most important dimensions of TQM success (Brah et al., 2002; Kaynak, 2003; Chang, 2006; Taylor & Wright, 2006). In addition, many researchers found a positive relationship between TQM and performance (Hendricks & Singhal, 2001; Prajogo & Sohal, 2003; Shenawy, Baker, & Lemak, 2007; Arumugam, Ooi, & Fong, 2008). This chapter introduces the role of TQM practices, thus explaining the introduction of QM systems, the significance of TQM, the concept of TQM practices, the utilization of QM practices, and the relationship between TQM practices and quality performance.

BACKGROUND

QM has emerged as a management paradigm for enhancing organizational effectiveness and competitiveness (Grandzol & Greshon, 1997; Dow, Samson, & Ford, 1999; Sanchez-Rodriguez & Martinez-Lorente, 2004; Sila, 2007). QM is defined and measured in empirical studies as practices of organizations that

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