# TOTAL QUALITY MANAGEMENT FOR ORGANIZATION DEVELOPMENT: THEORY AND PRACTICE

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## Abstract

Total Quality Management involves managing the entire organization to have good characteristics in both products and services which meet customer satisfaction. It can also be seen as quality control, aiming to meet organizational conditions through collective quality improvement efforts. In this approach, quality is considered a significant factor in evaluating work or the philosophy that managers emphasize in quality improvement. In a constantly improving process which affects products and services, or in a process that companies use to achieve quality outcomes by aiming to eliminate deficiencies. The quality management helps organizations achieve success according to the goals set by both company representatives and customers. This fosters trust in the company, standards for product manufacturing, service provision, and customer ordering. This paper presents the evolution of Total Quality Management, theory, practice and Total Quality Management Principles.

## Introduction

Total Quality Management (TQM) is a comprehensive management approach aimed at achieving long-term success by focusing on customer satisfaction. This aspect involves continuous improvement of quality in all organizational processes, with every member of the organization participating in improving work processes, production, and services. There are three key components of TQM: 1. Customer Oriented, 2. Continuous Improvement, and 3. Employees Involvement (Oakland & Morris 2011). Juran (1989) developed the concept of Total Quality Management, focusing on teamwork among employees. His approach aimed to apply the principles of Total Quality Management to achieve success, consisting of 10 necessary steps:1.Stimulate employees to recognize the necessity of quality improvement.2.Set clear and continuous quality improvement goals.3.Develop the organization to have quality management teams striving to achieve goals, along with providing tools for conducting activities conveniently.4.Ensure that all employees receive continuous and extensive education and training.5.Implement quality improvement practices throughout the organization as prescribed to reduce problems and lead to a quality organization.6.Compile progress reports on work performed as directed.7.Encourage employees to have a continuous awareness of quality and demonstrate responsibility for it.8. Present the overall quality management work results using easily understandable media to ensure everyone in the organization participates and is informed.9. Continuously collect and record work practice data.10. Develop work systems and processes so that all departments work together smoothly and collaboratively in a team-based manner. Ishikawa (1985) studied and applied Juran and Deming's concepts in organizational operations. He played

a significant role in helping the Japanese understand and learn more about Total Quality Management. In 1939, Ishikawa completed his engineering studies at the University of Tokyo and later became a professor there in 1960. He received professorship and awards from the American Society for Quality Control for his quality-related writings. Ishikawa passed away in April 1989. He was honored as the "Father of Quality Circles" or quality network in Japan for his pivotal role in promoting Total Quality Management in the country during the 1960s and earlier.

In the late 1950s, Ishikawa proposed a philosophy that led to the development of quality circles. He argued that the American management style, in which managers lead and subordinates execute. This was not applicable in Japan due to the country's traditional craftsmanship culture, akin to the camaraderie found in European societies. Ishikawa suggested integrating the best practices of the United States with Japan's craftsmanship culture. This fusion aimed to align work methods with the cultural inclination towards craftsmanship, fostering a group-oriented approach to work within factories. Additionally, Ishikawa pioneered the fishbone diagram, a tool for analyzing problems and causes, which quality circles used to improve quality. This diagram, sometimes referred to as the Ishikawa diagram in his honor, was first employed at Nippon Telegraph and Cable Company in 1962. Subsequently, this concept was expanded throughout Japan. By 1978, there were one million quality circles in Japanese factories involving ten million workers. Today, the concept of quality circles has expanded globally, extending into the service sector. In Ishikawa's book "Total Quality Control," he highlighted seven indispensable tools for quality management: Pareto analysis, fishbone diagram, tally chart, histogram, scatter diagram, stratification, and control chart. These tools are simple and easy to understand, according to Ishikawa. He believed that 95% of organizational problems could be solved using these basic tools (Anderson, 2020)

The definition of "Quality" is defined by the ASQ organization as follows: "A subjective term for which each person has his or her own definition. In technical usage, the word "quality" has two meanings: (1) the characteristics of a product or service that bear on its ability to satisfy stated or implied needs and (2) a product or service free of deficiencies." American Society for Quality (ASQ).

Total Quality Management (TQM) is crucial for organizations for several reasons: 1. Customer Satisfaction and Loyalty: When customers receive products or services which exceed their expectations, their satisfaction and loyalty to the company will be increased. 2. Cost Reduction: By improving systems and processes, TQM helps to eliminate wasteful activities, reducing overall costs. Efficient processes mean fewer defects, less rework, and lower operational expenses. 3. Positive Organizational Culture: Implementing TQM fosters a culture of continuous improvement and teamwork. Employees are encouraged to participate actively in quality improvement initiatives, leading to increased engagement and a sense of ownership in the success of an organization. 4. Increased Revenue: Higher customer satisfaction and loyalty, along with reduced

operational costs, contribute to increased revenue. More satisfied customers mean higher sales, and efficient processes lead to better profit margins (Channuwong, 2018; David, 2011).

## Total Quality Management Principles

TQM is a management system which focuses on customers and involves every employee in continuous improvement efforts to deliver the best products and services (Ishikawa, 1985). It uses effective communication strategies and data-driven approaches while fostering a disciplined organizational culture. The principles of TQM can be summarized into eight key elements:

### 1. Focus on Customer
The first principle of Total Quality Management is to focus on those who purchase your products or use your services. Customers determine the quality of the product. If your product can meet their needs and maintain their expectations, they are willing to pay for a quality product. However, before you produce any goods or services, you must understand the customer's needs. Only then can you find the proper product or service to meet customer's needs or expectations (Crosby, 1987; Cascio, 2012).

### Principles of Customer Focus
- Research and understand the needs and expectations of customers.
- Align your organization's objectives to meet customer needs.
- Communicate with customers, inquire about satisfaction and outcomes after use to find ways to improve processes and products.
- Manage customer relationships.
- Find a balance to satisfy customers and partners (suppliers and investors).

### Benefits of Customer Focus include
- Increased sales, revenue, and customer share of mind.
- Customer loyalty leads to re-purchase.
- The likelihood of satisfied customers spreading the word about the product (Word of Mouth).

### 2. Employee Involvement
The company cannot increase productivity or sales without the commitment of every employee. That is why employee involvement is very much important in the development of the organization's products or services and in determining their quality. The company must ensure that it creates a culture in which employees feel engaged with the organization, its products, and services (Thongoum & Channuwong, 2024; Weerawong & Channuwong, 2024).

Employees need to understand the vision, communicate the goals clearly, be adequate training, and have the appropriate resources. This aspect completes their work with a commitment to achieve the goals on time.

Principles for Employee Engagement

- Communicate clearly the importance of each employee's involvement which impacts the completeness of the products.
- Focus on each team or individual work, acknowledge ownership, and assign responsibilities to everyone, providing opportunities for problem-solving when issues arise.
- Encourage employees to self-evaluate their performance against personal goals and objectives, making adjustments as necessary to improve work quality.
- Recognize achievements to build confidence among employees and stakeholders. Provide adequate training and ensure that your human resources are used most efficiently.
- Encourage people within the organization to seek learning opportunities and continually move into other roles to enhance their knowledge, skills, and experience.
- Create an environment where employees can openly discuss problems and suggest solutions.

Benefits of Full Employee Engagement Include

- Personal and team innovation, creativity in problem-solving, and process improvement. Employees who take pride in and responsibility for their work.
- Increase enthusiasm for participation and being part of continuous improvement efforts.

## 3. Process Orientation

TQM focuses on creating and implementing processes that enable an organization to achieve and replicate its goals. Establishing the steps to achieve these goals is crucial for applying TQM.

Principles of Process-Oriented Management
- Create a pictorial action plan: Develop visual action plans or value stream mapping to define processes, with clear roles and responsibilities so everyone knows who is doing what and when.
- Develop an operational plan: Make an operational plan that outlines specific activities everyone needs to complete to achieve the desired results.
- Analyze and evaluate current activities: Evaluate and measure current activities to identify areas for improvement or bottlenecks.

▪ Assess impact: Evaluate the impact of your processes and activities on customers, suppliers, and all stakeholders.

Benefits of Process-Centered Management
▪ Faster Product Development Cycles: Quicker development cycles reduce costs and increase revenue.
▪ Consistency and Predictable Outcomes: Improved consistency and predictability in results.

Employees need to understand the vision and communicate the goals, and they must receive adequate training as well as appropriate resources to complete their work with a commitment to achieve the goals on time.

Principles of Employee Engagement
▪ Clearly communicate the importance of each employee's involvement and its impact on product completeness.
▪ Emphasize each team or individual, acknowledge ownership, and assign responsibilities to everyone. Moreover, opportunities are provided for problem-solving when issues arise.
▪ Promote self-evaluation of performance against personal goals and objectives, making necessary adjustments to improve work quality.
▪ Recognize successes to build confidence among employees and stakeholders.
▪ Ensure sufficient training and the human resources are utilized most efficiently.
▪ Encourage people within the organization to seek learning opportunities and continually move into other roles to enhance their knowledge, skills, and experience.
▪ Create an environment where employees can openly discuss problems and suggest solutions.

Benefits of all employee engagement
▪ Encourages personal and team innovation, creativity in problem-solving, and process improvement.
▪ Fosters a sense of pride and responsibility in employees for their work.
▪ Builds enthusiasm for participation and being part of continuous improvement efforts.

## 4. Integrated Systems

In a typical company, there are usually many departments. Each department has its own specific duties and objectives. The role of management is to manage these departments and their functions, connecting them horizontally through process-centered management. This is a crucial aspect of total quality management. As for integrated systems, everyone in the organization, regardless of their department, should have a thorough understanding of the policies, standards, objectives, and goals the organization (Hart & Dowell, 2010). This approach aims to achieve. Integration helps

everyone see the overall picture from the same perspective. They understand how their assigned duties are interconnected with other departments and individuals, including suppliers. System integration enables the company to continuously improve to gain a competitive advantage over its rivals.

Principles of Integrated Systems
- Use workflow diagrams or tools to illustrate how tasks relate to other departments within the company and how collaborative work can increase efficiency.
- Promote a quality-focused work culture.
- Employ process analysis to identify areas for improvement.

Benefits of System Integration
- Quality focus helps businesses excel and meet or exceed customer expectations.
- Facilitates cohesive collaboration among departments.

## 5. Strategic and Systematic Approach

Systems serve as organizational tools to achieve set objectives. Within large systems, there are subsystems with their own objectives that align with the overall organizational goals. To manage an organization as a system, you must understand how each role and process contributes to the organization, how each function supports the organization internally, and how they interact within the organization. Strategy is the creative ideas focus on the overall picture, whereas system is thinking systems emphasize "Operation" (Azapagic, 2003; Deming, 1982).

## 6. Decision Making Based on the Facts

Decision-making within an organization must be based on facts, not opinions (emotions and personal benefits) alone. At this stage, you'll have input from the customer side under the topic 'Focus on Customer' and input from employees under the second topic, 'Employee Involvement.' Analyzing and compiling this data will lead to better decision-making based on available information. Smart decision-making, rooted in facts, will lead to increased customer satisfaction.

Principles of Decision Making Based on the Facts consisted of the following steps:

- Use accurate methods to gather data.
- Organize data related to stakeholders.
- Analyze and verify data to ensure reliability and accuracy.
- Make decisions based on facts learned from data, experiences, and intuition.

## 7. Effective Communication

A good internal communication strategy within an organization helps establish understanding of management policies. This aspect not only serves as the glue which connects individuals within

the organization but also fosters efficiency and positive outcomes. Internal communication is crucial for various activities and operations within the organization. Clear internal communication leads to consistent policy implementation (Makingrilas et al., 2024; Oakland & Morris 2011).

Principles of Internal Communication with the 7Cs

- Completeness: The first criterion for effective communication is the completeness of the message or communication context.
- Conciseness: Communication headlines should be concise, clear, and use appropriate language.
- Consideration: When communicating, the sender should consider the social background and culture of the recipient and adjust the language accordingly.
- Concreteness: Concrete communication involves exchanging specific, clear, and reliable information (without ambiguity) which is trustworthy.
- Courtesy: Effective communication guidelines require the sender to respect and show courtesy to the recipient. Moreover, please be careful not to use words that may offend or cause the recipient to feel aggrieved.
- Clarity: Clarity must be maintained in communication.
- Correctness: Effective communication should be accurate in content and language usage

## 8. Continuous Improvement

In terms of "Continuous Improvement" or "Development" might seem abstract, especially unless placed in a specific context. To elaborate further, it signifies an ongoing commitment to completeness in everything you do. This often referred to as "Kaizen" in lean manufacturing.

For lean methodologies, continuous improvement is a step-by-step process of continually striving to enhance every aspect of operations within a company. It focuses on promoting activities that deliver maximum value to customers while eliminating wasteful activities to the greatest extent possible.

8.1 Implement Total Quality Management

Embracing a quality-focused management approach undoubtedly yields positive results. However, the TQM process is a developmental journey that takes time for methodologies and practices to gradually permeate and become the organization's habits and culture (Cascio, 2012). Before reaching that stage, there must be processes in place to initiate the use of TQM within the organization. Here are some recommended steps:

## 8.2 Evaluate the Organization and Define Success Factors

The initial step for an organization adopting TQM is to assess itself honestly, directly, and presently. Applying TQM requires tailoring it to the current structure of the organization; there's no one-size-fits-all recipe for success because each business has its own unique identity. In terms of comparing the current situation with the goals set by the organization, also the organization utilizes problem analysis tools to identify areas within the organization which need improvement. We recommend the use of the 7 Quality Control Tools for this purpose."

Firstly, the current situation and objectives have been identified. Secondly, this establishes standards step by step. The next, this approach is able to assess and verify how the organization can improve. Creating Key Performance Indicators (KPIs) helps measure the effectiveness which can reflect the impact of TQM numerically, through charts or graphs.

## 8.3 Communicate with all employees

Communication with employees is crucial because key components include employee involvement and the responsibility for continuous improvement. Providing knowledge and communication to all employees about upcoming changes is essential, as this allows the management to receive suggestions from frontline workers. This is considered two-way communication.

## 9. Process Development

The process development includes the Total Quality Management (TQM) principles, which comprise 8 steps for implementing TQM within an organization:

1. Focus on Customer: Ensure that all activities and decisions prioritize meeting customer needs and expectations.
2. Employee Involvement: every employee engages in the improvement process, leveraging their expertise and insights.
3. Process-Centered Management: Placing processes at the core of management efforts, focusing on improving processes to enhance overall performance.
4. Integrated Systems: Integrating various systems within the organization to streamline operations and improve efficiency.
5. Strategic and Systematic Approach to Planning: Developing strategies and plans systematically to align with organizational goals and objectives.
6. Decision Making Based on Fact: Making decisions grounded in data and facts rather than opinions or emotions.
7. Internal Communication: Establishing effective communication channels to ensure information flows smoothly within the organization.

8. Continuous Improvement: Committing to ongoing improvement efforts to enhance processes, products, and services continually (Lumsutthi et al., 2024).

## 10. Error Data Management

One of the crucial aspects of quality delivery is managing errors. Regardless of how focused an organization is on driving quality, issues inevitably arise. Addressing these issues requires awareness of their occurrence. Gathering data and tracking actions taken can help establish effective error correction processes. This is vital for the success of TQM. Finally, tracking metrics from the established Key Performance Indicators (KPIs) and comparing results before and after from the changes. This approach is the best way to learn what works or what doesn't. Once successful outcomes are achieved, they should be standardized as organizational practices that can be replicated and continuously improved upon (Anderson, 2020; Wongwisutthirat et al., 2024).

## Conclusion

Total Quality Management is a management approach that utilizes information obtained from customers, which serves as a determinant of the organization's process and product/service values. It designs critical organizational systems to have minimal impact on the surrounding environment and continuously improves processes. This must involve the participation of all personnel to deliver product/service value, meet customer needs, and improve the organization's sustainable operational performance. It must be supported by top management and encompass five activities: 1. continuous improvement, 2. customer focus, 3. employee focus, 4. process management, and evidence-based decision-making. Total Quality Management (TQM) is a process or tool aimed at enhancing product quality, improving service efficiency, and ultimately ensuring maximum customer satisfaction. Through continuous development involving everyone in the organization, TQM emphasizes individual responsibility and teamwork. This is because an organization is a collective responsibility shared by everyone within it.

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