



Long term success through customer satisfaction: The total quality management way

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Abstract

TQM is a management philosophy that views an organization as a collection of processes such as marketing, finance, design, engineering, and production, customer service, etc. thereby, focussing on meeting customer needs and organizational objectives. The simple objective of TQM is "Do the right things, right the first time, every time." Although originally applied to manufacturing operations, TQM is now becoming recognized as a Generic Management tool and is being widely applied in a number of service and public sector organizations all over the world. Some examples of the companies who have implemented TQM Include Ford Motor Company, Phillips Semiconductor, SGL Carbon, Motorola and Toyota Motor Company. TQM isn't an easy management strategy to introduce into a business; in fact, many attempts tend to fall flat. More often than not, it's because firms maintain natural barriers to full involvement. Middle managers, for example, tend to complain their authority is being challenged when boots on the ground are encouraged to speak up in the early stages of TQM. Yet in a culture of constant quality enhancement, the views of any given workforce are invaluable.

Keywords: Continual improvement, customer focus, employee empowerment, management commitment, total quality management

Introduction

"Quality" is "a degree of excellence", it is a degree to which a product lives up to its performance, endurance, maintainability, and other attributes expected by a customer while buying that specific product. For meeting such expectations of the customer, one must instill the concept of TQM in product development process. The word "total" means the sum total of every process, every job, every resource, every output, every person, every time and every place.

American Society for Quality Control (ASQC) defines Total Quality Management (TQM) as "a management approach to long-term success through customer satisfaction. TQM is based on the participation of all members of an organization to improving processes, products, services, and the culture they work in. TQM benefits all organization members and society. The methods for implementing this approach are found in the teachings of quality leaders such as Philip B. Crosby, W. Edwards Deming, Armand V. Feigenbaum, Kaoru Ishikawa, and J.M. Juran.

ISO defined TQM as "A management approach of an organization centered on quality, based on participation of all its members and aiming at long term benefits to all members of the organization and society". Brockman, J. R. (1992) has defined that "TQM is a management philosophy, embracing all activities through which the need of customer, the community and the objectives of the organization are satisfied in the most effective and potential of all employees in continuing drive for improvement."

There are a number of evolutionary strands, with different sectors creating their own versions from the common ancestor. TQM is the foundation for activities, which include:

- Commitment by senior management and all employees.
- Meeting customer requirements.
- Reducing development cycle times.
- Just in time/demand flow manufacturing.

- Improvement teams.
- Reducing product and service costs.
- Systems to facilitate improvement.
- Line management ownership.
- Employee involvement and empowerment.
- Recognition and celebration.
- Challenging quantified goals and benchmarking.
- Focus on processes/improvement plans.
- Specific Incorporation in strategic planning.

This shows that TQM must be practiced in all activities, by all personnel, in manufacturing, marketing, engineering, R&D, sales, purchasing, HR, etc.

Total Quality Management: Continuous Quality Improvement

Total Quality Management (TQM) is a concept given by W. Edwards Deming. Total Quality Management is a management approach that originated in the 1950s and has steadily become more popular since the early 1980s. It was originally introduced in Japan after World War II to assist the Japanese companies to re-build their economy. The main focus of TQM was and is continuous quality improvement in the areas of product or service, employer-employee relations and consumer-business relations. Total Quality is a description of the culture, attitude and organization of a company that strives to provide customers with products and services that satisfy their needs. The culture requires quality in all aspects of the company's operations, with processes being done right for the first time to eradicate defects waste from operations.

The key principles of TQM are as under-mentioned:

1. Management Commitment

- Plan (drive, direct)
- Do (deploy, support, participate)
- Check (review)

- Act (recognize, communicate, revise)
- 2. **Employee Empowerment**
 - Training
 - Suggestion scheme
 - Measurement and recognition
 - Excellence teams
- 3. **Fact Based Decision Making**
 - SPC (statistical process control)
 - DOE, FMEA
 - The 7 statistical tools
 - TOPS (Ford 8D- team- oriented problem solving)
- 4. **Continuous Improvement**
 - Systematic measurement and focus on CONQ
 - Excellence teams
 - Cross-functional management process
 - Attain, maintain, improve standards
- 5. **Customer Focus**
 - Supplier partnership
 - Service relationship with internal customers
 - Never compromise quality
 - Customer driven standards

Characteristics of Total Quality Management

The most practical implementations of Total Quality Management involve the following most widely principles:

- **Total involvement of employees:** The most fundamental characteristic of TQM is total employee involvement. Only empowered and valiant employees who can take a stand for their work and understand the mechanism of operations of their organization operates as a whole can achieve desired level of performance by improving their efficiency. Further, employee involvement can also be attained by adopting a culture of continuous improvement and team empowerment.
- **Customer focus:** TQM views end customers as the sole measure of quality and success. Any effort, including employee training, infrastructure upgrades, software Investments, or product releases, is worthwhile only if it aims at benefitting customers.
- **Continual improvement:** Organizations who practice TQM believe that merely maintaining the same level of quality and customer satisfaction is not enough to outperform competition. Rather, top management has the responsibility for promotion of culture of innovation and creativity to customers' expectations and maintain competitiveness.
- **Process approach:** It calls for breaking all processes into a series of steps, be it internal or external. The rationale of this is that each such step can be analyzed, measured and improved upon to attain desired results.
- **System Approach to Management:** All inter-related processes should be managed as a system to ensure that improvement efforts are focused on 'key' processes and integrated to achieve the desired results.

- **Fact-based decisions:** TQM requires organizations to collect data to improve decision-making, reach agreements on key business directions and make predictions based on historical data.
- **Leadership/strategy definition:** A strategic plan should be developed to achieve organization's vision, objectives and goals with 'quality' as a key component. Leadership is a key attribute as it establishes the direction of the organization. TQM advocates that leaders create an enabling environment for achieving business objectives.
- **Mutually beneficial relationship with suppliers:** An organization depends on its suppliers and this relationship should be strengthened to ensure that a mutually beneficial relationship is sustained.

Principles of Total Quality Management

There are eight principles of Total Quality Management which are discussed below:

1. Customer-focused

The customer ultimately determines the level of quality. No matter what an organization does to foster quality improvement training employees, integrating quality into the design process, upgrading computers or software, or buying new measuring tools - the customer determines whether the efforts were worthwhile.

2. Total Employee Involvement

All employees participate in working toward common goals. Total employee commitment can only be obtained after fear has been driven from the workplace, when empowerment has occurred, and management has provided the proper environment. High-performance work systems integrate continuous improvement efforts with normal business operations. Self-managed work teams are one form of empowerment.

3. Process-centred

A fundamental part of TQM is a focus on process thinking. A process is a series of steps that take inputs from suppliers (internal or external) and transforms them into outputs that are delivered to customers (again, either internal or external). The steps required to carry out the process are defined, and performance measures are continuously monitored in order to detect unexpected variation.

4. Integrated System

Although an organization may consist of many different functional specialties often organized into vertically structured departments, it is the horizontal processes interconnecting these functions that are the focus of TQM.

5. Strategic and Systematic Approach

A critical part of the management of quality is the strategic and systematic approach to achieving an organization's vision, mission, and goals. This process, called strategic planning or strategic management, includes the formulation of a strategic plan that integrates quality as a core component.

6. Continual Improvement

A major thrust of TQM is continual process improvement. Continual improvement drives an organization to be both analytical and creative in finding ways to become more competitive and more effective at meeting stakeholder expectations.

7. Fact-based Decision Making

In order to know how well an organization is performing, data on performance measures are necessary. TQM requires that an organization continually collect and analyze data in order to improve decision making accuracy, achieve consensus, and allow prediction based on past history.

8. Communications

During times of organizational change, as well as part of day-to-day operation, effective communications play a large part in maintaining morale and in motivating employees at all levels. Communications involve strategies, method, and timeliness.

Continuous Improvement by TQM

TQM is mainly concerned with continuous improvement in all work, from high level strategic planning and decision-making to detailed execution of work elements on the shop floor. It stems from the belief that mistakes can be avoided and defects can be prevented. It leads to continuously improving results, in all aspects of work, as a result of continuously improving capabilities, people, processes, technology and machine capabilities.

Continuous improvement must deal not only with improving results, but more importantly with improving capabilities to produce better results in the future. The five major areas of focus for capability improvement are:

- Demand generation,
- Supply generation,
- Technology,
- operations, and
- People capability.

Implementation Principles and Processes

Assess the organization's current reality: A preliminary step in TQM implementation is to assess an organization's current reality. Relevant preconditions have to do with the organization's history, its current needs, precipitating events leading to TQM, and the existing employee quality of working life. If an organization has a track record of effective responsiveness to the environment, TQM will be easier to implement.

However, if there is no track-record of responsiveness, there will be both employee skepticism and a lack of skilled change agents. If this condition prevails, a comprehensive program of management and leadership development may be instituted. A management audit is a good assessment tool to identify current levels of organizational functioning and areas in need of change.

An organization should be basically healthy before beginning TQM. If it has significant problems such as a very unstable funding base, weak administrative systems, lack of managerial skill, or poor employee morale, TQM would not be appropriate. However, a certain level of stress is probably desirable to initiate TQM.

A crisis, if it is not too disabling, can also help create a sense of urgency which can mobilize people to act. In the

case of TQM, this may be a funding cut or threat, or demands from consumers or other stakeholders for improved quality of service. After a crisis, a leader may intervene strategically by articulating a new vision of the future to help the organization deal with it. A plan to implement TQM may be such a strategic decision. Such a leader may then become a prime mover, who takes charge in championing the new idea and showing others how it will help them get where they want to go. Finally, action vehicles are needed and mechanisms or structures to enable the change to occur and become institutionalized.

Conclusion

TQM encourages participation amongst shop floor workers and managers. There is no single theoretical formalization of total quality, but Deming, Juran and Ishikawa provide the core assumptions, as a "discipline and philosophy of management which institutionalizes planned and continuous improvement and assumes that quality is the outcome of all activities that take place within an organization; that all functions and all employees have to participate in the improvement process; that organizations need both quality systems and a quality culture."

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