The Effects of TQM Practices on Organizational Culture: A New Movement

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Abstract: In order for companies to survive and grow in the future, it is essential for them to deliver high quality goods and services. This study aims to investigate the relationship between Total Quality Management (TQM) and the moderating variable organizational culture (OC). In the relevant literature, many theories have emphasized the necessity to establish the fit between organizations and intended strategies as the first and key success factor. Hence, this article examines on the relationship between TQM and organization culture. As we known, TQM is a comprehensive and structured approach for organizational management that seeks for the quality of products and services improvement through ongoing refinements in response to continuous feedback. TQM can be applied to any type of organization; it originated in the manufacturing sector and adapted in almost every type of organization imaginable, including schools, highway maintenance, hotel management and more. Therefore, it is strongly suggested that supportive OC should be developed for any planning strategy.

Key words: Organizational culture • Strategy implementation • Total quality management

INTRODUCTION

Intensifying global competition and demand for better quality by customers has caused more intense and challenging to the companies. Many companies are trying very hard not only to satisfy their customer’s needs but also possibility to exceed them. It is important for one organization that could be public or private sector or it has produced neither product nor services to the customer. This can only be achieved through cost reduction, improvement in product performance, increased customer satisfaction and a constant effort towards world class organizations [1-3].

Quality is considered as an effective strategic technique in order to improve the productivity of an organization [4]. Service quality is a multi-dimensional construct and it is perceived as the attributes of service delivery system, which pertains on the level of the satisfaction of the customer as well as the connections among the different entities of the service system which describe the service encounter [5].

Quality management has become a global issue due to the organizations (private and public, manufacturing and service) attempt to implement quality management [6, 7]. Increasingly, the strategic importance of quality is recognized in such a way that quality management is no longer considered as an operational issue [8]. Organizations attempt to align their strategy with quality concerns and objectives in order to attain sustained competitive advantage [9, 10].

Under the pressure of globalization, liberalization, technological advances and knowledgeable and sophisticated customers, all types of organizations are forced in order for them to grow and survive, to develop their innovative and competitive strategies [11-13]. Therefore, organizations need to have the ability to strategically adapt to the changing environment and critical customers' demands [14, 15].

The experience of unsuccessful organizational strategy implementation worldwide was not surprising as reported by [16] that 70 to 90% of organizations experienced failure organizational strategic implementation.
worldwide. In an attempt to explain this phenomenon, the contingency theory and organizational change theory literature proposed that the misfit or mismatch between the implemented strategy and the organizational culture is to be one of the main reasons behind the failure. Therefore, it has been commonly argued that, unless organizational culture fits the intended strategy, the reflected results will not be satisfactory.

Argument on the organizational culture variable is one of the main factors to explain the organizational outcomes [17]. Therefore, it has attracted scholar attention to explain the organizational strategy outcomes in the light of contingency and organizational change theories. In other words, the existing literature on the role of organizational culture (OC) in organizational strategy implementation is not fully explored and at its infancy phases [18]. Given these facts, the role of organizational culture (OC) on the strategy implementation is still calling for more empirical studies to be conducted.

[19] have found that TQM is a fundamental shift away from traditional thinking. The systematic analysis, preplanning and blue printing of operations remain essential, but the focus switches from a process driven by external controls through procedure-compliance and encasement to a process of habitual improvement, where control is embedded in and driven through the culture of the organization.

Problem Statements: Global competition and economic liberalization are creating opportunities for organizations. They use "quality" to compete with other organizations to improve their market share. TQM is one of the important quality improvement techniques, which many firms are using to achieve success. TQM has been widely implemented throughout the world across different industries and sectors. [20] states that TQM is an approach for continuously improving the quality of goods and services delivered through the participation of all levels and functions of the organization. The present research predicts that one possible reason such problems is related to their total quality management practices being a very critical factor in determining the performance of organizations [21]. Thus, the present study attempts to investigate impact of total quality management on the OC. It should be kept in mind here that very limited research has been conducted on total quality management where most of the research conducted on this area was done in western country context while emerging countries were left with scarce research.

Furthermore, some researchers suggested that the effect of other organizational variables should be considered. However, [22] and [23] suggested that more attention should be paid to some organizational variables to examine better TQM and OC relationship. Similarly, [24] suggested that the effect of some other variables on the relationship between OC and customer relationship management to resolve the inconclusive results. Therefore, this study tried to examine the effect of one of the main organizational variables, total quality management, organizational culture, in establishing the fit for these strategies and hence better customer relationship management.

More importantly, most of the previous work on total quality management has been conducted on different fields such as in telecommunication companies, banks, hospitals, etc. However, very limited research seems to have been conducted on the field of education despite the critical importance of this field in our life and more importantly for our future. The growing literature on total quality management stressed the importance of TQM to OC and has repeatedly stressed the lack of support in it for the failure of many TQM initiatives. Thus, this study will contribute to the body of knowledge on total quality management and OC by exploring a new important field in Malaysia.

Research Objective: Research is an organized investigation of a problem in which there is an attempt to gain solution to a problem. To get the right solution, clearly defined objectives are very important. The present study attempts to answer the following questions:

- To investigate the relationship between TQM and organizational culture.
- To analyze the extent to which TQM affected organizational culture.

Literature Review: Total Quality Management: Through time, quality in manufacturing terms has developed from inspection to TQM. Quality has become one of the most important drivers of the global competition today. Intensifying global competition and increasing demand for better quality by customers has caused companies to realize that they have to provide high quality product or services in order to successfully battle in the marketplace.

TQM can be defined as an enhancement to the traditional way of doing business. It is a proven technique to guarantee survival in world-class competition [25].
Total quality management consists of organization-wide efforts to install and make permanent a climate in which an organization continuously improves its ability to deliver high-quality products and services to customers.

According to [26], TQM is an effective system for integrating the quality development, quality maintenance and quality improvement efforts of various aspects of a system so as to enable services at most economical level and derive full satisfaction. TQM is aimed at the satisfaction of customer needs in an efficient, reliable and profitable way. It involves a radical direction through which an organization perform her day to day operations in other to ensure that quality is put at the top of mind of every employee and departments in which they operate.

**Human Resource Focus:** The staff resource is the only one that competitors cannot copy. It consists of those activities designed to provide for and coordinate the people of an organization [27]. According to some quality experts it is also the only resource that can energize—that is, produced output whose value is higher than the sum of its parts. When asked about the ‘secret’ behind the superior products, one manager from Toyota’s Kentucky plant, a three time winner of the Power Gold Plant Quality Award. The quality machine is the workforce” [28]. The people management consists of activities which include recruiting, selecting, training and developing, counseling, motivating and rewarding employees and handling other matters of employee well-being. Authors of these studies discussed people management from several perspectives which can be categorized into involvement and commitment, effectiveness and development and health, safety and wellbeing.

Describes how all people are encouraged and enabled to contribute to achieving organizational goals and continually improving the organization. Employee involvement approaches can range from simple sharing of information to self-directed activities such as setting goals, solving problems and making decisions. Five of Deming’s 14 points (points 6, 7, 8, 10 and 13) relate directly to the notion of involvement and empowerment [29].

[30] focused on the social and psychological aspects of and on and identified factors responsible for over and underutilization of and on. They concluded that since and on empower shop floor employees, it improves their morale. [31] compared and contrasted people aspects within the TQM environment and human resource management. [32] studied the impact of implementing TQM as a cultural intervention in an electronics company. They found that TQM had a significant positive effect on the employees’ involvement and commitment to the organization. In another study, [33] examined the relationship between employee participation, employee satisfaction and found that the relationship is bidirectional in contrast to popular belief of unidirectional relationship. [33] identified employee involvement and commitment as one of the critical success factors for TQM.

People development through training and education. Quality gurus have actively promoted quality training and education. Two of Deming’s 14 points (points 6, 13) are devoted to these issues. Training generally includes quality awareness, teamwork, problem solving, using data for making decisions, process analysis, process simplification, waste reduction, cycle time reduction and other issues that affect employee effectiveness and efficiency.

Many studies have addressed this sub-category. While studying a large manufacturing organization [33] found that the most effective TQM education and training involved the integration of TQM principles and statistical skills with their ‘hands-on’ application to real world problems faced by employees. In an empirical study, [34] found that training satisfaction increases with TQM.

Association of Business Executives (ABE) Framework describes how organizations provide work environments conducive to maximizing potential of their employees and which recognizes well-being as a critical component of organizational success. As employees are key stakeholders of any organization, their health, safety and well-being are important factors in the work environment. Only two studies addressed the issue of employee well-being and satisfaction [34].

**Process Management/Continuous Improvement:**

According to [35], ‘the focus on continuous improvement will lead to the formation of formidable team whose membership is determined by their work on the detailed knowledge of the process and their ability to take improvement action’. TQM is concerned with the continuous improvement in all the process of production, from the levels of planning and decision making to the execution of work by the front line staff. The principle behind the idea of continuous improvement is basically the idea that mistakes can be avoided and defects can be prevented. According to [36], “continuous improvement refers to the constant refinement and improvement of products, services and organizational system to yield improved value to customers”.
Employee Involvement: A well-structured team will assist the successful production of goods and services through the integration of activities involved in the process of production. [37] noted that team work is a key feature of involvement. To him, team work aids the commitment of the workforce to the organizational goals and objectives. The researchers consider it is essential to have a team made of people with right attitudinal character to working in groups so as to realize the gains of quality management. Team work is a way to stimulate positive work attitude, which includes loyalty to the organization and a focus on organizational goals. [38] noted that teamwork contributes to the generation of improvements that are proposed by employees. To them, the proposed improvements have a way of changing the attitudes of employees that are resistance to change.

Organizational Culture: The culture of organization has been defined in a lot of ways in the literature, for example as “a system of shared values” [39]. Most of the definitions used in different combinations of assumptions, values, norms, beliefs and ways of thinking and work to explain the organizational culture.

Organizational culture has been a significant topic in business management and research for the past two decades. One reason is that organizational culture can determine a range of organizational and individual results. [40] notes that, from the time of the earliest writers on organizational culture [41], if has been said that organizational culture has large impact on the organization and the behavior of employees, motivation, finally, that the organization financial performance”.

Organizational Culture Definitions and Components: Organizational culture comprises the attitudes, experiences, beliefs and values of the organization, acquired through social learning, that control the way individuals and groups in the organization interact with one another and with parties outside it. A standard typology refers to communal, networked, mercenary and fragmented cultures. Numerous other typologies exist. Nevertheless, the necessary notion to grasp is that organizational culture is determined by sundry factors that find expression in organizational structure, making structure itself an important culture-bearing mechanism. Organizational cultures affect the results, such as commitment to productivity, performance and self-confidence and ethical behavior [42].

Dynamics in Organizational Culture: [43] documented both the stability and changes and the work in contemporary discussions of culture in the field of organization studies where the focus is on the cultures of businesses and other organizations. In fact, it seems fair to say that only a handful of studies that focus on businesses organization since 1980.

Most of the authors of the organizational structure see culture as stable and the strength and the resistance that is likely to change only through the intervention of the administration. There are hundreds of examples one can give this position to change the organizational culture. However, nearly all of this literature deals with the possibilities and benefits to change the organizational culture deliberately as a means to achieve greater management control or enhance customer relationship management.

Matching People with Organizational Culture: Matching of individuals and organizations is a crucial part of any successful company. According to [44], the extent to which the founding values match the values of the individual, who works in the company determines whether a person is a good match for a particular organization.

[44] suggests that the rules of collective organization that manages the definition of culture. Culture forms the basis of individuals within the organization behaves. How acting in a group or individual and determines what is “normal” and is determined by penalties what is not natural to him or by culture. Culture that can be defined either by a set of behaviors can be observed or the core values driving behavior. In large organizations often with official statements of vision, mission statements and statements of values to describe the culture of the company.

At the most basic levels, culture can be seen as a set of behaviors. Examples of culture at this level include the degree of formality that staff conducts themselves and the law of organization, dress and the type of technology used. Below the level of behaviors can be observed are the values that underlie behavior. Although these values determine behavior, they cannot be directly observed. On a deeper level are the assumptions and beliefs that determine the values. While the values of the organization or individual may remain in the consciousness and can be made, assumptions and beliefs often found under the surface and out of conscious awareness.

Dimensions of Organizational Culture: [45] mentioned there are many dimensions of organizational culture. It was said that six of these dimensions to be related to conceptual skills to the relationship. These dimensions are: a team approach, communication and orientation, result orientation, direction stability, orientation, innovation and employee orientation.
offers a result-oriented dimension with whether the company concerned with the goals or means to achieve these objectives and thus result in practical measures against the position of companies. It is expected that this dimension affects negatively on the skills relevant to the company's relationship to the institution that would focus too much on outcomes may lack the patience and understanding is essential that there is a need for the development of relations between companies. Innovation orientation reflects the organization's position toward risk and openness to new ideas and innovation [47]. Organizations that are characterized by innovation with high intensity and research and development which was characterized by high flexibility, cooperation and a spirit of risk-taking behavior and, therefore, expected to be positively related to relationship skills [48].

The direction of stability and predictability measures directions towards the behavior in the company and can be visualized and reverse the trends of innovation and thus would be expected to have a negative relationship with skills. An organization that fosters the relationship between people will be able to attract and retain staff that is specialized in the establishment of a friendly relationship with the outside world. If is therefore expect a positive relationship between employee skills and orientation relationship [49].

Supportiveness in Organizational Culture (OC): Employee satisfaction is a key attribute of the employee who embodies the work to a high degree of motivation and inspiration, feeling and personal involvement and support, organizational culture is the driver of the last significant involvement of staff and also includes the design of administrative functions and provides support and set goals for employees. The interaction between managers and staff with regard to support and setting goals, as well as design work is also key factors to encourage staff to participate [50].

Innovation in Organizational Culture (OC): Innovation may always be referred to technological character, but it can also be based on other concepts, for example, changes in product design and packaging, new forms of purchasing or payment concerning customers, introducing methods to motivate staffs, etc. Innovation is likely to be more strongly linked with CRM in the contemporary global business environment [39].

Emphasis on Reward in Organizational Culture (OC): Individual satisfaction with rewards is, in part, in connection with what is expected, how much is received. Feelings of satisfaction or dissatisfaction arise when individuals compare their input-job skills, education, effort and performance-to output-a combination of external and self-rewards they receive.

Employee satisfaction is also affected by comparisons with others in similar functions and organizations. In fact, employees compared to their input output ratio with that of others. People vary greatly in the way that weighs various inputs in that comparison. They tend to weight their views more powerful, such as specific skills or a recent incident in effective performance. Individuals also tend to exaggerate their performance compared with the rating they receive from their superiors.

Methodology: In this cross-sectional, the data will be collected from the selected public organizations, employees through the distribution of questionnaires and the data will be analyzed and interpreted through Statistical Package for Social Sciences (SPSS), version 19.0 to determine the relationship involved. Based on [51], a total of 384 respondents will be selected to become the respondents in this study to answer the questionnaires given. This study is going to identify the relationship between variables by using Pearson correction.

CONCLUSION

Diagram 1:

Diagram 1 above shows the relationship between total quality management to organizational culture. Thus, in this model will describe the relationship of two variables and this model will give better understanding either the relationship will affect directly on the relationship between the benchmarks of total quality management on organizational culture.

In order to understand the effect of total quality management to organizational culture and this conceptual framework provides the variable of total quality management that able to advance the organization
through new organizational culture. From the conceptual framework, the independent variables comprise the total quality management. The dependable variable in this study is about the organization culture. The conceptual framework highlight that organization culture achievement base on total quality management.

REFERENCES