Total Quality Management [TQM]

Idea In Short

According to Total Quality Management [TQM], every employee works to enhance the work culture, services, systems, procedures, and so on to ensure an organization's long-term success. TQM is a management method for an organization that relies on the participation of all members (including employees) and aims for long-term success through customer satisfaction. This strategy benefits all members of the organization as well as society as a whole. It is a continuous process of detecting and decreasing or eliminating manufacturing faults, optimizing supply chains, enhancing customer feedback through improved experience, and assuring properly trained staff.

TQM or Total Quality Management is a management technique to achieve long-term profitability through customer satisfaction. All members of an organization participate in this by working to improve processes, products, services, and culture. TQM is defined as a customer-focused process that strives to continuously enhance business processes. It assures that all associated works (especially employee work) are directed toward the common aim of improving product or service quality. Furthermore, TQM helps improve the manufacturing process or the process of rendering services. However, the emphasis is on fact-based decision making, with performance indicators used to monitor performance. Though TQM originated in the process industry [manufacturing], other industries, such as banking, financial services, healthcare, etc. employ TQM to achieve sustainable, long-term change.

Origin

Walter A. Shewhart invented TQM in the form of statistical quality control. It was first used at Western Electric Company in the version developed by Joseph Juran. TQM was demonstrated on a grand scale by Japanese industry through the intervention of W. Edwards Deming, who is now considered the father of quality control, quality circles, and the quality movement in general as a result of his missionary labors in the United States and

around the world. The goal of TQM is to:

> Do the right things right, the first time and every time

Aspects of TQM

1. Counting: 3Ts (Tools, Techniques, and Training) used to analyze, understand, and solve quality problems.
2. Customers: Quality is a central concern and driving force for a customer.
3. Culture: Expressed beliefs and shared values of leaders support and define the quality.

Characteristics of TQM

There are some very important characteristics of TQM.

1. Proper communication and adopting TQM
2. Benchmarking or evaluating by comparison with set standard
3. Closer customer relation environment
4. Increased training facilities for employees
5. Closer provider relation situation
6. Ensuring employee empowerment
7. Process measuring
8. Open organization
9. Process improvement
10. Flexible production

Understanding TQM

Overall, TQM is a collaborative use of strategy, data and effective communication to integrate discipline into the culture of the organization. It consists of 8 major principles:

Customer focus

Specifically, TQM puts the focus back on the people buying any product or service.

Customers determine the quality of the product. If the product fulfills the need and lasts as long or longer than expected, customers know that they have spent their money on a quality product. Therefore, when an organization understands what its customer wants or needs, it has a better chance of figuring out how to get the right materials, people, and processes in place to meet and exceed their expectations. **Implementation**

- Research and understand the customers' needs and their expectations
- Align the organization's objectives with customer needs and wants
- Communicate with customers, measure their satisfaction level, and use these results to improve
- Manage customer relationships
- Balance between satisfying customers and other interested parties (like owners, employees, suppliers, and investors)

Benefits

- Increased sales, more revenue, market share, and mindshare
- Strong customer loyalty leading to repeat purchases
- Enhanced promotion through word of mouth by satisfied customers

Total employee commitment

One can't increase productivity, processes, or sales without total commitment of all employees. They need to understand the vision, mission and goals of the organisation. They must be sufficiently trained and proper resources must be provided to complete tasks in order to be committed towards reaching the set goals on time. **Implementation**

- Clearly communicate and acknowledge the importance of individual contribution to the completed task
- Stress that each team or individual accepts ownership and give them the responsibility and opportunity to solve problems by themselves whenever encountered
- Acknowledge successes and optimized performance to build confidence in employees and associated stakeholders
- Make responsibilities clear, provide adequate training, and make sure the resources are used efficiently
- Encourage people to continually seek opportunities to learn and switch to other

roles so as to increase their knowledge, competence, and experience
- Subsequently, create an environment where employees can openly discuss problems and give suggestions

Benefits

- Increased employee retention because employees are motivated, committed, and actively involved in working toward customer satisfaction
- Individual and team innovation and creativity in problem-solving and process improvement
- Employees who take pride and accountability for their own work
- Enthusiasm for active participation and contribution to continual improvement

Process approach

Adhering to processes is critical in quality management. Processes ensure that proper steps are taken at the right time in order to ensure consistency and speedy production.
Implementation

- Use TQM tools, such as process flowcharts to define and delineate clear roles and responsibilities so everybody knows who does what at particular time
- Designing a visual action plan so that everybody can easily see specific activities that need to be completed in order to achieve desired result
- Analyzing and measuring current activities to see areas of improvements or steps in the process which are creating bottlenecks
- Evaluating impact of processes and activities on customers, suppliers, and all stakeholders

Benefits

- Faster development and production cycles, lower costs, and increased revenue
- More consistency and predictable outcomes
- Focus on continued improvements and success

Integrated System

Usually, a business has many different departments, each with their specific functions and

purposes. These departments and functions should be interconnected with horizontal processes that should be the focus of TQM. But sometimes these departments and functions operate in silos. In an integrated system, every employee in every department should have a thorough understanding of policies, standards, objectives, and processes. Integrated systems help the company to look for continual improvement in order to achieve an edge over its competitors. **Implementation**

- Promoting work culture that focuses on quality
- Use of flowcharts and other visual aids to help employees to understand how their functions fit-in with the rest of the company
- Use as-is process analysis to look for any improvements needed
- Make training available for employees who need to learn new processes and who want to explore opportunities for advancement

Benefits

- Focus on quality will help the business to achieve excellence and meet or exceed customer expectations.

Strategic Approach

International Organization for Standardization, ISO defines this principle as:

> Identifying, understanding and managing interrelated processes as a system contributes to the organization's effectiveness and efficiency in achieving its objectives

Consequently, a strategic and systematic approach to achieve an organization's vision, mission, and goals is needed to ensure quality improvement through the formulation of a strategic plan that integrates quality as a core component. In this, to maximize efficiency, many processes within a development or manufacturing cycle are controlled as a system of processes. **Implementation**

- By providing people, employees and partners with resources that enable them to complete their individual tasks in the process cycle
- Continuous improvement of products, processes, and equipment updates as

necessary to efficiently reach goals
- By making continual improvements a mandatory measurable objective for employees
- Recognize, acknowledge and reward innovation and process improvement in every phase.

Benefits

- Earlier and quicker identification, reaction to and fixing of errors and process bottlenecks or breakdowns
- Improves organizational capabilities and performance on the whole

Continual 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.
Implementation

- Implement policies to define quantifiable targets for individuals, teams, and departments in terms of product, process, and system improvements
- Recognize, acknowledge, and promote innovation as a means of improving procedures and development
- Encourage staff to attend available training programs to learn new skills and take on new responsibilities

Benefits

- Increased performance through improved knowledge and capabilities
- Improvement objectives that are strategically aligned with organisational capabilities and objectives
- Quick response times to identify and repair bottlenecks and broken processes

Fact based Decision Making

To understand the performance of an organization, 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. **Implementation**

- Analyze and verify data to ensure its dependability and accuracy
- Provide stakeholders with appropriate data
- Use reliable methods to collect and analyze data
- Make decisions based on the data facts, as well as your experience and instincts

Benefits TQM offers the ability to:

- Make sound decisions
- Assess and justify previous actions by referring to factual records
- Revise previous decisions based on data analysis

Communication

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

- Establish an official communication channel so that all employees are aware of updates, policy changes, and new processes
- Involve employees in decision-making wherever possible
- Ensure that everyone in each department understands their roles and how they fit in with the rest of the organization

Benefits

- Employee morale and motivation are increased when they understand how their efforts help the organization achieve its goals
- Improved co-ordination and collaboration between departments
- Silos are eliminated
- Capability to more correctly assess the efficacy of current rules and processes
- Employees are more motivated to attain goals because they are involved in the decision-making process

Related TQM frameworks and thought leaders

- PDCA (Plan, Do, Study & Act) or (Plan, Do, Study & Adjust)

- OPDCA (Observe the current condition, Plan, Do, Study & Act)
- Kaizen (Kai - Change, Zen - Improve)
- Deming's 14 Points on Quality Management
- Kansei
- Six Sigma
- Miryokuteki Hinshitsu
- Atarimae Hinshitsu

Benefits of TQM

Some important benefits of TQM:

- Employee participation in the decision-making process
- Improved quality of service or product
- Ensured customer satisfaction
- Strengthens employee-employer or employee-employee working relationship
- Ensured employee-satisfaction in working environment
- Enhancement in productivity due to quality maintenance
- Creating good communication through scientific techniques
- Getting profitability
- Shifting market share positively

Shortcomings of TQM

Some drawbacks of TQM are:

- Extremely demanding of management and staff time
- It can become excessively mechanical and bureaucratic thus leading to prominence on the process's stability, rather than focusing on improvement or the means rather than the end
- Only helpful if the organization is heading in the right direction
- TQM is not a quick fix and takes years to implement
- It can lead to too much attention

Summary

Quality management[QM] ensures superior quality services and products. The quality of any service or product can be measured in terms of its durability, reliability, and performance. QM tools ensure changes in the processes and systems, resulting in superior quality services and products. The methods of quality management, like Six Sigma or TQM, have a common goal - to deliver a high-quality product. Customers need to be satisfied with your brand. Business marketers are successful only when they emphasize quality rather than quantity. Quality products or services ensure that you survive the cut-throat competition. Therefore, TQM implements close coordination between employers and employees in organization. It also fixes a strong feeling of teamwork among the employees.