

## **Total Quality Management Practices and its approach towards Employee Performance: A Literature Review**

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### **Abstract**

In today's contest, Total Quality Management is considered as a transformational parameter for effective functioning of organization in global standards. In competitive environment, organization are forced to stabilize and improve the management practices for sustain their existing customers and suppliers to be satisfied. Total Quality Management practices regulate the organization to fulfil their purposes by creating a knowledgeable and productive working environment. The aim of this paper is to describe how the various dimensions of total quality management practices helps to enhance the employee performance in distinct factors like job related performance, employee involvement and job satisfaction. As a whole, when these factors are developed the organization will definitely achieve better turnover, improved product or service quality, financial performance and customer satisfaction.

**Keywords:** *Total Quality Management Practices, Employee involvement, Job satisfaction, Job Related Performance*

### **1.Introduction**

In a competitive and ever changing environment, every organization forced to frame different strategic approaches of business for their sustainable development and survival. The changing environment drives organization to perform better and better by providing learning atmosphere to employees for adapting their behavioural attitude towards innovation, flexibility, responsiveness and productivity. Total Quality Management is a management approach which formulates the organization to deliver better quality for new and existing customers. The organization which is aiming for long term success should possess the qualities of customer focus, employee involvement, continuous process improvement, supplier relationship and better leadership. Total quality management practices are the vital mechanism used to lift the employee performance by constructing a cultural practice of continuous development for human resource and organizational process which empowers the employees to achieve individual and organizational objectives.

Total Quality management is a functional activities used to determine the organizational policies, procedures and strategic planning for managing each and every resource towards a quality outcome of an organization. The soft tool of quality management practices like leadership, employee training, teamwork, quality culture, performance appraisal, rewards and recognition improves the performance of an employee in the form of employee relations, outcome, involvement and satisfaction. The various researches were conducted in different part of world to understand the effect or impact created by total quality management practices for a development of organizational performance. From their study we like to identify the internal potential of organization in terms of employee performance by implementing TQM practices and changes made for achieving quality objectives in organizational activities has improved their employee traits.

## **2. Inputs of Total Quality Management Practices**

### **2.1. Leadership**

In most organizations, top management are typically acts as a leader or driving force in the implementation of the TQM practices such as creating values, goals and systems for customer's satisfaction. The critical role played by the leadership was stated through strong commitment to ensure the effective implementation of quality practices. To ensure the leadership commitment, they are ready to perform their responsibilities effectively by adopting better communication system, team building, measurement; decision-making and self-management Tipparat et al. (2011) conducted a study on leadership behavior and its effects on quality performance by taking two traits of leadership such as transactional and transformational. The finding indicates that leadership was an important component for effective functioning of quality management practices and qualities of leadership were determined by clear vision, setting up a high performance goal, forecasting the future requirements, creating intellectual individuals, stimulated encouragement and positive work attitude towards employee performance.

### **2.2. Teamwork**

The concept of team and teamwork is increasingly becoming an important key to improve employee productivity and job involvement in the contemporary workplace (Adebanjo and Kelho, 2001). Teamwork facilitates the affiliate needs by collaborative efforts to solve quality problems, places overall responsibility for quality within the team and allows greater sharing of information for improving continuously and effective functioning within a work group (Boon et al. 2007). Teamwork refers to an increase in employee control over their work and allows them to work as a group. This practice provides an atmosphere of mutual relationship, involvement and participation through out the organization (Ooi et al., 2007). Yang (2006) commented that entire organization should work for improving employee performance by implementing teamwork as a quality improvement practice. Teamwork was perceived as a dominant TQM practice, which has strong association for improving the job satisfaction among employees in an organization.

### **2.3. Communication**

Communication refers to information sharing process between individuals / employees of the organization. It is critical within the organization for connecting employees and objectives of an organization to ensure effective functioning of TQM practices (Gray and Laidlaw, 2002). Quality leaders use effective communication to enlist their support of other employees towards achieving organizational objectives. When an organizational vision is communicated to its entire employees with clear picture of path, future and everything, the organization moves systematically towards total employees job involvement and satisfaction with rapid rate of improvement and world-class performance (Ooi Keng Boon et al., 2006). Several studies noted that effective communication influences the organization to develop employee attitude and involvement towards quality performance (Ooi Yusuf et al., 2007).

### **2.4. Empowerment and Participation**

Deming claimed that empowerment and participation of employees at all level is must to improve the quality of current and future performance of organization. Even non-managerial employees can make significant contribution when they are involved in quality improvement process, decision making and policy making process (Sadikoglu and Zehir, 2010). Asaari (2006) found employee's perception of empowerment to have an impact on employee loyalty, job involvement and satisfaction. Employee participation is a process of empowering members of an organization to make decision and to solve problem at their levels in the organization. Empowerment and participation gives a room for improving the employee's morale and skill development in a case of individual capability and

responsibility (Veeri Arumugam et al., 2006). Literary survey's stated that empowerment and participation of employees in organizational activities brings the major change in employee performance.

### **2.5.Employee Training**

Employee Training is a predominant activity followed in every organization at all levels for equipping their employee to deliver better performance. Training is a process of knowledge sharing among the employee and spreads importance of continuous improvement and innovation in process to attain quality performance and business excellence. Talib and Rahman (2010) reported the critical role of employee training in maintaining a high quality level within their competitive partners. Asiya Gul et al., (2012) had cited in his research that employee training was a triggering factor to improve employee efficiency in job and accomplishment of organizational goal as an outcome of quality and performance. From the past research, it is found that employee training was a fundamental factor of TQM practices for assessing the performance of individual and organization.

### **2.6.Process Management**

Process management is a systematic approach in which all the resources of an organization are used in most efficient and effective manner to achieve desired performance (Sit et al., 2009). Motwani (2001) commented that process management stresses the value adding to a process yields increasing productivity of every employees and assuring the quality of an organization. Fred Appiah et al., (2008) cited in his research that "Deming noted that organization is a set of interlinked process and that improvement of this process is the foundation of performance improvement". He considered process management was a positive impact variable for determining relationship between TQM practices and performances of SMEs. Process management is a methodological practice of improving each and every process to perform continuously and maintain their reliability and viability towards betterment of operational performance (Kevin Baird et al., 2011).

### **2.7.Employee Encouragement**

Employee encouragement includes the factor of reward and recognition, motivating the employees' performance by effective appraisal system and addressing the grievance through proper redressal methods. Soltani (2003) stated in his study that TQM-oriented organization has its own appraisal system for determining the training opportunities as an area of employee improvement and concerned over quality performance in terms of product or service quality and productivity. Ehige and Akpan (2005) cited that TQM practice must require a proper alignment in rewards and recognition system, so that employee get clarity in performance oriented credits and inclined towards the effectiveness of other TQM practices. Yusuf et al., (2007) reported that employee encouragement is positively related with quality performance and employee satisfaction. It has been found that employee encouragement gives right direction to employees and an essential practice for setting employee morale beyond their performance level.

### **2.8.Quality Culture**

Berings et al. (2010) defines quality culture is an organisational culture which contributes to the development of effective and efficient transformation of quality performance throughout the organization. Rapp (2011, p. 6) in the foreword to the EUA publication Examining Quality Culture Part 2: The notion of quality culture is understood here as comprising (i) shared values, beliefs, expectations and commitments toward quality performance (ii) that are supported by structural and managerial elements and processes that enhance quality performance. Generally the culture of an organization could improve individual behaviour, knowledge sharing and job satisfaction. Besides this, quality culture significantly contributes in improving an entire performance of organization as well as influencing a culture change in employee attitude and involvement (Yusuf and Ali, 2007). Gore (1999) emphasis that the quality culture of an organization is the strong basis for enhancing organizational success.

### **3.Outcomes of TQM practices and Employee Performance**

TQM practices have been classified into hard and soft in orientation. Soft TQM refers to the social / people based issues that relates to performance of quality delivered by the members of an organization towards their customers (Vecchi and Breman, 2011). The outcome of employee performance can be determined by the influence created by TQM practices necessarily followed in their organization. The people based TQM practices definitely have the positive impact on performance which can be identified through employee involvement / commitment, job satisfaction, job related performance such as employee relation, outcome and quality. As these metrics are interrelated to showcase overall internal effectiveness of organization which competes global competition and successful growth rate for their sustainability.

#### **3.1.Employee Involvement**

An important aspect of TQM practice is to empowering employees to be more involved in their jobs and participative in decision making and problem solving activities. Generally TQM practices involve employees at all level and empower them with different responsibilities to hold and complete their entire task within organizational liabilities. The implementation of TQM practice can create a culture of encouraging employees to work together, improve personal responsibilities and enhance the sense of accomplishment in their relative jobs (Noorliza karia et al., 2006). Ooi Keng Boon et al., (2006) stated in his study that TQM practice like teamwork, empowerment, employee encouragement and communication are the positively associated factors towards employee involvement. Especially empowerment is found to be a dominate practice which has strong association with employee involvement in manufacturing industries. Faisal Talib et al., (2011) has a conducted a study on analysing TQM practices in manufacturing and service sectors. They had taken nine different factors for their analysis and found that leadership, training and human resource management are most related factors for employee involvement in both sectors. They also determined that quality culture oriented work environment makes employee to be more committed especially in TQM practising manufacturing companies.

#### **3.2.Job Satisfaction**

The term “job satisfaction” refers to positive affective reaction by individual to their job. Job satisfaction indicates the importance of roles and responsibilities that an employee has to contribute are recognize their performance in a particular job based on the culture of empowerment, participation, communication, training, teamwork and continuous improvement in their work related factors (Noorliza karia et al., 2006). Ankur Jain (2010) stated in his study that employee empowerment, team work & cooperation, organizational culture and communication are positively associated with employees’ job satisfaction. It is also found that, where teamwork was perceived as a dominant TQM practice for the improvements in job satisfaction level. Daniel I. Prajogoa and Brian K. Coope (2010) discussed in their study about the effect of people related TQM practices on job satisfaction showed that five first-order factors (top management commitment, empowerment, training, involvement, and teamwork) and job satisfaction was also treated as a second-order latent variable measured by first order factors. The finding demonstrates the role of people- related aspects of TQM in predicting job satisfaction among employees, which in turn is likely to enhance their work performance with effective working environment.

#### **3.3.Job Related Performance**

Job performance has been defined as the overall expected value from employees’ behaviors carried out over the course of a set period of time (Motowidlo, Borman, & Schmidt, 1997). This definition, although fairly technical, includes specific ideas that are worth breaking down: i) Performance is a property of behavior, or, plainly stated, what people do at work. ii) An employee’s behavior adds expected value to the organization – that is, an employee’s behaviors may be distinguished as helping or

hindering an organization, but the outcomes of employee behaviors are rarely measured so their value is merely expected. Performance can further be broken down into two distinct types: Task Performance - These are the actions that contribute to transforming raw materials to goods and services, the things that are typically included in job descriptions. Contextual Performance - These are the behaviors that contribute to overall effectiveness through supporting the social and psychological climate of the workplace. (Borman & Motowidlo, 1993, Robert Bullock, 2013). The majority of the studies have shifted their focus on defining job performance in terms of outcomes and behaviour, since these are easier and more objective to define and to observe than employee traits (Hersén 2004). TQM practised organization specifies their employee outcomes in the form of timeliness, producing defect free product, considering cost of quality and responsiveness towards service delivery with inputs of training, process improvement and empowerment (Brah et al., 2000).

#### 4. Conclusion

TQM practices initiated the activities with customer focus by making their employee involved in managing different processes and looking for process improvement on continuous basis to focus quality oriented performance. The employees that cannot be met these requirements in their jobs, will search the conditions they desire in other places and environments. And, this situation will effect on employee's job satisfaction. Ensuring employee participation in decisions making in companies also helps to improve last decisions into the organization, in addition to increasing employee involvement. Personnel participated in the decisions, will be in positive emotions to their jobs, colleagues and management and there will be an increase in their job satisfaction. Performance oriented management always maintain better employee relations and contribute to their employees for improving job related performance. The satisfied employees will show better performance and treat customers better, as a result, it will be provided better customer satisfaction (Luthans, 1994; Okay & Akay, 2010). Critical factors of TQM practices such as leadership, strategic plan, employee training, teamwork, empowerment and participation to decisions, process improvement, giving attention to the quality process, maintaining of quality culture and operational results are the key player for enhancing and sustaining employee performance. (Kocyigit et al., 2011).

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