

## Total Quality Management is an Important Factor in Today's Business World

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**Abstract:** The principle of this paper is to analyze the significance of TQM is an integrated management approach that aim to continuously enhance the performance of products, process and services to achieve and surplus customer's expectations. There are some important factors which contribute to the success of TQM efforts. Total quality management is necessary for survive in competitive business. The paper inquired upon the utilization of total quality management system within the participants companies, the main objectives and effects of these systems as well as upon the knowledge & usage of total quality management principles in companies. The result from the research shows that the core principles of TQM are to improve the performance of business and give description of the important factors which shows the relevance of Total quality management. The concern and issues for TQM & ERP implementation are discussed. This paper also describes that how the Theory of Constraints (TOC) relates to the Total Quality Management (TQM).

**Keywords:** Total Quality Management(TQM), Business Performance, Enterprise Resource Planning (ERP), Competitive advantage, Theory of Constraints (TOC).

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### I. Introduction

In today's business competition & liberalization of economy has become the most important factors for achieving competitive advantage in international market as well as domestic market. If a business have good quality product & service only then the business can attract or retain the customers. Poor quality tends to dissatisfaction of the customers. So the cost of their inferior quality goods, only the wastage for current & future sales. The business environment has become increasingly complex & the marketplace has changed from local market to international market. In 1991, All the business policies, rules & regulations have changed in India only and only because of the introduction of LPG. The competition among all the organizations has increased in very speedy manner. Customers are becoming increasingly aware of rising standards of life, having access to wide range of products & services to choose from. So ever increasing demand for quality product & service sand this global revolution had forced organization to invest substantial resources in adopting & implementing the Total Quality Management strategies. Theory of Constraints (TOC) has been developed to help the organizations to think about their all troubles, develop possible solutions and implement those solutions effectively & successfully. Theory of constraints can be assimilated into TQM execution as a machine to help TQM and to enhance its execution. This manuscript also describes how TOC is related to the TQM.

### II. Principles That Guide Successful Quality Improvement

They are as follows:

1. The way an enterprise is organized determines how well customers are served.
2. Substantial improvements come from systematic changes.
3. The change process is collaborative in design & implementation.
4. Employees should be given a voice in how their work is done.
5. The building block of organizational change is the unit-work the team.
6. The change process itself is completely managed.
7. The vision stretches expectations of what is possible.

### III. What Is Total Quality Management (Tqm)-?

View about quality has changed with the passage of time with changing customer's needs and requirements. Any organization is a system of interconnected units. For TQM to succeed, all of the mechanism within the organization must be collectively involved. The definitions of quality incorporates factors like top management commitment leadership, training & development, team work, rewards & recognition. According to Selladurai Raj, TQM interventions or actions must be guided by four vary principles, namely work processes must be improved, variance must be prohibited to ensure high quality, data must be methodically collected and analyzed in problem solving cycle: and this completed to constant learning by the human resources about their work. Every organization has been using technology to serve continuous in one such concept. Which

encompasses social & technological readiness of the organization? It is a business solutions aimed at making capabilities of the organization for better performance, better decision making and competitive advantage.

#### **IV. Theory Of Constraints (Toc)**

Different writers have given various definitions of TOC. According to Dettmer (1995), TOC can be defined as a combination of concepts, principles and tools intended to assist manage system best. Generally TOC is a combination of philosophy, concepts, principles & tools conceived to make the most of the show of any system by identifying, managing & breaking the most restrictive factor that constraints system performance. A lot of quality enhancement efforts are paying attention on achieving the highest cost reductions. The TOC approach focused on growing from side to side put rather than reducing expenditure. There are two important components of TOC given below:

- ❖ The five focusing steps of TOC
- ❖ Thinking process

**IV.1. The five focusing steps of TOC-** In 1984, Goldratt & Cox has introduced five sequential step ladders to give attention to improvement efforts on the appropriate component.

**The steps are-**

1. Recognize the system constraints.
2. Fix on how to take advantage of the constraints.
3. Subordinate the whole thing else to the above decision.
4. Raise the system constraints.
5. If, in the previous steps a constraints has been broken, then go back to step one but do not allow inertia to cause a new constraints.

**IV.2. Thinking process-** Thinking process (TP) is to address policy constraints and create solutions generic decisions at the time of dealing with obstacle. What to do the change when to do the change and how to do the change. The TP prescribes a set of tools in the form of diagrams to answer the questions. TOC is a new concept which is growing in recognition and popularity. Complement TQM helps to focus the parts of a system that needs process improvement. The principles of a TOC-based TQM provide the guidelines to aid in understanding how to focus efforts to maximizing effectiveness. It has the objective to establish an effective management system to implement the process of profit improvement while take into consideration all condition of good quality.

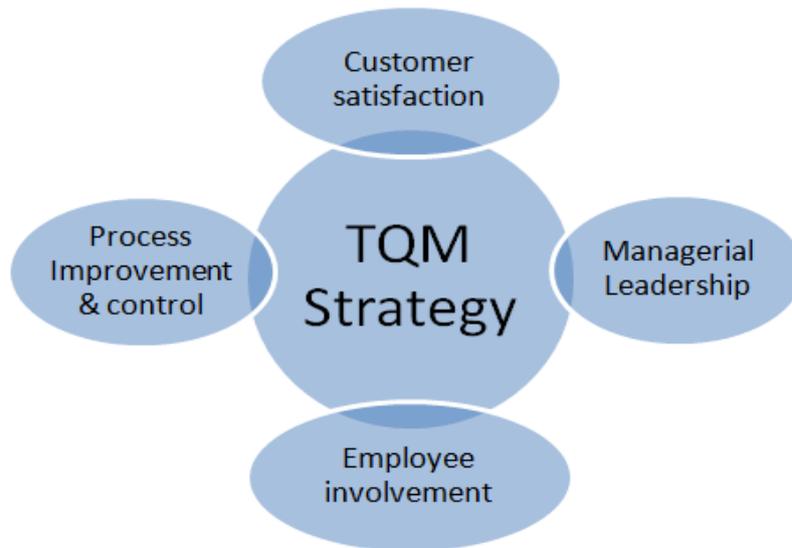
#### **V. Deming's idea on achieving quality**

WE Deming was trained as a satisfaction & started teaching process control in Japan shortly after world war second. Deming tells that the way to attained product quality is to continuously and perfectly improve the design of a product and the process used to producer. There are fourteen principles given by Deming to achieve the success in quality, these are given below:

1. Find out the new philosophy, top executive & everybody.
2. Recognize the reason of inspection for enhancement of process & decline the cost.
3. End the practice of presenting business on the basis of price tag only.
4. Improve constantly & everlastingly the system of production & service.
5. Institute modern method of training.
6. Teaching & institute leadership. Focus administration on helping people to do a superior job.
7. Expel fear, create trust, create a climate for advancement.
8. Optimize towards the aims of the company, the attempts of the team groups and areas.
9. Eliminate slogans & targets for the personnel.
10. Eliminate numerical quotas for manufacture. Instead learn & institute method for development. Eliminate management by objectives instead know the capabilities of processes and how to advance them.
11. Eliminate barriers that people of pleasure of workmanship.
12. Support education and self development for every person.
13. Take action to accomplish the transformation.

#### **VI. The Total Quality Management is a strategy -**

There is no such any strategy which can be successful without a perfect implement action. So there are four special components which are necessary to a successful TQM strategy.



**VI.1. Customer satisfaction-** To determine that needs of customer is very important for a successful business all the quality focused customer need it they recognized the needs of the customer only then they can provide the product as per the customer. All the activities of the organization related to marketing, production, finance, HRM, focused on the customer satisfaction.

**VI.2. Employee involvement-** Employee participation is very essential at right place and right time. if all the employees are positioned at right job and they are doing their job is right etiquette only then the quality of product be improve. Cost of quality has recommenced rising attention. Quality will be certainly get better if and only if all the human resources of the organization do their job seriously in responsible manner. An essential part of the work on employee participation concerns work design and its impact on inherent motivation and job satisfaction.

The most important overall focus in the work an employee involvement concerns assertive decisions to the lowest level in the organization. It is indicated that the persons or teams should be given the supremacy, information and knowledge they need to work independently of management control & direction.

Some of the articles on employee involvement place a strong attention on reward systems. Employee involvement programs emphasize changing job design and the use of team structures at a lowest level of organization.

**VI.3. Managerial leadership-**

Leadership is also very important component of the TQM. So managerial leadership is also essential component for the TQM. Without leadership a business cannot get success in any manner. But it is important thing that how the leadership will be control. So there is need for managerial Leadership. It is important to manage the all activity only then the quality can be enhanced as per requirement.

**VI.4. Process involvement & control –**

Total Quality Management leads to process improvement & control. The process of the production should appropriate. If there is any problem in the process of production then the quality of the product will be affected. So the process of the organization should be correct to produce a quality focused product. Control is also a good component of the TQM it is known that control is the essential function of the management. So without control how TQM is possible. Control is the very necessary at all the steps of the management control is related to the customer employees, process, product, place all the activities held in the organization.

**VII. Importance of TQM in Enterprise Resource Planning (ERP) implementation**

TQM is very important for enterprise resource planning. It can be shows by these two points

1. It is very much important to look at how ERP integrates with the concepts of TQM in any organization & has to be part of the corporate strategy for an business for gaining a competitive lead in the long run.
2. Controlling quality meant that the product had to be inspected after it was produced to test whether it met all the requirements or not. The replacement from inspection made to prevention mode is considered to be a very important step in building quality from the beginning of the manufacturing process.

### VIII. Effect of TQM on Business performance-

TQM has a great importance in relation to the business. The effect of TQM can be seen by this figure- Total quality management is related to all the functions of a business. It is not only a part of the business but also an essential strategy for the successful business. If business adopt the TQM strategy only then it can survive in the competitive world.

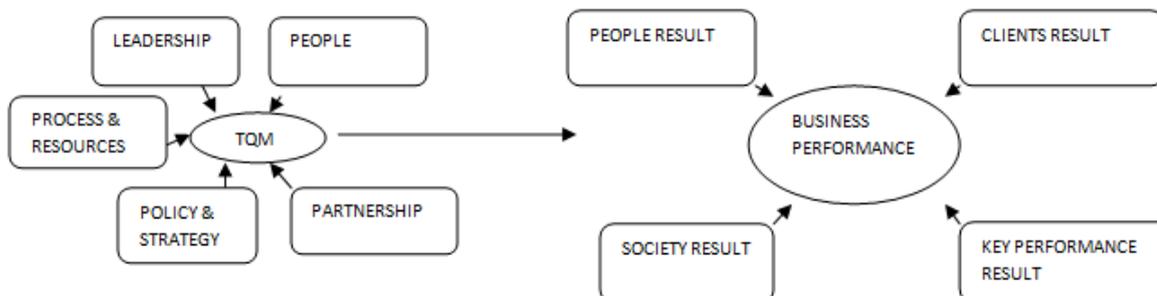


Figure 1. Effect of TQM

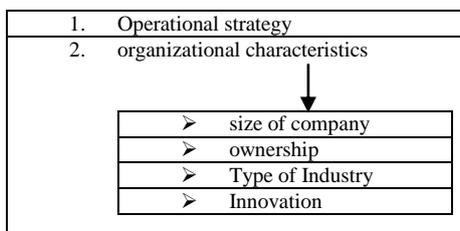
As the above figure depicts that TQM is affected by 5 factors which are-

1. Leadership
2. People
3. Policy & strategy
4. Process & resources
5. Partnership

Total quality management leads to Business performance. Business performance in the sense of

1. People
2. Clients
3. Society
4. Key performance

So this is the effective modal of Total quality management. There are some important points which shows the effectiveness of TQM on business-



#### 1. Operational Strategy-

Operational strategy related to the people, process, production etc. TQM can be defined as a set of techniques & procedures used to eliminate difference from a production process or services- delivery system in order to get better competence.

#### 2. Organizational characteristics-

Organizational culture considers as the attitudes, values and situational relations. It has been influenced by different types of rights.

- **2.1 Size of company-** There is a consistent relationship between the TQM & size of company. Larger companies tended to advantage more from TQM than smaller firms. Large firm produced more often implementation of TQM.
- **2.2 Ownership-** Management should know how TQM tactic could be implemented effectively. The culture of organization is influenced by the type of corporate ownership. So TQM is depends upon the type of ownership.
- **2.3. Type of Industry-** TQM is mainly applied in manufacturing firms. But now a daysafter seeing the success of manufacturing firms TQM that emphasizes the human beingelements, such as empowerment ownerparticipation culture also moved its application in the servicearea.

- **2.4. Innovation-** TQM supports the innovation implying that organizations that implement TQM will be successful in innovation. Because to improve the quality of product, a firm must have the TQM strategy.

### **IX. Conclusion**

Total Quality Management is very imperative for the success of the business. To implement the TQM strategy it is necessary to focus upon the leadership, people, policy & strategy, procedure & resources then finally that organization get the success. TOC (Theory of constraints) also describes the importance of the TQM & the strategy for the TQM. There is a relation between the TQM & ERP (Enterprise Resource Planning). This study focus on the theme that an organization has to apply the TQM strategy if it wants to grow & survive in this competitive business world. This study also recommends that firms should be flexible when implementing TQM & management should develop a good quality culture by changing perception towards quality.

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