# TOTAL QUALITY MANAGEMENT (TQM) AS AN APPROACH OF MANAGEMENT PRACTICES TO ACHIEVE VALUE BASED SUSTAINABILITY

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**Abstract -** Total Quality Management (TQM) is a culture/philosophy advocating total commitment as integrated organizational approach to ensure the highest level of customer satisfaction in a product or service through continuous improvement and innovation in all respect of business. Its prime and ultimate objective is to delighting the customers both internal and externals and to achieve value based sustainability goals as an approach of management practice. Profitability is still the priority of most organizations and to increase financial benefits, many organizations sacrificed the social, political, legal and environmental aspects for development of humankind. World is discussing value base sustainility as emerging issues and challenges at each and every aspect of businesses. UNO has given the platform as High-level Political Forum to discuss and provide political leadership, guidance and recommendations for the value based sustainable development. It follows up and reviews the implementation of sustainable development commitments and the 2030 Agenda for Sustainable Development. It addresses new and emerging challenges; promotes the science-policy interface and enhances the integration of economic, social and environmental dimensions of sustainable development.

This research paper is based on theoretical assumptions and it investigates the relationship between TQM as an approach of management practices and sustainability performance of the organizations. This article is an attempt to integrate TQM approach management practices for delivering superior and high value customer satisfaction to achieve the ultimate goal as value based sustainability. The concept of sustainability is taken as the perspective of the triple bottom line which consists of three elements- the social equity bottom line (people), the environmental bottom line (planet), and the economic bottom line (profit). These three aspects of the triple bottom line must be harmonized, integrated and balanced effectively.

**Keywords -** Environmental Degradation, Harmonized, Performance, Stakeholder group, Value Based Sustainability, TQM, Triple-Bottom line.

## I. INTRODUCTION

TQM is a customer oriented management philosophy that seeks to integrate all organizational functions (marketing, finance, design, engineering, and production, customer service, etc.) to focus on meeting customer needs and its members, including management, employees, suppliers, vendors and also the customers are involved as motivators for managing the improvement in quality as organizational objectives. As a management practice, TQM is a comprehensive approach of quality improvement to face the challenges of competitiveness, effectiveness and flexibility through planning, organizing and understanding each activity, and involving each individual at each level in the organization for the production of goods and services. The simple objective of TQM is **"Do the right things, right the first time, every time".** It is a combination of quality and management tools aimed at increasing business and reducing losses due to wasteful practices. It is said as an way of ridding people's lives of wasted effort by bringing everyone into the processes of improvement, so that the results are achieved **in less time with less efforts with less money.** Although TQM originally applied to manufacturing operations for long time, but it is now becoming recognized as a generic management tool, just as applicable in service and public sector organizations. Total quality is not a revolutionary but an evolutionary concept and this approach of TQM was originated in the 1950's and has steadily become more popular since the early 1980's. 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

The history of quality begins from Egyptian wall paintings around 1450 B.C. by showing evidence of inspection and measurement activity and stones in pyramids were cut so precisely that it is impossible to put a knife blade between the blocks. TQM is not new to India and has its root in Indian ancient scriptures like **Upanishads** and **Srimad Bhagavad-Gita**. The Total is comparable with **Vedic term,** which literally means 100 percent is the whole space

or **Advatiya, Vivek** (mind) and whole world is a house **(Vasudhev Kutumbakam)** thus it covers all TQM aspects like social-cost benefit, HRD, customers focus and globalization. As far as the 2030 Agenda is concerned, Goal 16 is devoted to the promotion of peaceful and inclusive societies for sustainable development, the provision of access to justice for all and to the establishment of effective, accountable and inclusive institutions at all levels. Goal 17 is related to strengthening the means of implementation and revitalization of the Global Partnership for Sustainable Development. The strengthening of the framework to finance sustainable development and the means of implementation for the 2030 Agenda is ensured by the Addis Ababa Action Agenda. With the adoption of **"Future We Want"**, the outcome document of the Rio +20 conference, held from 20 to 22 June 2012, Member States decided "to establish a universal intergovernmental high-level political forum, building on the strengths, experiences, resources and inclusive participation modalities of the Commission on Sustainable Development, and subsequently replacing the Commission. The high-level political forum shall follow up on the implementation of sustainable development and should avoid overlap with existing structures, bodies and entities in a cost-effective manner."

## II. LITERATURE REVIEW

Organizations that adopt a quality management strategy focus on achieving and sustaining a high quality outputs using management practices as the inputs and quality performance as the outputs (Flynn, Schroeder, & Sakakibara, 1994). Quality philosopher W. E. Deming defines quality as "multidimensional to produce a product and/or deliver a service that meets the customer's expectations to ensure customer satisfaction" (Deming, 1986, P.54). Joseph M. Juran elaborates with multiple meaning as first "Quality consists of those product features which meet the needs of customers and thereby provide product satisfaction," and second quality is apparently associated with customers' requirements, and fitness suggests conformance to measurable product characteristics" (Juran, 1988, P.22). Philip B. Crosby's definition of quality is "conformance to requirements" (Crosby, 1979, P.7). Another definition of TQM: "an integrated approach to achieving and sustaining high quality output, focusing on the maintenance and continuous improvement of processes and defect prevention at all levels and in all functions of the organization, in order to meet or exceed customer expectations" (Flynn et al., 1994, p. 342).

**Value Based Sustainability:**

There is a large catalogue of markets and customers requirements that should be fulfilled in targeted time frame with the involvement of many stakeholders, and thus it needs a modern management philosophies, principles, processes, methods, tools, techniques for a quick and valuable managerial decisions for materials, information and money flows with the balanced conceptions of economic, social, political, legal and environmental aspects. Higher levels of quality leads to better optimal utilization of resources which indeed a great service to the society. Thus value creation of management of sustainability is a complicated phenomenon. It faces many challenges with big-big gaps & differences for fulfilling the market demands and to maintain the balances of cultural, environmental, political, social, legal and economic aspects for value based sustainability development. People are enjoying higher quality of life with rapid economic growth, but they must also cope with serious environmental degradation (pollution, global warming, etc.) and social problems (diseases or inequity). To do so, enterprises should implement **"value based sustainability management"**, which is quoted as defined sustainability management as "accelerating the adoption of best management principles, models, and practices throughout the operation system, and enabling the environment to achieve sustainable development" Luei and Lu. (Bus. Excell. **2013**, Total Quality Management, 3363, 62–78) "Total quality management approach sets the ultimate objective for empowering customers by its continuous improving process. TQM provides an accelerating trend for value based sustainability in businesses and which is most important to all humankind. Edgeman (Int. J. Bus. Soc. 2013, 13, 1–17) developed a Sustainable Enterprise Excellence framework based on business excellence models including Malcolm Baldrige National Quality Award (MBNQA), European Quality Award and sources of sustainability indicators from Global Reporting Initiative and the United Nation Global Compact. Edgeman, R.; Eskildsen, (Excellence. Bus. Strategy Environ., 2014, 23, 173–187) introduced a maturity assessment regiment of the Sustainable Enterprise Excellence model that is a combination of graphical NEWS (North–East–West–South) compasses and SWOT (Strengths–Weaknesses–Opportunities–Threats) plot narratives.

Sustainability performance is conceptualized as an outcome of sustainability management and so sustainability performance can be defined as "the combination of its economic, social and environmental performance" in all dimensions and for all drivers of corporate sustainability. Based on the Balanced Scorecard of Kaplan and Norton, discussed three possible approaches to integrate the three dimensions of sustainability into a single framework called Sustainability Balanced Scorecard. The first approach is to integrate environmental and social aspects into the existing four dimensions of the conventional Balanced Scorecard—financial perspective, customer perspective, internal process

perspective, and learning and growth perspective. The second approach suggests adding environmental and social aspects as a new perspective. The third approach is to formulate an environmental and/or social scorecard.

**Research Objectives and Framework :**

This research article is based on the analysis of past researches with the theoretical assumption to develop the significant & close relationship between TQM approach and practices to achieve the value based sustainability performance as well as the moderating effects from total quality management implementation timeline, type of industry, and firm size on this relationship. The contribution of this research ultimately establish a close link between the development of quality management and organizational performance through resource-based views and the TQM excellence model criteria as the framework for this study. The model of triple-bottom line framework has taken into consideration as sustainability issue. It describes first as social bottom line for equity and quality of life for all people either working for the organization or not. The second is the environmental bottom line concerns the impact of the organization on "living and non-living natural systems" such as land, water, air and ecosystems. Third economic bottom line refers to both financial and non-financial values created by the organization that benefits not only shareholders but also stakeholder groups. Sustainable development is an accelerating trend that is important to all humankind. People are enjoying higher quality of life with rapid economic growth, but they must also cope with serious environmental degradation (pollution, global warming, etc.) and social problems (diseases or inequity).

An extensive literature review survey has been carried out to select TQM frameworks for this study. Research into quality management and TQM has identified many critical success factors(CSFs) that provides guarantee the successful implementation of TQM. Many studies have attempted to synthesize different TQM practices into a meaningful set of CSFs to help users conceptualize the TQM concepts more easily. CSFs are management practices, actions or pre-conditions necessary for successful QM (Saraph et al., 1989). However, most of quality awards in the world are basically derived from three basic: the Malcolm Baldrige National Quality Award (MBNQA), the European Quality Award (EFQM) and the Deming Prize. The prime objective of this study is to examine and adopt the important dimensions of TQM as- Integrative leadership Support, Strategic and best practices of Management, Customer Focus, Employee Focus and Involvement and Waste Elimination (WE), community & productivity, process centered, integrated system, continual improvement, fact-based decision making, transparent & good communications and to establish better implementation processes to achieve the value based sustainability in organizations.

The author attempts to apply deep observations based on literature-review, research framework and empirical evidence provided by various researchers for the fact provided by TQM practices. A brief concepts of some important dimensions of TQM are highlighted here:

**Integrated Leadership Support:**

The Integrated Leadership support links the balances between leadership, management and technical skills. Integrative Leadership Support that is accepted as the main element of TQM and major indicator of successful practice of TQM (Martin, 1993, 80). It provides effective, strategic and motivate the groups of people to achieve customer satisfaction and business results

**Strategic and Best Practices of Management:**

The next important dimension is Strategic planning and best practices of Management and it includes formation and implementation of organizational quality plans to achieve value based sustainability. Leadership implements best practices with the belief that they are the organizational solutions (Sanwal, 2008; Turner et. al., 2009; Idris and Ali, 2008; Hussain et. al., 2001). As Garvin stated, strategic quality plans are the glue holding together an organization's quality improvement efforts (Garvin, 1991: 91). Best management systems such as performance appraisals, quality circles, cascade briefings, 360 degree feedback, and internal communications provide the best results to achieve value based sustainability.

**Customer Focus:**

TQM practices have the main focus on their customers as being the most important ultimate of the business. Several studies of TQM as customer focus dimension highlights TQM (Hoang et. al., 2006; Yang, 2006; Ahmed et. al., 2005; Lagrosen and Lagrosen, 2005; Lewis et. al., 2005; Miyagawa and Yoshida, 2010; Prajogo and McDermott, 2005; Prajogo, 2005; Seth and Tripathi, 2005; Sila and Ebrahimpour, 2005; Tari, 2005). According to Miyagawa and Yoshida (2010), the strategy to focus on customer satisfaction significantly affects quality performance issues such as reducing warranty costs and scrap.

**Employee Focus and Involvement :**

Employee focus and involvement is also very valuable and important segment of TQM approach. Business Management practices & Quality improvement initiatives are the two sides of the same coin for the success and sustainability of business. Miyagawa and Yoshida (2010) conclude that the TQM strategy and employee involvement in Japanese-owned manufacturers in the US have a significant effect on external performance in the areas of increased productivity, market share, profit and competitiveness. Employee satisfaction precedes company achievement and therefore should be the

aim of any improvement efforts. In a study, it is found that TQM practices which have a higher impact on external performance were strategic quality planning, supplier quality, employee involvement and training Thawatchi Jitpaiboon and S. Subba Rao (International Journal of Quality & Reliability Management, Volume:24 Issue:1, 2007).

**Waste Elimination (WE):**

The wastes are Non Value Add and must be seen as the enemy. They absorb time, and cost. The way to remember them is to think of **Tim Wood (www.educational-business-articles.com/7-wastes)**. This TIM WOOD is present in every business, and it should be to hunt m down, reduce and eliminate as best as possible. This absorbs costs, overheads, and cash in the business. TIM WOOD is explained as **T** – Transport, **I** – Inventory, **M** – Movement, **W** – Waiting and delays, **O** – Over production, **O** – Over Processing **a**nd **D** – Defects. An extremely important form of waste that is not represented within the Seven Deadly Wastes is unused human potential. This form of waste results in all sorts of lost opportunities (e.g. lost motivation, lost creativity, and lost ideas). One of the reasons that this form of waste is often underemphasized or even ignored at companies is that responsibility for it lies squarely on the shoulders of management.

## CONCLUSIONS AND RECOMMENDATIONS

A systematic investigative approach study determine the quality management dimensions used in the literature and its suitability for achieving value based sustainability. This approach provided a new instrument for assessing the quality management dimensions required for all management levels. The findings of this study contributed to both theoretical and managerial perspectives. From the theoretical standpoint the theories and the previous literature which supported these theories by providing empirical evidence throwing in enrichment the body of knowledge about the TQM theory. From the managerial perspective, this study develops a significant relationship between quality management dimensions (leadership, strategic planning, customer focus, and employee relation). This discussion concludes with serious thought for higher quality of life with rapid economic growth, must also cope with serious environmental degradation (pollution, global warming, etc.) and social problems (diseases or inequity) to reach at **"value based sustainability management"**. This study has advanced research in the TQM approach as management practices providing some empirical evidence from a literature survey that TQM model are effective. TQM works on belief that the overall quality of products can be enhanced by improving the quality of the processes directly or indirectly related to their creation with prime objective is to reduce process variation by building quality into the production process and it led to increase the quality of outputs as well as decreasing the costs such as rework costs and waste costs. The maintenance of process capability to meet production requirements is the important matter in process control and improvement.

Sixteen countries have framed their National Quality Awards based on Malcolm Baldrige National Quality Award (MBNQA), European Foundation for Quality Management (EFQM), Kanji Business Excellence Model (KBEM) and Rajiv Gandhi National Quality Award (RGNQA) are popular awards. Business Excellence Model, (KBEM ) based on Kanji K. Gopal (Routledge, 2012 - Business & Economics) pyramid principles of TQM links together the prime (Leadership), four principles (Delight of the customer, Management by Fact, People Based Management and Continuous Improvement), and the eight core concepts, to provide the forces of excellence in an organization. Kanji has given a holistic way of looking at performance measurement system, which can be used to drive success by focusing organization's efforts on the forces of excellence.

This article summits its recommendations of need to establish normative principles for global governance with regulatory policies for stabilizing the global economy and safeguarding the global public interests. Such values and principles play an important role in reconciling the dichotomy between development plans that focus on increasing prosperity and those advocating improving overall human well-being. This article offers a theoretical overview why TQM approach would be especially beneficial if applied to sustainable development with complicated challenges issues of the fact that there are vast differences in conceptions of economics, the relationship of the market to the state, and the role of cultural values in economic development. This article argues that if TQM approach will applied honestly taken as work and morale philosophy as management practices in organizations it will really provide economic development with value based sustainability.

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