

GSJ: Volume 10, Issue 6, June 2022, Online: ISSN 2320-9186

www.globalscientificjournal.com

THE ROLE OF TOTAL QUALITY MANAGEMENT IN ORGANIZATIONAL PRODUCTIVITY AND GROWTH IN IDEAL LOGISTICS PROJECTS

ZAHA NOOR KHAN

ZAHAKHAN15@GMAIL.COM

ABSTRACT

This research project is based on the role of Total Quality Management in Organizational Productivity and Growth of Ideal Logistics Projects. This project aims to present the organization a tactical and strategic solution to overcome their challenges of client complaints. Total quality management enables a flexible learning and developing culture in the organization and also allows open communication between subordinates and managers.

The aim of this research project is to briefly highlight and evaluate the importance of total quality management in organizations. Moreover, the projects reflect in depth how total quality management practices contribute or play a role in organizational productivity and growth.

Background of the Study

Ideal Logistics Projects is a leading 3PL – 3rd Party Logistics. Providing its service to renowned clients such as Deliveryhero MNC, Ideal Logistics Projects faces some challenges in their day to day operations.

The most common issue faced by Ideal Logistics Projects is constant complaints from the client over poor service provider. Organizations present in the territory sector of the industry prioritize customer or client satisfaction. Their profitability and organizational growth depend on customer/client satisfaction. Therefore, this study and research work will focus on identifying what are the complaints faced by the client and how with the help of TQM – Total Quality Management these issues can be sorted. Total Quality Management is a strategic human resources approach to ensure quality is maintained from the start to the end of the process/organization.

Ideal Complete Projects are always looking over the complaints received by the client in their monthly performance meetings, but they are unable to identify the cause of these complaints and fix them since there is only one person at the end to assess the service, and by the time a defect is identified it is too late to go back and change the operations.

However, with the use of total quality management, this issue will not arise as the main aim of total quality management is to maintain quality throughout the organization, and not just the quality

department being responsible for it (Jaeger & Adair, 2016).

Sharma & Modgil (2015) examined that total quality management not only helps improve the quality of the work, but it also helps generate various other benefits such as employee engagement, employee satisfaction, improved productivity, increased outputs and so on. Implementing total quality management in an organization focuses on 2 important aspect, quality exploration and quality integration. The dynamic market and human behavior are constantly developing, seeking for new, innovative, different and top notch quality products or services. The path to digitalized world is also feeding in for this dynamic needs therefore it is essential for organizations to practice total quality management in order to gain and maintain customers, customers satisfaction, customer loyalty and so on. The purpose of this research work is to examine the usefulness of total quality management practices and the effects it has on organizational productivity.

However, Hardjono & Kemenade (2018) identified that there are different factors that affect the implementation of total quality

management. Some of these factors are internal and whereas the others are external. External factors compromise of technological developments, competitors, economic stability and so on. Whereas internal factors focus on organizational structure, leadership style, change management and so on.

Statement of Research Problem

The problem examined at Ideal Logistics Projects is the constant complaints received from the client over poor service provider. Unhappy clients often start to look for other vendors that leads to major loss in the business. The organization is not able to identify the cause of the complaints received by the client. This is because only one department towards the end of the process is responsible for quality check. Therefore, this research will help evaluate how total quality management practices such as integrated system, effective communication, fact based decision making, employee engagement, continuous improvement and so on help Ideal Complete Projects overcome these challenges.

Aims and Objectives of the Study

Aims

The main aim of this research project is to study and evaluate the role of total quality management in organizational productivity and growth for Ideal Logistics Project. Moreover, the research framework will help examine and assess how total quality management approach minimizes risks, waste, faulty production and increase the quality of the product to achieve maximum customer satisfaction. The research was conducted on Ideal Logistics Projects and the sample size was 80 employees from the organization.

Furthermore, this research project will also shed light on the different aspects that effect total quality management and the effect of total quality management approach itself on organization productivity, growth, employee engagement and so on.

Objectives

1. To evaluate the role of total quality management in organizational productivity and growth in Ideal Logistics Projects.
2. To examine the relationships between total quality management, organizational productivity, and growth.

3. To analyze quality management system of Ideal Logistics Projects.
4. To examine the factors affecting implementation of total quality management.

LITERATURE REVIEW

Total quality management

The fine difference between quality management and total quality management is that TQM is a method of assessing internal quality control whereas quality management is a broader term, and it encompasses ensuring control over both customer and company regulation both (Dean and Bowen, 1994).

Talib (2013) defines TQM as a method of acquiring customer satisfaction by providing quality products or services. Additionally, Lewis et al. (2005) states that TQM is a never ending process dealing with detection and elimination of errors in products and services such as manufacturing, aligning supply chain and more. Most researchers agree that TQM is a customer oriented concept. TQM has four primary elements as per Yusuf et al. (2007). It is customer oriented, complete employee involvement is needed, centered around the main process and an integrated system must be used.

Organizational productivity and growth

Organizational productivity is a company's capability to obtain results whilst minimizing and reducing resources and expenditure (Raja et al., 2011). This includes time, money, and labour. Complimentary to this, organizational growth is the stage in a business' lifecycle where it may look towards expansion and look towards increasing avenues of revenue generation (Cook & Hunsaker, 2001). Both these go hand in hand to ensure a company reaches success and flourishes.

There are many ways through which productivity and growth can be enhanced such as outsourcing, tapping into new markets, joint ventures and more. However, it must be kept in mind that it is vital that all this is done keeping in mind the company's quality control and management. Increasing productivity and growth can sometimes lead to a shortage of resources, loss of control and more and ultimately all these factors have a direct impact on a company's ability to carry out its operations in a quality controlled manner (Noe et al., 2004). It can be said that organizational growth and productivity and TQM are directly proportional.

The link and relationship between these different variables will further be discussed and analyzed below.

The role of total quality management in organizational productivity and growth

The development to digital world and industrial revolution 4.0, the demand of high-quality products has significantly increased. Globalization has enabled businesses to achieve high-quality raw materials & labor, with affordable prices easily. Organizations are thriving hard to develop 'customer-focused' strategies to achieve customer satisfaction and build customer loyalty. Moreover, globalization has enabled businesses to attain customers from all around the world, with an increasing demand in high-quality products (Bugdol, 2020). Therefore, organizations are implementing total quality management strategies to gain core competence in the market.

Galeazzo et al. (2021) identified total quality management strategy focuses on continuous improvement in quality with the help of the entire organization participating in it. For instance, employee engagement, target incentives, communication, team projects and much more are a part of total

quality management. Total quality management affects every activity and engages everyone at all levels of the hierarchy in the organization. Total quality management plays a significant role in improving organizational productivity. Total quality management practices such as employee engagement enables the employees to showcase and practice the best of their talents by engaging them in weekly meetings, taking their suggestions, developing a sense of responsibility and trust between the employer and the employee (Galeazzo et al., 2021). Employee engagement is a simple tactic to increase productivity by engaging and investing the employees with their job description. This is simply achieved by involving the employees more into organization's meetings, regular feedbacks, regular drills to improve work and so on. Furthermore, employee engagement will also help generate better ideas to improve and increase productivity. Moreover, other total quality management practices such as team work also plays a significant role in organizational productivity. Teamwork helps complete the target, efficiently and effectively. This enables the organization to increase their productivity. For example, 2 staff working towards producing shampoo bottles will take

more time compared to 5 staff working together towards the same shampoo production bottles (Hilman et al., 2021).

Similarly, in the case of logistics sector and the chosen organization, Ideal Logistics Projects, implementing total quality management will enable the organization to increase their productivity. Employee engagement will help achieve business boost-ing ideas, sales increase ideas and so on. Team working will help manage time efficiently, and the targets can be achieved earlier.

DATA ANALYSIS

TQM improves organizational productivity



Figure 1 – TQM Influences Organizational Productivity

Khan (2013) argued that total quality management is a strategic approach that primarily focuses on improving the quality of

‘goods and services’, but along the way influences and practice various business tactics that help improve productivity. Total quality management is a systematic approach that consists of practicing employee engagement, effective communication, customer focus, and so on (Khan, 2013). All these important business tactics contribute towards organizational productivity. One of the core business tactics identified as improving organizational productivity is employee engagement. Employee engagement is the art of motivating, involving and engaging employees within their work lives (Morris et al., 2015). Employee engagement helps improve the motivation levels of individuals, with the help of open communication, delegation, regular meetings, platform to express their opinions and ideas and so on. All of this is achieved with the help of employee engagement and employee engagement is the main core of total quality management (Morris et al., 2015). TQM theorists believe that employees present at all levels in the organization must be involved in the quality standardization process.

Figure 1 demonstrates the participants response on this statement. It can be seen from the responses that out of 75

participants, more than 2/3 of the respondents acknowledge the statement, whereas 1/3 of the respondents have different views. Respondents with opposite views believed that there are other more important business aspects that contribute towards organizational productivity.

Total Quality Management improves customer satisfaction



Figure 2 - TQM improves customer satisfaction

According to past studies and reports of renowned companies such as Toyota and Ford Motors, it can be seen that total quality management had a directly proportional relationship with customer satisfaction. Nguyen & Nagase (2019) demonstrated in their study that total quality management helps the organization cater their production

and quality standards as per the consumer demand. This helps achieve customer satisfaction and build customer loyalty (Nguyen & Nagase, 2019).

The results displayed in figure 2 show that out of 75 respondents, 31 respondents strongly agreed with the statement.

Followed by 29 more respondents who agreed with the statement. 5 people had neutral opinion about the statement and remaining 10 participants differ with the statement. As the results show, majority of the employees believe that not only with total quality management improve the quality of work, but it will also help improve the quality of the products to achieve highest level of customer satisfaction.

4.3.5 TQM helps improve the quality of output

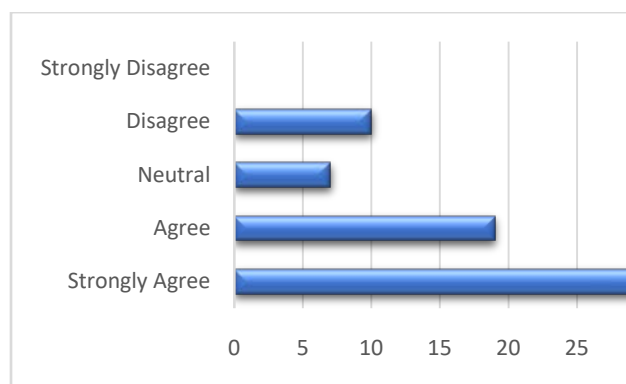


Figure 3 TQM helps improve the quality of output

From the sample population of 75, majority of the employees strongly agreed with the statement whereas a few percentage had differing views. It was observed that 35 people out of 75 sample size believed that total quality management helps improve the quality of output, goods or services.

Quenniche & Samman (2016) highlighted the key benefits of practicing total quality management in organizations. They examined that with the help of total quality management, quality standards are established at different parts of the production processes. These quality standards help ensure that the product is manufactured, or the service is produced at the best hands. However, some people might have different opinion as they believe that the quality of the output depends solely on the quality of the raw material, if the raw material is faulty even if there is a well-defined system in place, the end product will still end up dissatisfying the consumers.

Conclusion

The paper concludes that implementing total quality management in an organization can help the organization increase their efficiency of operations, improve quality of work, increase productivity, and provided greater growth chances. This study is a

perfect example to highlight the essence of total quality management in increasing organizational productivity and growth. Moreover, total quality management also helps employees to have a better chance to work and provide their suggestions on how the operations can be improved. Furthermore, employee engagement enables organizations to achieve high levels of employee motivation, which directly reflects in the form of increase productivity.

Recommendations

As per the research work above, there are many recommendations that can be provided to Ideal Logistics Projects, such as:

- I. The organization must learn the importance of employee engagement and practice it on regular basis regardless of a total quality management system being present or not.
- II. Ideal Complete Projects should focus on changing its organizational culture to a democratic approach to enable efficient and effective communication.

- III. Ideal Complete Projects should focus on delegating authority, ensuring all employees are responsible for their part in the production and providing the final product to the customer.
- IV. Ideal Complete Projects should practice weekly or monthly performance meetings.

REFERENCES

1. Jeager, M. & Adair, D. (2016). Perception of TQM benefits, practices and obstacles: The case of project managers and quality management representatives in Kuwait. *The TQM Journal*, 28(2), 1754-2731.
<https://www.emerald.com/insight/content/doi/10.1108/TQM-10-2014-0091/full/html>
2. Sharma, S. & Modgil, S. (2015). Supply Chain and Total Quality Management framework design for Business. *Journal of Enterprise Information Management*, 28(6), 906-930.
<https://www.emerald.com/insight/content/doi/10.1108/JEIM-10-2014-0104/full/html>
3. Hardjono, W, T. & Kemenade, V, E. (2018). Twenty-first Century Total Quality Management: the Emergence Paradigm. *The TQM Journal*, 31(2), 90-111.
<https://www.emerald.com/insight/content/doi/10.1108/TQM-04-2018-0045/full/html>

4. Bugdol, M. (2020). The problem of fear in TQM – causes, consequences, and reduction methods – a literature review. *The TQM Journal*, 32 (6), 1217-1239.
<https://www.emerald.com/insight/content/doi/10.1108/TQM-02-2019-0047/full/html>
5. Galeazzo, A., Furlan, A. & Vinelli, A. (2021). The role of employees participating and managers authority on continuous improvement and performance. *International Journal of Operations & Production Management*, 41 (13), 31-64.
[https://www.emerald.com/insight/content/doi/10.1108/IJOPM-07-2020-0482/full/pdf?title=the-role-of-employees-participation-and-](https://www.emerald.com/insight/content/doi/10.1108/IJOPM-07-2020-0482/full/pdf?title=the-role-of-employees-participation-and-managers-authority-on-continuous-improvement-and-performance)
6. Nguyen, H, L, T. & Nagase, K. (2019). The influence of total quality management on customer satisfaction. *International Journal of Healthcare Management*, 12 (4), 277-285.
<https://www.tandfonline.com/doi/abs/10.1080/20479700.2019.1647378?journalCode=yjhm20>
7. Khan, J. (2013). Impact of Total Quality Management on Productivity. *The TQM Magazine*, 15 (6), 78-91.
[https://www.researchgate.net/publication/241772333_Impact_of_total_](https://www.researchgate.net/publication/241772333_Impact_of_total_quality_management_on_productivity)

© GSJ