

# An Overview of Organizational Performance and Total Quality Management

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Article Information	Abstract
<p><b>Article History</b> Received: 26/05/2021 Accepted: 20/07/2021 Available online: 28/07/2021</p> <p><b>Keywords</b> TQM Organizational performance Quality KAIZEN</p>	<p><i>Total quality management and performance communication is a very important discussion in the literature, performance communication Quality and total quality management have been confirmed in many studies, but the findings on performance Innovation is contradictory. However, most experts emphasize the importance of TQM activities Expressed on the consequences of performance. The main purpose of this study is to review the basics of activities Comprehensive quality management and organizational performance. Total quality management, including senior management support, employee participation, continuous improvement and focus on Customers. Also innovation performance indicators into three groups of product innovation, innovation is in the process and organizational innovation.</i></p>

## 1. Introduction

Today's organizations live in complex and dynamic environments and drastic environmental changes are an integral part of organizations' lives (Bathaei *et al.*, 2021a). Therefore, managers face many environmental challenges such as the need for total quality. Accepting TQM as an important strategy plays an essential role in differentiating organizations in the field of innovation (Dahlgaard and Dahlgaard-Park, 2006; Kenari and Bahramimianrood, 2021).

Many competing companies may steadily raise their quality standards. If the company does not consider quality, the customer will be dissatisfied. The output of such a view is to lose customers and create opportunities for competitors to take advantage of market needs. Therefore, addressing the needs of customers more seriously prioritizes quality (Ponte and Gibbon, 2005).

## 2. Definition of quality

Quality is defined as a determining factor in the levels of time that is formed and measured based on the actual experience of customers of the services provided to them. According to Deming, quality is the main determinant of success in a competitive environment (Slater and Narver, 1994; Abadi *et al.*, 2021).

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## 2.1. Definition of quality management

Quality management as an advanced global management is one of the most successful management philosophies that has responded well to quality issues and the needs and expectations of the client, organization and society. Roger Frost, a member of the International Organization for Standardization (ISO) 9000, says: "Quality management is not more work, it is skillful work.

## 2.2. Comprehensive quality management

Total quality management is a strategy that can improve learning and increase the competitive advantage of organizations.

Rapid market changes and reduced product life expectancy are important challenges in competitive markets that have led organizations to use technological innovations (Lev *et al.*, 2008; Bathaei *et al.*, 2021b).

Edwards Deming, one of the founders of the theory of total quality management, has listed the following 14 principles for quality management:

1. Creating stability in the goal,
2. Accept a new philosophy
3. Refusal to rely on excessive inspection
4. End the purchase of materials based only on price
5. Continuous improvement of production system and services
6. On-the-job training and continuous in-service training
7. Institutionalizing a new method of leadership
8. Eliminate fear
9. Having boundaries between organizational units
10. Avoid chanting
11. Eliminate the attitude of emphasizing sovereignty
12. Remove barriers related to skills and abilities
13. Create a strong program for self-improvement
14. Public mobilization of individuals to bring about change and permanent management commitment.

Organization Excellence Theory with EFQM Model (European Foundation for Quality Management)

Among the new concepts that have found a significant place in many countries today is the organization of outstanding business models and national quality awards, based on which different organizations and firms are evaluated and compared, and by creating a competitive environment, move towards improvement and promotion.

The expansion of the culture of organizational excellence and the interest of managers and experts in the field of industry and services in continuous improvement, has led to an increase in demand for the establishment of the EFQM system.

The European Foundation for Quality Management (EFQM) has developed the EFQM model to determine the growth and excellence of the organization and repair the way to organizational excellence. They can determine the strengths, areas that can be improved and the growth rate of the organization in the path of excellence (Leigh *et al.*, 2005; Bathaei *et al.*, 2021a; Bathaei *et al.*).

### 3. KAYZEN theory

Kaizen means continuous improvement or constant evolution that can include as an all-encompassing culture some of the most important human issues from thought, education and research to work and production in various individual and social fields.

Kaizen is the key to turning Japan into a major economic power in the contemporary world. Kaizen culture and its interaction between the layers and organizations of Japan has caused the factory to become a university and a university into a factory. The worker learns from the manager and the manager benefits from the ideas of the worker. The theoretical and philosophical content of Kaizen is continuous education, constant evolution and interaction of all individuals and social organizations of production.

Kaizen has a system of trend-oriented thinking as opposed to the result-oriented thinking system of the West. Therefore, one of the important aspects of Kaizen is the emphasis on process. Kaizen has created a process-oriented way of thinking as well as a management system that supports and encourages the process-oriented efforts of individuals to improve the organization. This system is in stark contrast to the Western system that measures people's work solely on the basis of results.

The basis of Kaizen's strategy is to emphasize that if a company is to remain stable and make a profit, it must first seek customer satisfaction and fulfillment of its needs. The whole message of Kaizen strategy can be summarized in this sentence that not even a day should be spent without making some kind of improvement in some parts of the company or organization (Titu *et al.*, 2010; Valipour Khatir *et al.*).

### 4. Organizational Performance

Performance is measurable results, organizational decisions, and actions that reflect the extent of success and achievement. Costs are a central part of performance, yet performance is almost any competitive goal and intangible excellence such as reliability, flexibility. It also includes quality and speed (Tangen, 2004; Valipour Khatir *et al.*, 2016).

Organizational performance will also have its own indicators to evaluate that should be considered. In general, there is still no complete agreement among experts on what variables and indicators of organizational performance, but in general, performance indicators, Can be divided into two categories, mental and objective.

Objective performance indicators: Organizational are indicators that are measured in a completely realistic way and based on objective data. Organizational performance indicators include profitability indicators such as return on assets, equity, return on investment and earnings per share return on stock.

Mental performance indicators: include most indicators that are formed based on the judgment of the organization's stakeholders. Among these indicators, we can mention customer satisfaction, employee satisfaction, success in presenting new products, and so on.

In the field of finance, improving profitability and return indices, in marketing, promoting customer satisfaction and in the field of operations management, productivity and reducing operating costs, are the main goals pursued in all management studies, but in all areas the role of quality is different. It can be ignored and denied. In line with this research and its objectives, three sections can be briefly considered, which will be discussed below.

#### **4.1. Innovation performance**

Innovation as an idea or behavior related to a product, service; Apparatus, policies, and programs that are new and accepted by the organization are considered (Bahramimianrood and Bathaei, 2021; Ahmadi *et al.*, 2021; Ahmadi, 2021). New service and its introduction to the market (customer) and its acceptance by the customer). Innovation performance indicators into three groups, Innovation. In product, they divide process innovation and organizational innovation.

#### **4.2. Quality performance and innovation**

Both the concepts of quality and innovation are the guides of today's business world. According to Williams, achieving both types of performance is not an easy task; companies must prioritize one over the other. According to Ahmadi *et al.* Innovation and quality cannot be achieved at the same time. Because business in general first deals with the concept of quality management within the company structure and then turns to innovation. Contrary to this view, Feng argues that companies need to improve both quality and innovation in a changing market (Zeng *et al.*, 2015; Ahmadi *et al.*, 2021).

#### **4.3. The effect of quality management on organizational performance**

Organizational performance management determines the path to achieve organizational goals and therefore the variables that improve organizational performance are of considerable importance. In this case, considering that quality management activities imply the performance results of the organization, it can be stated that quality management should be considered not only as a set of technological engineering changes, but also as part of the overall organizational strategy. In this case, organizations can achieve high performance by designing the quality of goods and services and quality during the process by means of methods to prevent product loss, control tools, fair use of quality information such as customer feedback and modeling, etc. Guarantee. To implement these strategies, organizations must be customer-oriented and maintain their competencies. Provide flexible and reliable suppliers and promote employee participation in the decision-making process through training and empowerment (Rahman and Bullock, 2005; Takami, 2021).

#### **4.4. Total quality management and organizational performance**

The relationship between TQM and performance has been studied by many scientists. While studying the relationship between TQM and performance, researchers have used a variety of functions, such as financial, innovation, operational and quality performance. Although the effects of TQM on different types of performance are not compatible, quality performance has generally had a strong and positive relationship with it. Proponents of total quality management argue that its implementation will also lead to the production of higher quality products. According to Deming, quality is the key to success in a competitive environment. Quality management includes activities for all types of companies that are related to achieving a competitive advantage.

Some researchers argue that there is a positive relationship between TQM and innovation performance. While others emphasize the negative relationship between them. The main reason for this complexity is that both innovation and TQM are naturally multidimensional. Researchers who support the negative relationship between TQM and innovation performance argue that TQM can lead to short-sightedness in organizations and a barrier to creativity by setting standards.

Discuss the positive relationship between TQM and customer-centric innovation performance, management leadership, and continuous improvement that are critical to innovation success. Mango *et al.* Categorize TQM into two broad groups and describe the relationship between the organic elements

of TQM, such as leadership (and innovation. As a result, leadership) of the organic elements of TQM. Encourages innovative ideas to solve problems or develop new products.

Some researchers point to another key element of customer-centric TQM that is significantly positively correlated with innovative performance. Customer focus encourages organizations to constantly search for the needs and expectations of new customers, so that companies can remain in a globally competitive environment (Chapman *et al.*, 2002).

#### **4.5. Comprehensive quality management activities and quality performance**

The relationship between innovation performance and quality performance is an intermediary for total quality management in manufacturing companies. Also, based on theoretical considerations, a relationship between the three concepts of innovation performance and quality performance and total quality management has been proposed. In addition, a positive and strong relationship was identified between TQM and quality performance. In other words, innovation performance has a positive and strong effect on quality performance, due to the indirect path through total quality management. Also, in the research of Bolatan *et al.*, The view was confirmed that the triangle of technology transfer performance, total quality management and quality performance is better than the two-way relationship between technology transfer performance and performance (Rehman *et al.*, 2015).

#### **4.6. TQM activities and innovative performance**

Discuss the positive relationship between TQM and customer-centric innovation performance, management leadership, and continuous improvement that are critical to innovation success. Mango *et al.* Categorize TQM into two broad categories and describe the relationship between the organic elements of TQM, such as leadership leadership and innovation.

Key elements of customer-centric TQM and continuous improvement are also for innovation success by encouraging change and creative thinking is very important in organizing things (Talib and Rahman, 2010).

### **5. Conclusion**

Applying TQM creates an organizational culture and system that promotes innovation. Managers and organizational decision makers are encouraged to provide sufficient opportunities and resources for researchers and experts in the field of performance management in organizations, to first allow the defined structural relationship between the various elements of the model by considering the set of contingent factors of relevant organizations and Use scientific methods to test and provide relevant information for fact-based decision making.

Then, by providing the necessary infrastructure for the design and implementation of basic management systems, such as quality management system, to change their system structures for continuous improvement in all areas of performance and demonstrate their commitment.

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