Journal of Comparative International Management

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Résumé de l'article

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TQM and HRM: An Integrated Approach to Organizational Success

by

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In the past, most managers considered total quality management (TQM) philosophy very different from human resource management (HRM) philosophy because TQM focused on incremental improvements from the bottom up, whereas the HRM functions were based on a top-down approach in the organization's hierarchy. Their understanding of the word "TQM" not only depended on process management but also on managing the process itself as in statistical process control (SPC). Therefore, the very few managers who did pay attention to quality implemented it on the floor-level of HRM activities where the core functions of the organizations were performed. The emerging thinking of HRM, however, is that TQM complements HRM functions and provides long-term competitive advantages to organizations. Supporting these ideas, this paper reflects on the past, examines the present, and proposes an integrated framework for organizations' overall success.

1. Introduction

Historically, the focus of management was mainly in controlling the workforce and reducing the costs of running organizations. Workers were treated more like a portfolio of stocks over which managers had full authority. Managers managed their workforce as they pleased; they hired/fired, promoted/demoted (by downsizing, outsourcing, and replacing employees with automated machines) to add to the bottom-line profits of their organizations. Although these practices added profits in the short run, an empirical study of 968 firms representing all major industries revealed that employees provide a better survival rate and higher long-term competitive advantages (Thompson et. al., 2015).

The problems in HRM started with the emergence of large-scale enterprises in the 1930s that had resulted in an increasing trend towards fragmented ownership and concentrated management. This separation of ownership and control over private property empowered managers to engage in activities that protected their own interests over those of their employees as well as the general public (Berle & Means, 1932). Furthermore, globalization and the growth in North American corporations and their quest for "shareholders' value" encouraged managers to engage in capital building—investing in plants, equipment, and personnel success, but not much in building human capital (Ciccolo & Baum, 1985). For example, in the name of efficiency most managers participated in downsizing, merging, and hostile takeover activities. Thousands of well-paid and stable jobs in the U.S. were lost and were never restored (Lazonick & O'Sullivan, 1997). However, the ratio of dividends (after-tax corporate profits) stayed stable between 45.9% to 44% over three decades: the 1970s, 1980s, and 1990s (O'Sullivan, 2000; Congress, 1999). How was this possible?

Deregulation during the 1970s and 1980s helped management to artificially generate revenues for their corporations. For example, to encourage spending during these inflationary years, the U.S. government encouraged the banking sector to engage in the high-interest yielding money market, which allowed banks to develop junk bonds and other financial derivatives (Lazonick & O'Sullivan, 1997). Using these financial instruments, corporations raised millions of dollars in revenues. Not only

corporations, but also bankers, accountants, lawyers, and government representatives participated in fraudulent activities and served the interests of corporations (Sf.indymedia.org., 2002). As a result, millions of small investors (shareholders), pensioners and workers lost their lifetime savings and livelihoods when some of these corporations went bankrupt in the later years. More than that, such instruments were largely responsible for the great recession of 2008 which brought the world economy almost to the brink of collapse.

Many assumptions regarding HRM practices have been made in the past that undermined the positive benefits of worker participation in decision-making. In the past, managers had tried various methods of managing their workforce. Scientific management, administrative principles, and bureaucratic approaches were some of the well-known methods used in the early 1900s that seemed to work well into the 1950s and 1960s. However, those rigid practices further alienated workers from management and contributed to conflicts of interest between management and workers (Bendix, 1956).

Even when "quality" was not the issue for most organizations, managing the workforce had always been the number one challenge for most managers. Unlike machines, humans have their own philosophies about work and apply work methods based on their own unique experiences. This uniqueness of individuals is unparallel to sophisticated technologies and innovative ideas. Technologies can achieve very little unless the capacity of human capital is fully utilized and a consistent socio-technical system is developed (Ahmad & Schroeder, 2003).

North American workplace culture has changed significantly over time. Management's perspective shifted from industrial engineering (an authoritative management approach) to participatory management (a democratic approach) based on human relations and human resources principles (Nightingale, 1982). Many North American organizations went through a massive restructuring. Jobs were redefined to suit quality of working life. New technologies were adopted. Strategies based on continuous learning were created to manage the workforce, under which managers started to behave more like facilitators and educators rather than dictators. Three major factors contributed to the change: the advent of personal computers, Japanese success in manufacturing automobiles as well as electronic goods, and the Challenger space shuttle disaster in 1986 in the United States.

First, the technological breakthrough in personal computers changed the workplace dramatically. Although the Internet was invented in the 1960s, ordinary people could not take advantage of it until the early 1990s. Only when the personal computer industry grew rapidly and the price of computers dropped drastically did the technology allow the general public to access the Internet. Information became readily available to those who sought it. Employees were quick to learn and become technologically savvy, and gained more knowledge about workers' rights and duties than some of their managers did.

At the same time, North American manufacturing companies were confronted with another challenge. Their customers started to compare goods produced by domestic manufacturers, such as automobiles and home entertainment equipment, with Japanese and other quality conscious producers' products. They increasingly demanded quality and boycotted some of the low-quality products produced at home. Realizing the declining productivity and its effect on the nation's economy, the government of the United States passed several pieces of legislation mandating a national study and conferences on productivity (Evans & Lindsay, 2002). The government's safety regulations for product recalls and rapid increase in product liability changed managements' attitudes. They began to recognize the importance of quality philosophies developed by Deming, Juran, Crosby, and other quality gurus for their survival.

Realizing the importance of quality at work, quality management became the key strategic objective in the 1980s. And in 1987, a written quality standard among all international organizations was passed. Quality standards were again revised in 1994, and in 2000. The Malcolm Baldrige Quality Award

was established based on these standards to provide the foundation for quality and build a framework for integrating total quality concepts into organizations. The award criteria are arranged in seven categories: *Leadership, Strategic Planning*, *Customer & Market Focus, Information & Analysis*, *Human Resources Focus*, *Process Management*, and *Business Results*.

Recognizing the importance of both TQM and HRM principles is only the first step. Aligning these principles with corporations' missions and building a viable and sustainable strategy based on these principles is a challenge (Salim, Sundarakani & Lasrado, 2019). There is still a dearth of literature integrating these two important management functions (Donate, Ruiz-Monterrubo, de Pablo, & Pena, 2020). The purpose of this paper is to develop an integrative framework for attempting to fill this lacuna in the literature. In what follows, we discuss human resources paradigms—the old and the new, analyze what quality means in terms of TQM, and suggest how it can be implemented in an organization's overall activities. In doing so, we also summarize the essence of arguments put forth by quality gurus on issues that affect an organization's wellbeing with the help of a Venn diagram. Finally, we present our concluding thoughts on the desirability of a TQM-HRM integrative framework.

2.   Problems with Traditional HRM Practices

Frederic Taylor's *The Principles of Scientific Management* (1911) divided work into planning and execution. Although productivity did increase dramatically, it created mindless workers by separating workers from customer contacts and feedback. Responsibility for product quality shifted from workers to supervisors. Inspection became the primary means of controlling quality in the workforce. Taylor failed to recognize the knowledge and creativity of the workforce, which is so critical to product quality.

Taylor's system also created a class system between workers and managers. Managers started to pay much attention to output quantity, cost, and control. Stock prices, output, and cost savings became the primary focus for management. They had little interest in the welfare of workers and their wellbeing. This further increased workers' alienation. Taylor and other "scientific management" thinkers underestimated the hidden power of workers. They failed to recognize that quality is enhanced by workers' participation in work processes and that workers' understanding of how their jobs affect customer satisfaction was very crucial. Even today, HRM seems to be premised on Tayloristic assumptions about workers. Consequently, integrating HRM and TQM has become a problem.
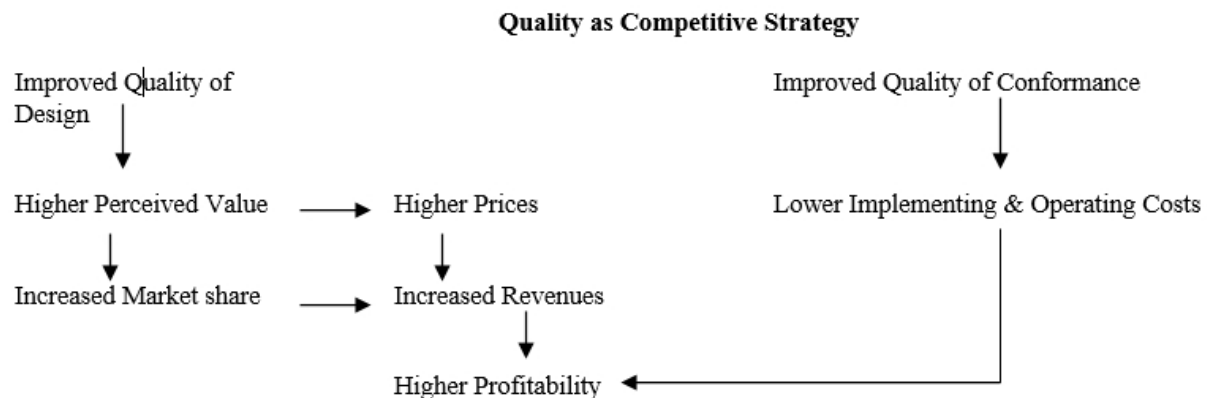
3.   What is TQM ?

TQM is a management philosophy based on human relations and statistical process control that focuses on minimizing errors and reducing variation that leads to continuous quality improvement and customer satisfaction. Although the concept of TQM has long been implemented in the Japanese workforce (since the 1970s), managers of North American organizations did not recognize its advantages until the mid-1980s.

TQM is not a programme or a system itself (Short & Rahim, 1995). It is a set of philosophies that guide managers in whatever activities they do in an organization. When practiced objectively, TQM philosophies and principles help managers to recognize external opportunities and internal strengths, integrating quality values into daily leadership and management practices.

TQM principles and philosophies are based on long-term benefits. They focus on continuous improvement in both product/service quality and the understanding of human relations, thereby adding value to both internal and external customers. For example, Dr. Genichi Taguchi's loss function measures the cost of satisfying a customer against the loss of profit in a unit of sale (Lofthouse, 1999). By setting a

target and by reducing the variance in these two factors, organizations can minimize the cost of operating the business and increase efficiency. Similarly, Edward Deming's 14-points help managers to combine leadership qualities with productivity philosophies, integrating both the managerial and the technical system (Neave, 1987). J. M. Juran's quality trilogy can be used in planning an organization's activities (De Feo, 2017), and Kaoru Ishikawa's 7 statistical tools help managers to reduce variability in their work activities to gain long-term competitive advantages (Ishikawa, 1985). This system can be further strengthened by incorporating quality control process for teamwork postulated by Feigenbaum (1961) and employee motivation system specified by Crosby (1984).

Since TQM philosophy is built around quality issues, it would be appropriate to adopt a diagram that illustrates how quality plays a key role in building a culture that directs everyone in an organization to work together towards the same goal:

Quality as Competitive Strategy

Improved Quality of Design → Higher Perceived Value → Increased Market share → Increased Revenues

Higher Perceived Value → Higher Prices

Increased Market share → Increased Revenues

Improved Quality of Conformance → Lower Implementing & Operating Costs

Increased Revenues → Higher Profitability ← Lower Implementing & Operating Costs

Diagram 1. Adopted from Evans & Lindsay's book: The Management and Control of Quality, 5th edition 2002.

"Both just-in-time (JIT) and supply-chain-management (SCM) complement TQM philosophies," write Kannan and Tan (2004). They argue that JIT eliminates inventory management cost, reduces the wastage of material, and better utilizes resources because it simplifies the production process. Also, SCM integrates buyers' and suppliers' needs, thereby improving the flow of material throughout the supply chain and adding value to customers.

4.   What is HRM?

HRM is dedicated to understanding human nature and managing employees for the betterment of an organization. It is not about controlling human behaviour, but enhancing it by minimizing misunderstanding among employees and reducing anxieties and uncertainties. HRM involves a host of interrelated activities, functions, and processes that include developing work processes, staffing, training, and building organizations for enduring success (Pfeffer, 1998).

Other HR functions include employee motivation, compensation, evaluation, or appraisal related issues. HR managers act as an interface with unions and government and handle other matters related to employee wellbeing such as counselling and building proactive reward systems. HRM is about building a fair system in an organization under which all employees in the organization feel secure and empowered to do their best (Rudman, 2004).

Pfeffer (1998) has identified seven HRM practices for organizational success in which employment security, selective hiring, training, incentive compensation contingent on organizational

performance, decentralization (including quality circles and self-managed teams), and extensive sharing are part of the high performance HRM activities. As Ahmed and Schroeder (2003) put it, "Every organization differs in how much effort it puts into harnessing each of the seven HRM practices." In their paper, these authors conducted a statistical analysis using world class manufacturing (WCM) project data to test if the organizations which exert each of these seven practices yield better organizational performance. They found that the relationship between the plant's HRM practices and its performance is statistically significant—when the plants deviated from the seven high performance practices, their performance decreased significantly.

Managers are responsible not only for their subordinates, executives, and the employees working under them, but also for everyone in the society, argues Yukl (1994). Diagram 2, adapted partly from Yukl's book, illustrates how managers are responsible for the total society that surrounds them:
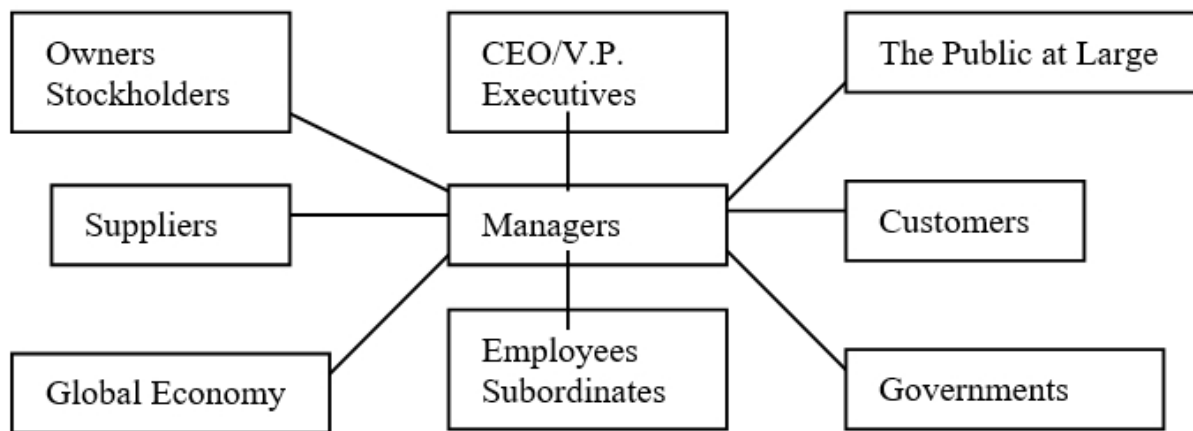
Diagram 2. Responsibilities of Managers: A Perceptual Map.

An effective manager will create conditions for creating alliance between the CEO and employees for implementation of TQM focussed HRM strategies to satisfy interests of multiple stakeholders depicted in Figure 2.

5.   TQM & HRM: An Integrated Approach

In the past, most managers thought that TQM philosophy was very different from HRM philosophy because TQM focused on incremental improvements from the bottom up, whereas the HRM functions were based on a top-down approach in the organization's hierarchy (Miller, 1998). They also thought that there was no overlap between the two. The new thinking of HRM, however, is that TQM is included in the HRM philosophy (Donate et al., 2020). In addition, a survey conducted by Asif et al. (2013) showed that the success of Pakistani higher education institutions relied upon the leadership and vision (among other factors) of the institutes. Since good business practices include organizations' long-term visions, missions, and the leadership of management—part of the TQM and HRM systems, these attributes assured the public that the organization will be successful in the future. Therefore, rather than viewing TQM and HRM as overlapping, the paradigm of "new thinking" sees TQM principles as the mirror image of HRM functions for the long-term productivity and profitability of organizations.

Today, managers influenced by TQM philosophy have started to see that managing people in ways that lead to profits, productivity, innovation, and real learning lies in their own perspectives. They are seeking ways to build a committed workforce because they have realized that to fully benefit from

TQM principles, quality must be enshrined at all levels of the organization's hierarchical activities. However, creating commitment from employees to participate and improve work processes requires managers at all levels to commit to quality first, where the executives can be no exception to the rule (Leonard & McAdam, 2003).

To illustrate how a few managers in the past have successfully integrated TQM philosophies into their HRM practices and have won the prestigious Malcolm Baldrige Award for their excellent performance, a snapshot of three organizations, one each from the manufacturing, service, and technology sectors, is presented below.[1]

Sunny Fresh Foods (SFF) is a subsidiary of the Minneapolis-based Cargill Company. It produces and distributes high-quality, value-added egg-based products in North America. Its complete line of cooked egg products and specialty items are served in thousands of restaurants nationwide. SFF received the Baldrige Award in 1999, and the James R. Spicola Award twice for achieving the highest level of performance through continuous improvement and for involving all its employees in its business decisions.

At SFF, a satisfied and motivated workforce is the vital ingredient in the company's success. The company conducted a survey which revealed that "the rising level of employees satisfaction correlated with their awareness of how their jobs affect customer requirements, and this correlation was reflected on SFF's customer satisfaction." The management of SFF found that with increasing employee satisfaction, its customers were also satisfied with the products and services it offered (Sunny Fresh, 2004). Even though it is now a part of food and agricultural products giant Cargill, the egg products that Sunny Fresh introduced have continued to command consumer attention.

The Ritz-Carlton Hotel received the Baldrige Award twice, once in 1992 and again in 1999, for its continuous improvement in service quality. At the Ritz-Carlton, each customer is received with highly personalized and caring service. Each employee of the hotel is trained to internalize the "three steps" of service, motto, and credo which reflects the hotel's unique culture and commitments to customer satisfaction. Each employee of the Ritz-Carlton can spend up to $2000 to satisfy a customer. The hotel's policy is to develop a skilled and empowered workforce, operating with pride and joy. Managers at the Ritz-Carlton make sure that their employees know what they are expected to do. The employees are provided with the authority to make changes when necessary. This tradition has continued until today in all Ritz-Carlton hotels around the world (Michelli, 2019).

AT&T Transmission Systems Business Unit (TSBU) won the Baldrige Award in 1992 in recognition of a customer-focused TQM approach to company management. At the TSBU, employees (the team) are empowered to make decisions that affect quality and customer satisfaction. Design engineers have the authority to stop a design, and line operators can stop the production line if they detect a quality problem. TSBU links its training and education to strategic plans, which establish current and future competencies for both the organization as well as for individual employees. In 1991, when other companies in the same industry reported their losses, TSBU reported a profit and contributed substantially to AT&T's financial position. This approach has continued until today, enabling the unit to become a high-performing one.

The essence of the above stories is that when management's focus shifts from controlling to empowering employees, guided by empirical research findings and behavioural psychology theories, the workforce is more productive with a disciplined, self-directed and goal-oriented mindset. There are also

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[1] The information presented here about the three organizations is based on Evans and Lindsay's 2002 book *The Management and Control of Quality* (5th ed.), and several other readings.

numerous articles supporting the hypothesis that empowered employees are participative, receptive, and less critical to management when a change that is necessary is introduced.

If employee empowerment is the driving force behind a qualitative and productive workforce that leads to customer satisfaction, then TQM and HRM philosophies are closely interlinked (Boselie & Wiele, 2002; Jayashree & Faisal, 2017). In fact, there is an established theory developed in the 1950s by Eric Trist and his colleagues which says that most works involve two systems: the social system and the technological system (McShane, 1998). This suggests that organizations in which both systems are compatible with each other are going to be successful, and this is what we hope to achieve by integrating TQM philosophies into HRM practices. However, the old system of HRM needs to transform for this to happen. Table 1 presents a summary of old and new thinking regarding human resource management paradigms.
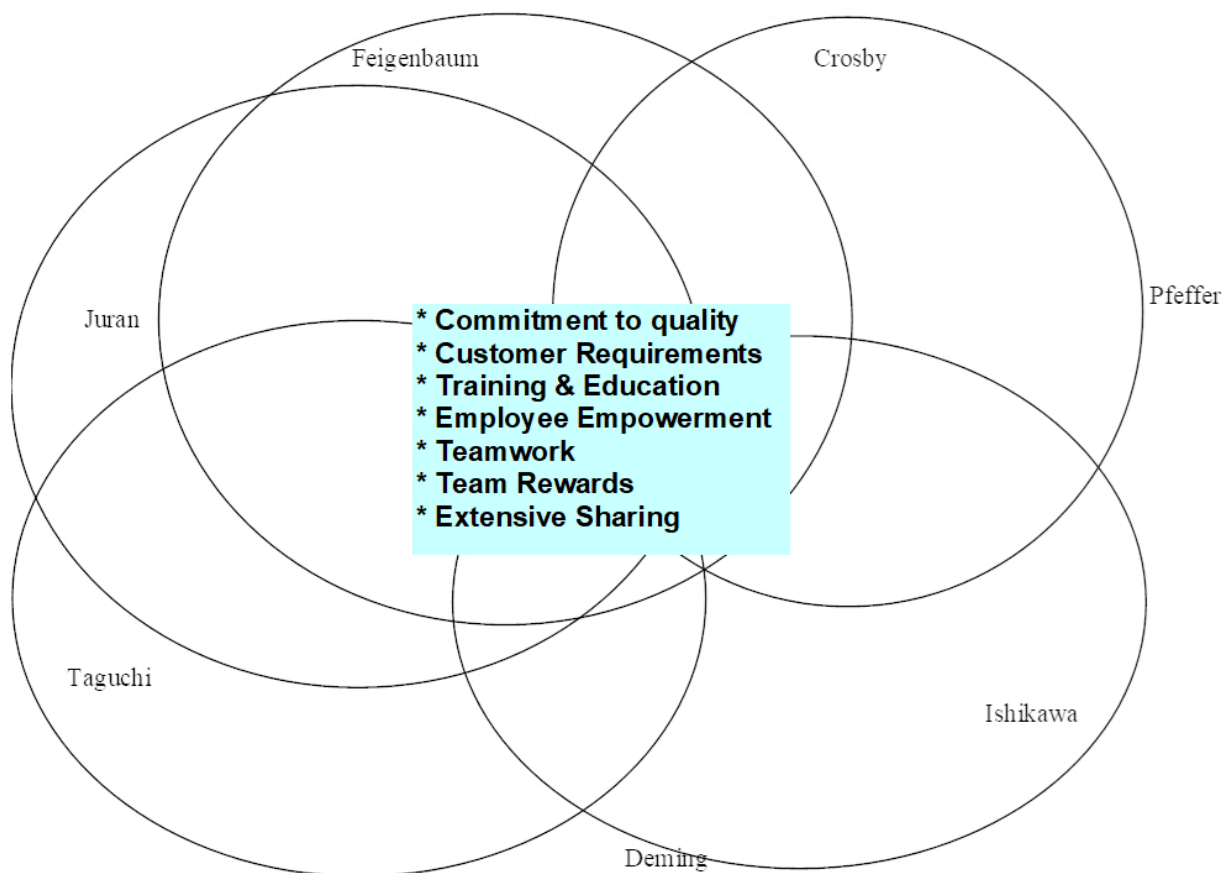
Table 1: Human Resource Paradigms.

Old Thinking	New Thinking
Employees are part of the process.	Employees design and improve processes.
Process/work-method requires external control.	Employees run the process/work-method and control it.
Managers have to control what employees do.	Managers must obtain the commitment of employees.
Communication	
Top-down. Managers focus on structured, vertical communication.	Top-down. Open communication focusing horizontally, laterally & multi-directionally
Voice and Involvement	
Employees are informed after their managers have made their decisions (based on suggestion systems).	Individuals and teams are empowered to make decisions affecting quality and customer satisfaction (based on quality circles, attitude surveys).
Job Design	
Focus on productivity and treat employees as part of the process (believe in efficiency, productivity, standard procedures, and narrow span of control).	Reinforce individual and team commitment to quality by providing many ways to empower employees, flexible schedules to suit employees, and rewards systems (believe in customization, innovation).
Rewards for individual merit.	Stress quality-related synergies through teamwork.
Training/Education	
Narrow—job related skills; functional & technical (based on productivity).	Broad range of skills, cross-functional, diagnostic, & problem solving (based on continuous learning/improving).
Performance Measurement/Evaluation	
Based on supervisory reviews and individual accomplishments.	Based on teamwork, cooperation, and collaboration.
Rewards/Compensation	
Based on individual merit (competition). Financial and other benefits.	Based on the team/group. Recognition, financial and nonfinancial rewards.
Health & Safety	
Wait for problems to arrive and then treat them.	Prevent problems through safety & wellness programs. Provide employee assistance, counselling, and recreational services.
Selection/Promotion & Career Planning	
Selected by manager based on narrow job skills and individual accomplishments. Linear career path.	Selected by peers based on problem-solving skills. Horizontal career path.
Handling Changes	
Resistance to change.	Rapid response to changing business needs and marketplace requirements.

Sources: The information listed in this table is gathered from various readings, including Blackburn (1993).

Pfeffer (1998) also mentioned that the past obsession of some executives with stock prices has hurt the economic health of nations as well as the individuals involved. He asserted that understanding the relationships between employees and customers is very important and that motivated and committed

employees are the backbone of any organization. He suggested that it is the employees who use their talents and please customers with good products/services that generate the revenues for organizations. This is in line with Peter Drucker's famous statement: "Without a customer there is no company." as well as the pronouncement of Herb Kelleher of Southwest Airlines, "We put our employees first, our customers second, and our shareholders third."

We made a few arguments and listed some assumptions about TQM and HRM activities above. We argued that demand for "quality" has forced management to rethink and revise some of the HRM practices. We also pointed out that to meet ever-changing customer requirements, managers should integrate both TQM and HRM philosophies into their planning and operating activities. We are now ready to wrap up our thoughts for conclusion, summarizing the issues we discussed in the paper. Our discussion is based on the main issues upon which most TQM and HRM advocates agree as presented in the Venn diagram below:

Diagram contents:
Feigenbaum, Crosby, Pfeffer, Juran, Taguchi, Ishikawa, Deming

* Commitment to quality
* Customer Requirements
* Training & Education
* Employee Empowerment
* Teamwork
* Team Rewards
* Extensive Sharing

Diagram 3. Overlapping of TQM and HRM Themes.

5.1. Management's Commitment to Quality

Only committed management can ask commitment from its employees. Management's commitments to employees include employment security, providing a flexible schedule to suit employee's family obligations, taking employees' inputs into work processes, and creating a learning environment for all employees in the organization. The commitment to quality comes in various forms. In fact, a committed manager follows all seven issues mentioned in the Venn diagram and since it requires a committed management to implement quality principles into an organization, it is a critical issue.

In Deming's view, understanding human behaviour and treating people fairly is management's duty. "The soul of the quality movement is people and corporate awareness that people make it happen," proposes Taguchi. "Mutual understanding among employees usually develops when they work together for a long time as occurs in organizations that provide employment security," write Ahmed and Schroeder (2003).

5.2. Customer requirements

Since an organization's existence is justified by serving its customers (the stakeholders), managers under TQM philosophy are obligated to channel all their activities towards customer satisfaction. Meeting customer satisfaction requires not just developing a product/service to suit a customer, it means keeping the customer in mind in whatever they do and paying attention to all kinds of changes brought by technology, socio-cultural changes such as attitudes/lifestyles (because of demographic/psychographic changes), globalization issues, change in governmental regulations or whatever change that there may be that affects customer requirements (Anderson, 1998). For Deming, quality is a relative term. He says managers must find out what their customers want to meet and even exceed their requirements.

5.3. Training and Education

For Crosby quality means implementing the "correct" methods from the beginning, rather than going back to correct what was done before. Thus, training and educating employees to "confirm to quality" is vital to him. By applying this quality management system, organizations save reputation, costs, and other valuable resources. Training is an integral part of both TQM and HRM philosophies. Not surprisingly, it is also one of the main issues among the leading practices in recent years. A broad range of training that includes cross-functional, diagnostic, and problem-solving skills complements TQM and HRM principles and reinforces continuous learning and improving quality in an organization. Training is also a result of performance management, and an integrated approach has potential to address performance issues in a holistic way (Cardy, Dobbins, & Carson, 1995).

5.4. Employee Empowerment

Employees design and run work processes, whether it is manufacturing, technology-related or service activities. It therefore makes sense to allow the employees to control and improve their work processes. Pfeffer et al. (1998) is one of the important papers to advocate for employee empowerment. Deming is another to promote empowerment of employees by emphasizing that management must provide leadership to their employees and by "eliminating fear" in them (Neave, 1987).

Although the word empowerment seems fairly new, the concept is not because many managers of successful organizations in the past had shared their power with their employees to get the kind of commitment they needed from them. "Vertical job loading" is another term that has been used in the past, which describes employee empowerment where employees are given the autonomy to control a range of activities that they perform in an organization (Randeniya, Baggaley and Rahim, 1995).

The motivation for management to share some of its power with its employees is that empowerment may motivate some employees to find out ways for reducing costs, minimizing waste, and thereby better utilize organizations' resources. Studies show that an empowered workforce is also less likely to resist change and more likely to actively participate in the decision-making process on issues that affect their organization. However, sharing power with employees may not be suited to all organizations.

5.5.   Teamwork

Providing infrastructure for teamwork is the main theme behind the TQM and HRM philosophies. Lazonick and O'Sullivan (1997) revealed that Japanese manufacturing companies integrate the capabilities of people with a broader array of functional specialities and hierarchical responsibilities into their work processes compared to U.S.-based companies. Furthermore, the authors found that some U.S. companies also favoured suppliers and distributors who provided goods and services at the lowest price today and were willing to pay for the cost of innovation tomorrow.

Teamwork includes Feigenbaum's Quality Control System, Ishikawa's Quality Control Circle, Taguchi's Company-wide Quality Control, Deming's "14-Points," Juran's Quality Trilogy, Crosby's Employee Motivation philosophy, and Pfeffer's High Performance HRM Practices. These philosophies include many other theories such as content theories, process theories and motivational theories, to name a few.

The word team is sometimes confused and taken as a conflicting issue with regards to the employee empowerment philosophy because some may think that empowerment promotes individualism whereas team is based on collective gain. In reality, teamwork is a unity of work; just as an individual working alone. The difference is that a single person rarely possesses enough knowledge and experience to understand all aspects of the organizations' work activities, but a team can. A team also complements each other's skills in a group and shares tacit knowledge to perform complex tasks. It sets common goals among all who participate in the team. There are many empirical studies supporting that an effective team is goal oriented, independent, open, and supportive and therefore beneficial to organizations. However, there are some shortcomings of teams. The major one is that they can delay the decision-making process in some organizations.

5.6.   Team Rewards

Since the "new thinking" requires individuals to work in teams in order to fully benefit from them, team rewards play a significant role in HRM and TQM integrated activities. Rewards can come in many forms. They can be formal, such as salary raised, or informal, such as increased vacation leave or recreation allowances. However, the motive behind the team reward is that management wants individuals in an organization to work in a team to accomplish its goals. Studies show that team-based rewards work when tying rewards to quality based on measurable objectives. The Quality Awards, President's Award, and Team Excellence Award are some team-based awards that have been successful in bringing out the best from the team for companies such as IBM and Xerox.

5.7.   Extensive Sharing of Information

Sharing principles, whether they are information related to organizational strategic objectives, management related issues, or goal setting for organizational success, are based on both TQM and HRM philosophies. Sharing empowers employees and fosters organizational transparency. According to Pfeffer (1998), sharing serves three purposes—it motivates employees to do their best, it conveys that they are trusted, and it enhances organizations' performance because some front-line employees possess knowledge and skills that managers lack.

Most TQM and HRM principles and philosophies are developed based on many assumptions and unrealistic expectations. Moreover, managers have their own limitations on their abilities and their capabilities in implementing quality principles in their organizations. Implementing these principles costs money and time, both of which conflict with executives and stockholders' interests. And since TQM philosophy is based on long-term benefits and most executives and stakeholders' focus tends to be on

short-term profit, managers find it hard to convince their superiors of the trade-offs between long-term efficiency for short-term cost.

TQM and HRM principles should not be viewed as a quick fix for short-term financial gain. These are complex issues and therefore it is not advisable to implement them in a hurry to boost revenues as Deming said, "there is no instant pudding". However, it is proven time and again that an effective strategy built with TQM and HRM principles would cover zero inventory, zero defects and zero idle time philosophies and provide managers the competitive edge to outperform their rivals (Izvercian, Radu, Ivascu & Areleam, 2014; Obaidat, Tawalbeh & Massadeh, 2018). In addition, as Donate, Ruiz-Monterrubo, de Pablo & Pena (2020) have pointed out, this strategy meaningfully contributes towards social capital development.

6.   Summary and Concluding Remarks

TQM and HRM are workplace management theories. These are process-centered horizontally integrated systems in which a series of statistical and management steps are taken. In this integrated system all steps are interconnected and all employees in the organization are committed to common goals. Their activities are focused on customer satisfaction, quality, continuous improvement, and prevention, rather than the correction of defects. In these systems' management, all employees are fully committed to quality; they are motivated, and they are empowered to do their best job.

Modern workplaces look very different compared with the earliest workplaces. Starting from Taylor's management theory which was strictly focused on efficiency in the production of the manufacturing industry to save costs and get more out of workers, now we're talking about customer requirements and employee empowerment. As we discussed earlier, Taylor's framework (*The Principle of Scientific Management,* 1911) no longer applies to modern-day workplaces. Modern workplaces are run as 'two-way traffic'. Employees' responsibilities and loyalty to their companies depends upon their management's commitments to them. Both employees and management are responsible for the quality of products/services in this employee empowered environment.

Deming's quality principles started from Walter Shewhart's continuous quality improvement chart, called the "Plan-do-check-act/adjust cycle". Bestowing the credit Shewhart deserved, Deming named his first quality measurement the "Shewhart's Cycle". Using the chart, Shewhart and Deming explained that by controlling quality, manufacturing companies can drastically reduce the amount of scrap. We believe that Shewhart's quality chart with two types of variations: *Special-cause variation* (unexpected defects) and *Common-cause variation* (expected defects) was the first breakthrough in the TQM system.

Juran furthered Shewhart's quality control by developing more tools and by writing the *Quality Control Handbook* in 1951. Deming's most notable models are known as the *Plan-Do-Study Act* (PDSA), *Plan-do-check-adjust*, and *The 14 Points*. His 14 Points consisted of all core values of total quality management implementation that many organizations are using even today. Feigenbaum's *Total Quality Control* (1951) was widely recognized, for which he received a prestigious National Medal for technological achievement from President Bush. Crosby's *Quality is Free* (1979) and zero-defect policy, and Harry's *Six Sigma: The Breakthrough Management Strategy Revolutionizing the World's Top Corporations* (1999) have helped companies increase their quality and productivity tremendously, not just in America but all over the world. As shown in Diagram 1, quality plays a pivotal role not only to compete in this very competitive world or meet customers' and shareholders' expectations, but also to reduce waste and produce more for the organization. Furthermore, organizations' success or failure depends on how their customers perceive their products/services. In this sense, customers justify the

existence of an organization. Therefore, it is vital for any organization to build an effective system by integrating both the HRM and TQM philosophies based on their customers perception of what quality is, not what the organization thinks it is.

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