

TOTAL QUALITY IN MANAGING HUMAN RESOURCES: AN APPROACH

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ABSTRACT

As the principles and practice of total quality management become pervasive in the private sector, a required core competency for practitioners and a necessary part of contemporary education in management there is increasing need for texts that focus on distinct applications of quality management.

*A focus on Quality in Managing Human Resources has emerged for a number of reasons. **First**, the ever-increasing complexity of the challenges facing organizations and the pace of change both signal the escalating pressure that will be brought to bear on human resource professionals to either play proactive, strategic partnership roles or be left behind as marginal contributors. **Second**, the challenge to develop a world-class work culture that integrates human resource quality and strategic concerns is imminent. A **third** reason for a focus on quality in managing human resources involves changing customer satisfaction standards.*

***Fourth**, the breaking of the psychological contract that used to exist between employer and employee has accelerated as international competition has promoted restructuring, downsizing, and rightsizing. **Fifth**, total quality is one way for human resource departments to provide input into the strategic options of an organization.*

Finally, in an era of limited growth both globally and domestically, organizations and human resource departments are being forced to do more with less. One effective way to respond to that challenge is for human resource professionals to become more familiar with total quality management and to review their policies and practices to ensure that the highest quality of services is being rendered and continuously improved to their external and internal customers.

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INTRODUCTION

As the principles and practice of total quality management become pervasive in the private sector, a required core competency for practitioners and a necessary part of contemporary education in management there is increasing need for texts that focus on distinct applications of quality management.

A focus on Quality in Managing Human Resources has emerged for a number of reasons.

First, the ever-increasing complexity of the challenges facing organizations and the pace of change both signal the escalating pressure that will be brought to bear on human resource professionals to either play proactive, strategic partnership roles or be left behind as marginal contributors.

Second, the challenge to develop a world-class work culture that integrates human resource quality and strategic concerns is imminent. Organization that cannot or will not develop the coordinated integration of strategic management, total quality, and human resource management will, in the long run or in the short run, become ineffective global competitors.

A **third** reason for a focus on quality in managing human resources involves changing customer satisfaction standards. Employees, as internal customers, are attracted, retained, and developed in part by the reputation and actual practices that companies engage in to nurture customer satisfaction inside the organization. External customers expect rapid customization of products and services and genuine responsiveness to their changing needs in order to sustain their purchasing commitment.

Fourth, the breaking of the psychological contract that used to exist between employer and employee has accelerated as international competition has promoted restructuring, downsizing, and rightsizing. This has led to a considerable amount of economic uncertainty, lack of security, and a regression to employee self-interest rather than organizational well-being. Total quality offers one way to address the issue of the ruptured psychological contract by providing incentives and practical ways to align individual and organizational interests, heal the wounds of downsizing survivors, and revitalize performance commitment without developing organizational codependence.

Fifth, total quality is one way for human resource departments to provide input into the strategic options of an organization. Human resource professionals are often criticized for focusing on narrow administrative responsibilities that implement strategy without providing direct strategic

input into options that would enhance the prospects of a business in the marketplace. Total quality offers the human resource function an opportunity to take a more proactive partnership role with senior management in all of its sub-functions, including quality recruitment, selection, socialization, training and development, compensation and benefits, and health, safety, and security of the organization.

Finally, in an era of limited growth both globally and domestically, organizations and human resource departments are being forced to do more with less. One effective way to respond to that challenge is for human resource professionals to become more familiar with total quality management and to review their policies and practices to ensure that the highest quality of services is being rendered and continuously improved to their external and internal customers.

CHARACTERISTICS OF SUCCESSFUL TQM COMPANIES

Continuous improvement is not a fad but a necessary part of management's obligation to properly run its company. Gone are the boom days when quality did not matter due to the volume of work available and the ease of obtaining work. The attitude of construction managers and contractors was simply to *add it to the bill, because the owner will pay for it*. In other words, in those boom days *Cost plus Profit equaled Price*. Now, however, the new attitude is *Price minus Cost equals Profit*. Owners are now demanding higher quality work, and at a lower cost. In attempting to keep pace with the new attitude, a quality management system that helps keep costs down is well worth implementing.

The characteristics that are common to companies that successfully implement TQM in their daily operations are listed here.

- ◆ Strive for owner/customer satisfaction and employee satisfaction
- ◆ Strive for accident-free jobsites
- ◆ Recognize that the owner/customer provides the revenue while the employees are responsible for the profit
- ◆ Recognize the need for measurement and fact-based decision making
- ◆ Arrange for employees to become involved in helping the company improve
- ◆ Train extensively
- ◆ Work hard at improving communication inside and outside the company
- ◆ Use teams of employees to improve processes

- ◆ Place a strong emphasis on the right kind of leadership, and provide supervisors with a significant amount of leadership training
- ◆ Involve subcontractors and suppliers, requiring them to adopt TQM
- ◆ Strive for **continuous** improvement

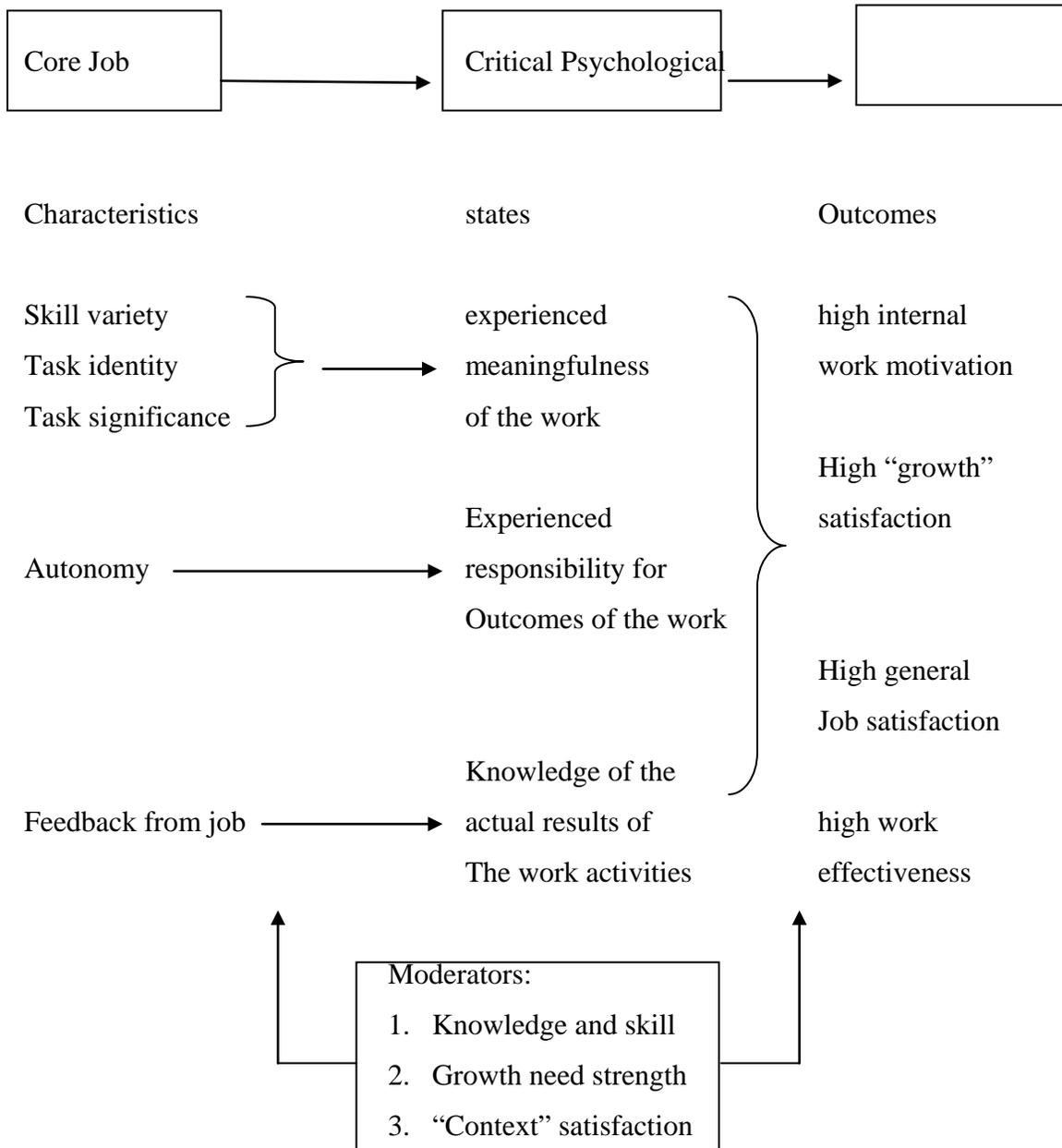
QUALITY PRINCIPLES THAT SUCCESSFUL TQM COMPANIES RECOGNIZE

The quality principles that successful TQM companies recognize and attempt to continually incorporate into their actions are the following:

- ◆ People will produce quality goods and services when the meaning of quality is expressed daily in their relations with their work, colleagues, and organization.
- ◆ Inspection of the *process* is as important as inspection of the *product*. Quality improvement can be achieved *by the workers closest to the process*.
- ◆ Each system with a certain degree of complexity has a *probability of variation*, which can be understood by scientific methods.
- ◆ Workers work *in* the system to improve the system; *managers work on the system to improve the system*.
- ◆ Total quality management is a strategic choice made by top management, and must be consistently *translated* into guidelines provided to the whole organization.
- ◆ Envision what you desire to be as an organization, but *start working from where you actually are*.
- ◆ Studies have indicated that people like working on a quality-managed jobsite especially due to the cleaner site and safer place to work.
- ◆ Accept the responsibility for quality. Establish datums for measurement.
- ◆ Use the principle of *get it right, the first time, every time*.
- ◆ Understand that quality is a journey, not a destination. It consists of steps that form a process that is continuous.

HACKMAN & OLDFHAM JOB CHARACTERISTICS MODEL

The Quality approach to managing human resources is deeply indebted to work of Hackman & Oldham.



The model identifies core job characteristics, critical psychological states and work outcomes to improve individual productivity and increase motivation. Quality is related in a primary or secondary sense to all five of the job characteristics of their model.

Quality of a product or service undoubtedly is benefited by a worker's dedicated application of skills, as enhanced by task identity and a feeling of task significance. More directly, quality of work is enhanced by a task design that incorporates autonomy and feedback relating to quality

characteristics. The key outcomes of high general job satisfaction and high work effectiveness can then be seen as results that propel continuous improvement at work.

In addition to individual job design, group work redesign based on sociotechnical principles and team dynamics indicates that employees benefit from working in groups that allow them to talk with each other about their work as they do it. It is important in managing human resources to recognize, especially in light of information technology networks, that employees need the opportunity to give and receive help as well as have their work recognized by others in the workplace.

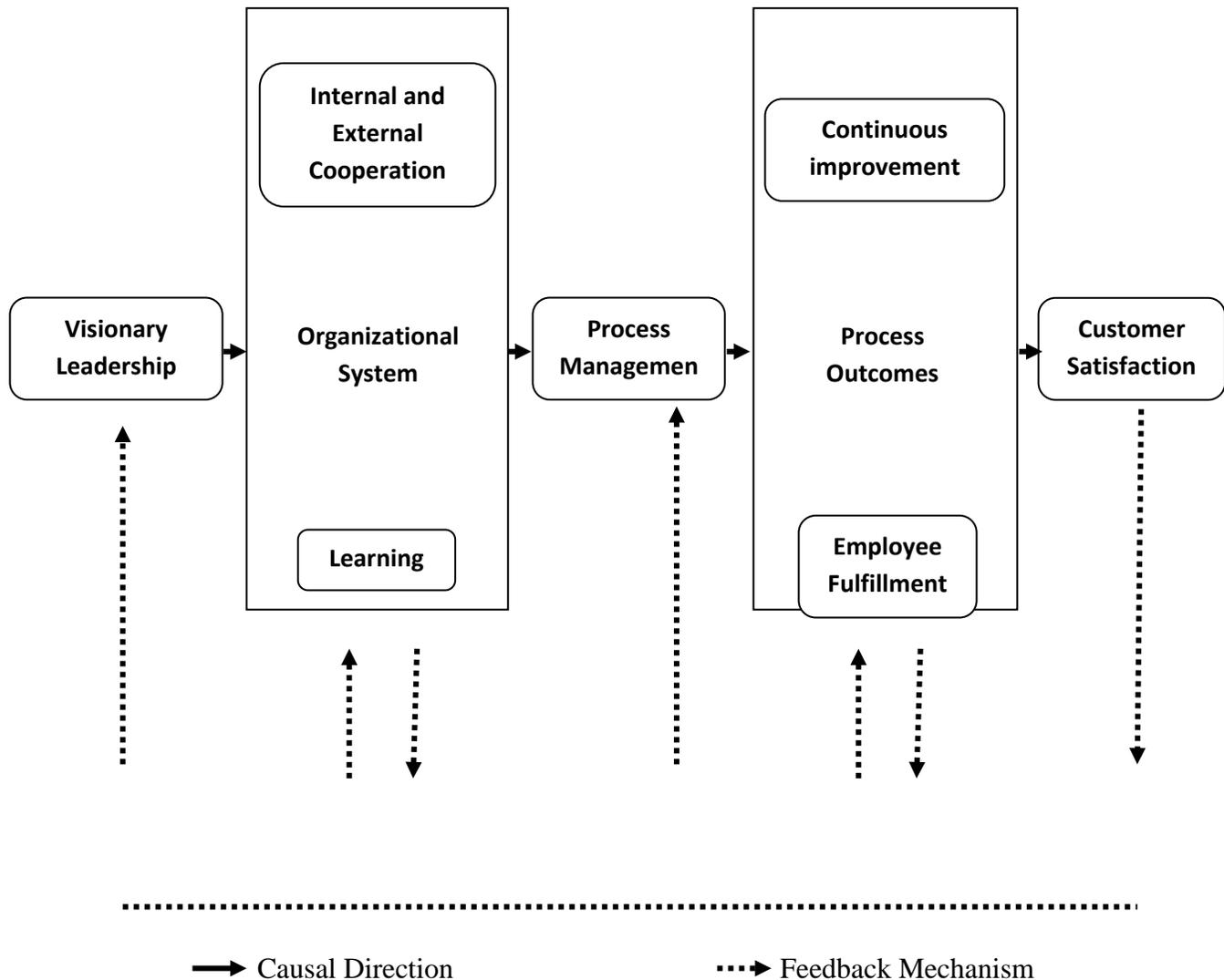
Team development as a HR responsibility has been emerging since teams have been identified as one of the best ways to integrate across structural organizational boundaries and to both design and energize core work processes. In fact, in many high-performing organizations, teams are surpassing individuals as the primary performance unit in the company.

Finally, linking individual, team, and work organization design changes has become essential as the pace of infrastructure changes to meet external competition has accelerated. Managing human resources entails familiarity with organizational change and development processes and the design of competitive organizational architecture arrangements to enhance competitive capability.

THEORETICAL MODEL OF TOTAL QUALITY MANAGEMENT

THE THEORETICAL ESSENCE OF THE Deming management method uncovers the creation of an organizational system that fosters cooperation and learning to facilitate the implementation of process management practices. This, in turn, leads to continuous improvement of processes, products, and services and to employee fulfillment, both of which are critical to customer satisfaction and, ultimately, survival. The relational diagram of the theoretical model and the key conceptual definitions that underlie the method are treated in this article.

The relational diagram of the theory of total quality management underlying the Deming management method is illustrated as follows:



The key concepts underlying the Deming management method are as follow:

Visionary leadership is the ability of management to establish, practice, and lead a long-term vision for the organization, driven by changing customer requirements, as opposed to internal management control role. It is exemplified by clarity of vision, long-range orientation, a coaching management style, participative change, employee empowerment, and planning and implementing organizational change.

Internal and external cooperation is the propensity of the organization to engage in noncompetitive activities internally among employees and externally with respect to suppliers. It is exemplified by firm-supplier partnership, single-supplier orientation, collaborative

organization, and teamwork, and organization-wide involvement, systems view of the organization, trust, and elimination of fear.

Learning is the organizational capability to recognize and nurture the development of skills, abilities, and knowledge base. It is exemplified by company-wide training, foundational knowledge, process knowledge, educational development, continuous self-improvement, and managerial learning.

Process management is the set of methodological and behavioral practices that emphasize the management of process, or means of actions, rather than results. It is exemplified by management of processes, prevention orientation, reduction of mass inspection, design quality, statistical process control, understanding variation, elimination of numerical quotas, elimination of management by objectives, elimination of merit-rating reward systems, understanding motivation, total cost accounting, and stable employment.

Continuous improvement is the propensity of an organization to pursue incremental and innovative improvements of its processes, products, and services. It is exemplified by continuous improvement.

Employee fulfillment is the degree to which employees of an organization feel that the organization continually satisfies their needs. It is exemplified by job satisfaction, job commitment, and pride of workmanship.

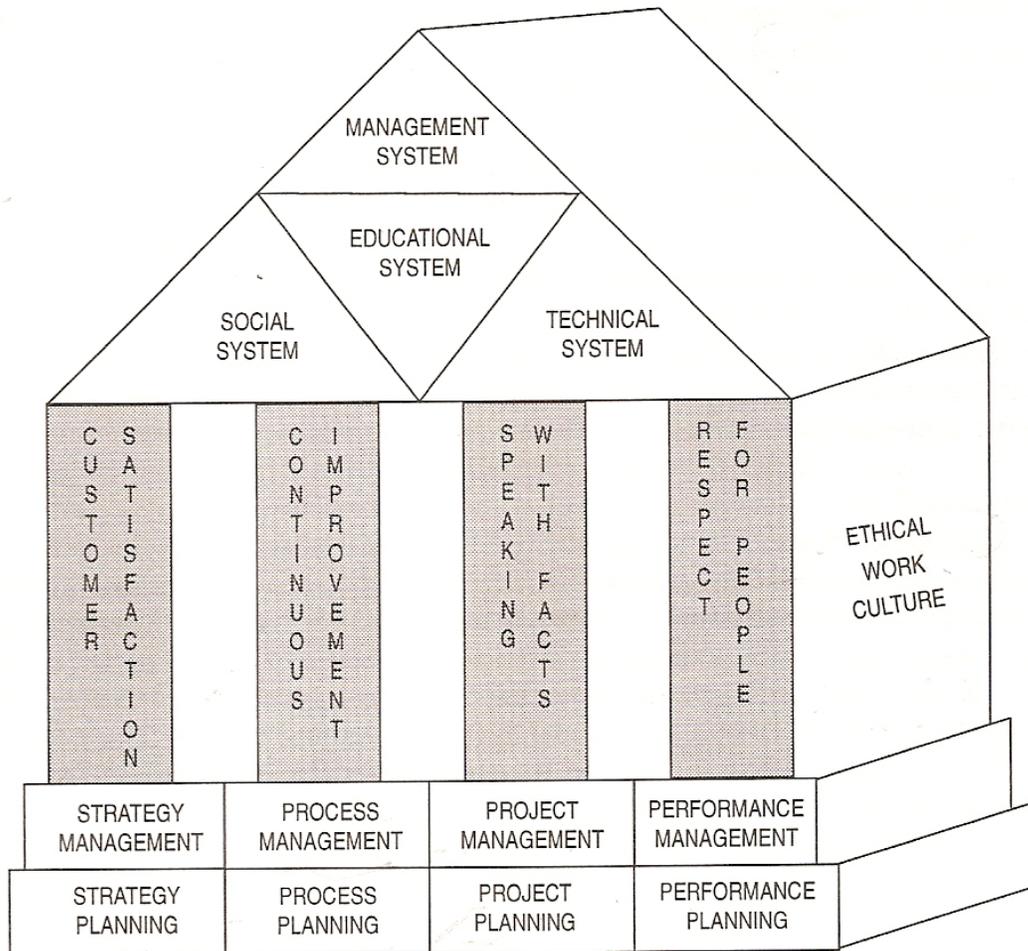
Customer satisfaction is the degree to which an organization's customers continually perceive that their needs are being met by the organization's products and services. It is exemplified by customer-driven focus.

The House of Total Quality: The Challenging Opportunity for Human Resources

The House of Total Quality consists of six components,

- 1) The roof or superstructure of four organizational subsystems within which the actual work of any organization takes place :the management, social, technical, and educational subsystems;
- 2) The four pillars of quality : customer satisfaction, continuous improvement, speaking with facts, and respect for people;
- 3) The four foundations : strategy management, process management, project management, and performance management;

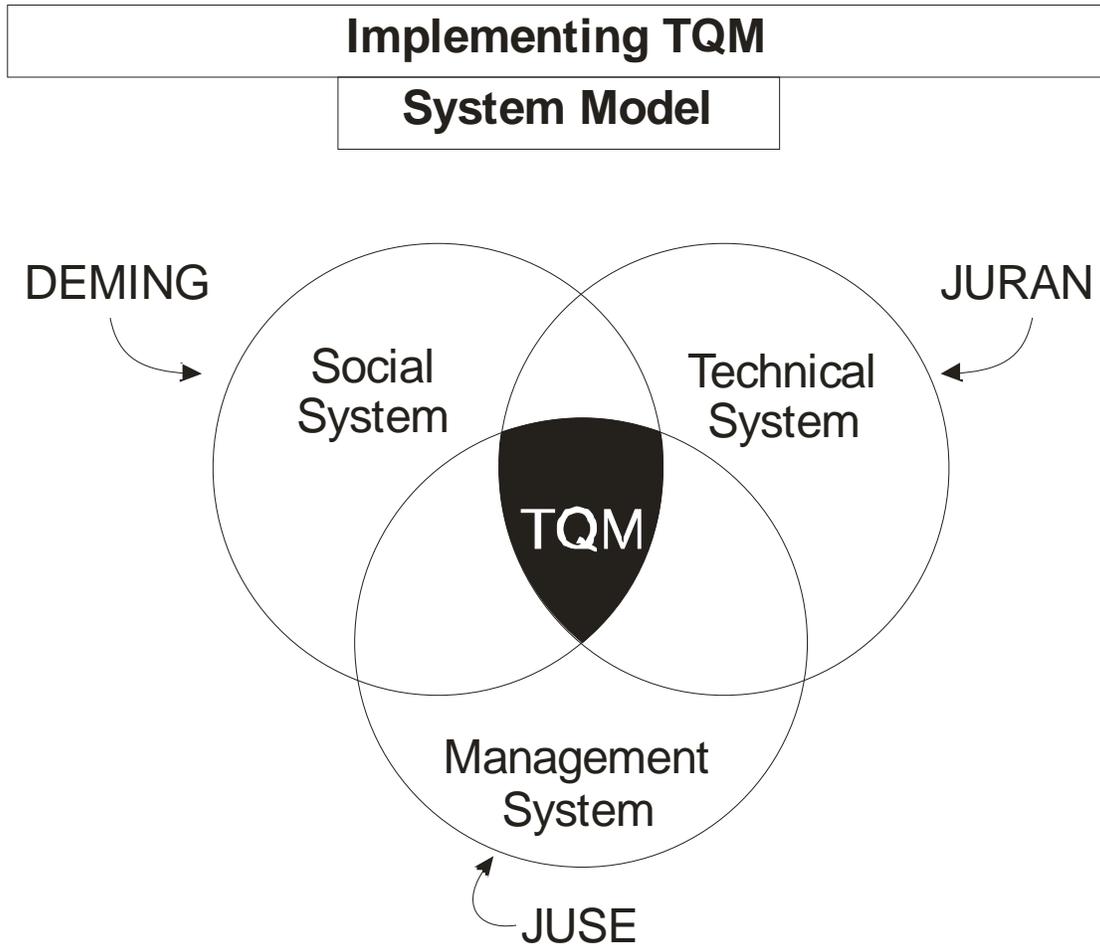
- 4) The four cornerstones : strategic planning, process planning, project planning, and performance planning;
- 5) The mortar of deployment between the joints of the roof, the pillars, the foundations and the cornerstones; and
- 6) The ethical work culture.



The House of Total Quality

The roof or superstructure of the House of Total Quality includes a system composed of four subsystems: social, technical, educational, and managerial. Their interdependencies are depicted in the three interlocking circles of the ballantine. Successful implementation of total quality and continuous improvement efforts requires the redefinition of HRM to recognize the importance of

systems. Deming states: “The people work in a system. The job of the manager is to work on the system, to improve it continuously, with their help.” Within the House of Total Quality, the HR Manager must work on the four subsystems.



The Subsystem Roof of the House of Total Quality.

The roof and four pillars of the House of Total Quality rest upon the four cornerstones of planning and the four foundations of management that relate to strategies, processes, projects, and performance.

The cornerstone of the first pillar of customer satisfaction is strategy planning. Strategy planning is the process of environmental analysis and strategy formulation to determine an organization’s future directional stability. It is most effectively conducted as an interactive, participative, focus

design process that enhances the adequacy, increases the accuracy, and generates the commitment of organizational stakeholders.

The foundation of the first pillar is strategy management. Strategy management is the process of strategic plan implementation, evaluation, and control to develop competitive advantage and to ensure a favorable organizational future.

The cornerstone of the second pillar of continuous improvement is process planning. Process planning is the step which assures that all key processes work in harmony with the mission and meet the needs and expectations of the constituents or customers by maximizing operational effectiveness.

The foundation of the second pillar is process management. Process management is the coordination and implementation of measured, streamlined, and controlled processes to continually improve operations.

The cornerstone of the third pillar of speaking with facts is project planning. Project planning is the establishment of a system to effectively plan, organize, implement, and control all activities needed for successful completion of project initiatives.

The foundation of the third pillar is project management. Project management is the implementation and control of a single, nonrecurring event that activates organizational change through structured phases and specified outcomes and requires teamwork for successful completion.

The cornerstones of the fourth pillar of respect for people is performance planning. Personal performance planning is the process that provides all employees with the means to implement continuous improvement of the preceding processes and systems through completion of individual tasks and activities.

The foundation of the fourth pillar is performance management. Performance management is the implementation and control of respectful regard of oneself and others in line with total quality strategies, processes and projects.

The outcomes of the cornerstones and foundations of the House of Total Quality are its four pillars: customer satisfaction, continuous improvement, speaking with facts, and respect for people. The first pillar, customer satisfaction, is the successful fulfillment of customer

expectations over time, which provides strategic direction, organizational identity, and prioritized objectives for the total quality firm.

The second pillar, continuous improvement, is both a commitment and a process to design and implement an operational system that responds to the voices of internal and external customers.

The third pillar, speaking with facts, is the result of an organization's providing resources and methods to determine what is factually true and structuring itself to ensure that its members can safely give voice to the truth.

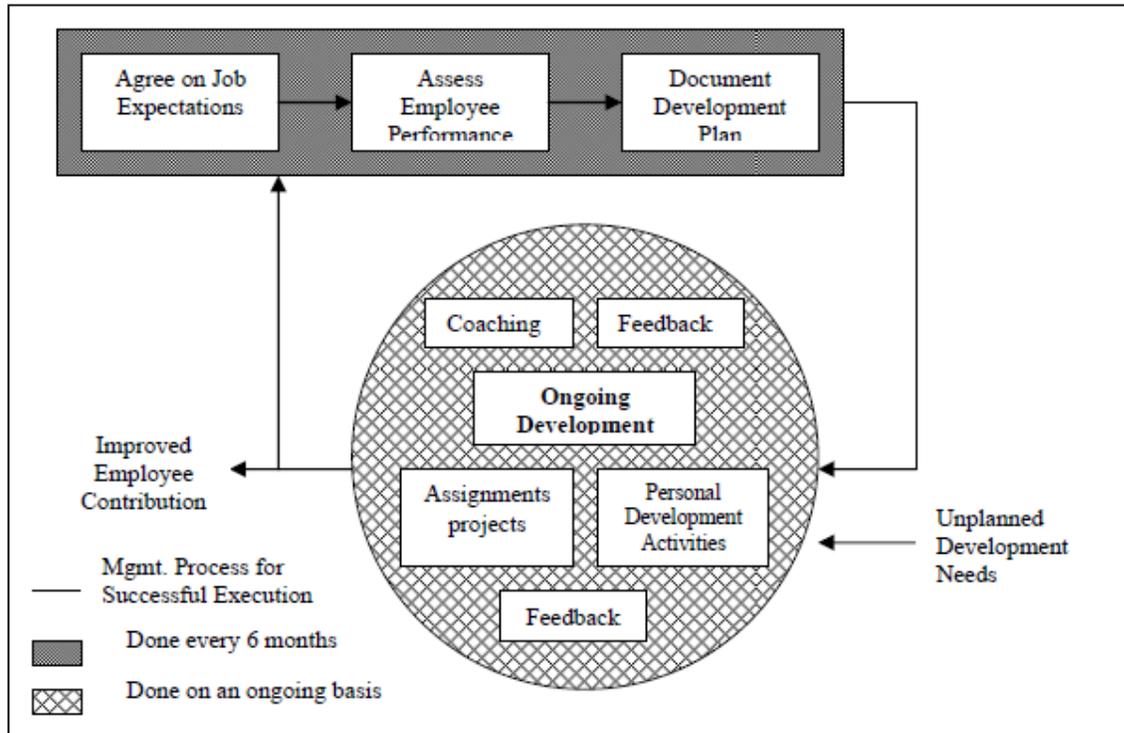
The fourth pillar, respect for people, is the positive regard for others and oneself that enables and sustains personal commitment to total quality.

Finally, the glue of deployment bonds the roof, pillars, foundations, and cornerstones of the House of Total Quality. Deployment is the interactive process of participation and feedback that builds a sense of ownership and commitment to the expansion of the House of Total Quality, both domestically and internationally.

The House of Total Quality model incorporates the quality principles of Deming and the Baldrige criteria. Its comprehensiveness provides an excellent structure to explore the relations between total quality and HRM.

TQHRM IN ACTION

Eastman Chemical Company is an excellent example of TQHRM in action. Eastman Chemical designed an "employee development system" for employee development and coaching to replace its traditional performance appraisal system. Table 2 shows the new process.



In addition to the employee development system, Eastman Chemical was successful in implementing an empowered management system to aid in the successful management of employees in an empowered environment. Eastman Chemical identified the specific changes that needed to be made to its traditional human resources management style in order to implement TQHRM. They then set up guidelines and training programs to ensure that these changes were made.

Comparison of the House of Total Quality with the Baldrige Categories and Deming Principles

House of Total Quality	Baldrige Categories	Deming Principles
THE ROOF		
Management System 1. Systems, processes 2. Leadership 3. Strategy 4. Mission, vision, values	2. Leadership 3. Strategic quality planning • Long-range planning	1. Create constancy of purpose 2. Adopt the new philosophy 7. Institute leadership.
Social System 1. Structure 2. Social norms 3. Teams 4. Organizational personality	• Employee development • Partnership development • Cross-functional teams	• Hierarchic style of management must change • Transformation can only be accomplished by people, not hardware.
Technical System 1. Work processes 2. Job descriptions 3. Problem-solving tools 4. Decision making 6. Measurement tools	5. Management of process quality • Reduce cycle time • Design quality	9. Break down departmental barriers • Statistical measurement
Educational System 1. Lifelong learning 2. Retraining	4. Human resource development and management • Employee participation and development	• Continual learning 6. Institute training on the job
THE PILLARS		
Customer satisfaction	7. Customer focus and satisfaction	• Aim quality at the needs of the customer, present and future.

Continuous improvement	2. Information and analysis 5. Management of process quality 6. Quality and operational results	3. Cease dependence on mall inspection
Speak with facts	2. Information and analysis • Management by fact	• In God we trust; all others bring facts • Statistical measurement
Respect for people	4. Human resource development and management • Employee participation and development.	14. Involve everyone in the transformational process. 10. Eliminate slogans and targets 11. Eliminate numerical quotas 12. Remove barriers to worker's pride
ETHICAL WORK CULTURE		
Ethical work culture	1. Leadership 4. Human resource development and management • Manage for orgn integrity	8. Drive out fear • Create and maintain system integrity

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