TOTAL QUALITY MANAGEMENT AND BUSINESS PROCESS REENGINEERING: A CONTEMPORARY BUSINESS FOCUS

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Abstract

The purpose of the study is to compare and contrast the two approaches of total quality management (TQM) and business process reengineering (BPR). This exploratory study focuses on the core areas, assumptions and scope pertinent to both TQM and BPR. Even though the two approaches focus on performance, organizational effectiveness and efficiency, the practical usage and approaches differ. The key drivers of the two dimensions provide futurists with a guide not to obliterate its salience in today's competitive business organizations. The article examines each approach and acknowledges the potential benefits in situation-specific circumstances and encounters. Certainly, the practices differ, and with a contingency focus, the study probes into salient features of TQM and BPR, hence enriching the study to speculate about the future in order to create an efficacious effect. Lastly, the study attempts to determine whether one approach has the potential to outshadow the other.

Keywords: Continuous Improvement, Customer Focus, Radical Approach, Redesign, Process Improvement

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Introduction

With the domestic and international markets being pressurized to take quantum leaps to shift priorities and create higher performance, companies are compelled to move into new domains and orchestrate their business activities effectively. In a new world of business operations, companies need to pay attention to total quality management (TQM) and business process reengineering (BPR). TQM tends to focus on changes and programs that require incremental work process improvement, and reengineering proponents look for fundamental redesign and vigorous process improvement within a time period (Davenport, 1993; Dale, 2003). Many scholars view BPR as a radical approach, that challenges traditional structure such as specialization in tasks (Moylan, 1993 cited in Mullins, 2002). Leaders need to understand and lead systems or else organizations and communities will be unsteady and face survival issues (Scholtes, 1997). The study provides a distinction with the dimensions of TQM and BPR and looks at the benefits of coalescing the concepts in twenty first century organizations.

Many companies look forward to achieve outcomes on a large scale. Without sidelining any of the two approaches, the study provides foundations with a contingency focus so that futurists can manage large scale transformation and change initiatives. Each of the dimensions of TQM and BPR provide profound knowledge and solution building ideas that are germane to the context in which it is used.

Total Quality Management

TQM, a philosophy and guiding principles is the co-operation of people and processes to produce products and services with the aim of meeting and exceeding customer needs and expectations, amongst others. An alignment between product features and products free from deficiencies is needed, and meeting customer expectations is Juran's strong viewpoint (Suarez, 1992). Quality as a "concept of excellence runs throughout all aspects of work and life and TQM is compromised if quality of life (which encompasses quality of work life) is not addressed" (Steenkamp & van Schoor, 2002, p.147). Customer perceived service quality is considered one of the main determinants of business performance (Sureshchandar, Rajendran & Anantharaman, 2002), and organizations need to define service strategies taking cognizance of internal and external encounters and to avoid shortfalls in service quality (Dale, 2003). The four principles of delighting the customer, management by fact, people-based management, and continuous improvement are flanked by core concepts, such as, customer satisfaction, internal customers, measurement, teamwork, improvement cycle and prevention (Kanji, Kristensen, & Dahlgaard, 1995).

The TQM approach, even with its strategic intent allows organisations to be effective and efficient (Schultz, Bagraim, Potgieter, Viedge & Werner, 2003) and places strong emphasis on collaborations for process improvement and ultimate customer satisfaction. Customers judge both products and services and will favour the ones that reach high standards (Anyamele, 2005). TQM achieves efficiency by doing things right the first time in order to 'eliminate costly rework'. TQM is a philosophy that provides a practical context for managing people" (Schultz et al., 2003), including its primary objective to delight customer needs and satisfaction. Writers have proven that TQM is an ideal approach for success in manufacturing, services, and the public sector, but TQM efforts did fail due to poor management, and ineffective work methods, amongst others. Successful organizations emerge from the performance of effective managerial leaders.

Quality that is world-class is the 'unique destination' (Davies, 2001, p. 22). The quality experts' proposition reflect that "quality is a universal value, something that can be measured, controlled, planned and mustered via various technical or managerial methods and techniques" (Kelemen, 2003, p. 38). Quality begins in functional departments, and not in quality departments, as the functional departments are responsible for problems. The quality department should "measure conformance, report results, and lead the drive to develop a positive attitude toward quality improvement" (Evans, 2005, p. 30). Deming's work and his fourteen principles were highly influential on TQM establishment and development (Mullins, 2002). The European Foundation for Quality Management Model, the Malcolm Baldrige Criteria for Excellence and Six Sigma enhances further insight and knowledge for managerial leaders. Organisations have tested various tools, such as business process reengineering, Kaizen, ISO: 9000, and Six Sigma, amongst others (Thawani, 2004). Over the last 50 years, statistical process control (SPC) and many other "technical methods and behavioural concepts were brought together and termed TQM" (Rahman, 2004, p. 417).

Quality consumes numerous definitions, but it offers fertile material institution-wide. By tailoring the organisation to customer requirements, managers need to hone their focus onto quality and performance standards. Research indicates that quality is still the main competitive concern of chief executive officers (Foster, 2004). The resultant effect is the creation of new markets, change and continuous improvement. The trigger factors in the improvement process include one or more of the chief executive, competition, customers that are demanding, and 'fresh start situations' (Lascelles & Dale, 1989 cited in Dale, 2003). The advantages of TQM are its long-term benefits of higher productivity, cost reduction, and greater customer commitment, amongst others. Its disadvantages are that long-term plans of TQM "may limit an organization's flexibility and agility" and that TQM "calls for organizational change, it does not demand radical organizational reform", amongst others (Internet 1, p. 7).

Business Process Reengineering

Reengineering is a rethink, reinvention and radical redesign of business processes to achieve significant and dramatic improvements in performance measures. It provides a transformation with goods and services. The reengineering process includes four steps, that is, to "identify the process to be reengineered, understand the process, redesign the process, and implement the new process" (Noe, Hollenbeck, Gerhart & Wright, 2008, p. 710). Hammer and Champy (1994) advocated that old systems be replaced by innovative and effective processes. Reengineering evaluates how an organization does business by focusing on the core processes. BPR makes use of work flow analysis in order to identify jobs that can be removed or recombined in order to improve organizational performance. Often, these measures refer to quality and service.

The focus of BPR is to make improvements on product development, including customer service and service delivery, training workers to do 'more than one job', and reorganizing operations to speed processes (Grobler, Warnich, Carrell, Elbert & Hatfield, 2006, p. 142). BPR is often used by organizations to cut costs and to make profits again. Advocates have associated BPR with hazards, problems and quick fixes, yet many organizations are ready to experiment with BPR in order to succeed. With delays in responding to rapid changes in organizations, reengineering addresses problems by integrating work processes and this streamlining makes them quicker and hence more responsive to changes in competition (Cummings & Worley, 2009). Also, the success of reengineering require an 'almost revolutionary change' in the way organizations design their structures. With reengineering altering the status quo, it leans toward producing dramatic increases in organizational performance (Cummings & Worley, 2009). Many writers have indicated that BPR was radical, revolutionary and a 'one-time undertaking' (Zairi & Sinclair, 1995; Hung, 2006 cited in Niehaves, 2010).

Although reengineering and downsizing may have different 'applied backgrounds', they overlap. Reengineering can result in "production and delivery processes that require fewer people and fewer layers of management' (Cummings & Worley, 2009). On the contrary, downsizing may need reengineering interventions. With reengineering, "the focus on work processes helps to break down the vertical orientation of functional and divisional organizations" (Cummings & Worley, 2009, p. 341). There is identification and assessment of core business processes and redesigning of work to account for

'task interdependencies', and the result is new jobs or teams that emphasize "multifunctional tasks, results oriented feedback, and employee empowerment" (Cummings & Worley, 2009, p. 341).

Reengineering efforts prepare the organization by clarifying and assessing the organization's context, competition, strategy and objectives; to rethink the manner in which work gets done by identifying and analyzing core business processes, defining performance objectives and designing new processes; and restructuring the organization with the new business processes (Cummings & Worley, 2009).

BPR needs top management support. Based on interviews with BPR consultants, Bashein, Markus and Riley (1994) indicate senior management commitment and sponsorship, empowered workers, shared vision and sound management practices, amongst others, as 'positive preconditions for BPR success'. Employees may embrace BPR with enthusiasm or may have doubts toward the latter stages of its implementation. With the radical implementation of BPR managers are then forced to act as guides and staff may lose their jobs. For lasting results, companies need to focus on reengineering, strategy and processes. Critics and scholars have noted that some reengineering projects fail to meet goals and create disruptions and disharmony by layoffs. However, failures of reengineering are inclined to the process of being seen as applied at a tactical level, instead of a strategic level (King, 1994). Reengineering can deliver 'radical designs' and there is no promise of a 'revolutionary approach to change' (Hammer, 1990). Also, considering the risk and cost relating to revolutionary tactics a revolutionary change process may not be practicable.

A five-step approach to BPR (Davenport & Short, 1990) includes the following: to develop a business vision which indicates cost reduction, quality improvement and time reduction; to identify the processes that need to be redesigned as the high impact approach is used by most firms with focus on important processes and the exhaustive approach tries to identify all organizational processes and thereafter prioritize with redesign urgency; understand and measure the current process, that is, to avoid repeating of old mistakes and to provide a 'baseline for future improvements'; to identify IT levers; and to design and build a prototype, hence aligning the BPR with 'quick delivery of results', amongst others.

Furthermore, the imperative strategic dimensions to BPR include prioritizing objectives, defining the process structure and assumptions, and identifying new product and market opportunities. The success factors of BPR is dependent on those who do it, including the motivating factor to be creative and to apply their knowledge to business process redesign (King, 1994). In the early 1990's reengineering evolved from a 'radical change' to account for the contextual realism (Caron, Jarvenpaa & Stoddard, 1994)) and to reconcile with process change such as TQM. Earl, Sampler and Short (1995) proposed an alignment model that comprises 'four lenses of enquiry, that is, process, strategy, management information systems, and change management and control which was used for the development of an 'inductive taxonomy of BPR strategies'.

According to Cummings and Worley (2009), 'industry journals and the business press' continuously reflect 'dramatic business outcomes' which are attributed to reengineering. In an evaluation of more than a hundred companies' efforts, reengineering "key value-added processes significantly affected total business unit costs; reengineering narrow business processes did not" (Cummings & Worley, 2009, p. 346). In addition, with a survey of 23 reengineering cases the indications was that they were characterized by vision, goals for change, the utilization of information technology, top management commitment, clear measurements and training of participants in teamwork, amongst others (Cummings & Worley, 2009).

BPR demands thinking laterally to achieve effectiveness (Harvey & Millett, 1999). Although criticisms are evident with BPR, it removes bureaucracy and increases efficiency (Mumford & Hendricks, 1996 cited in Harvey & Millett, 1999). According to O'Neill and Sohal (1997, cited in Harvey & Millett, 1999) research outlines that eighty percent of companies that implement BPR are satisfied with the outcomes. Hence, BPR is redesigning organizational processes for dramatic improvement in performance which includes cost, quality, service and speed (Hammer & Champy, 1994). BPR may be more appropriate for those companies that seek drastic changes, with problems, and nearing 'bankruptcy' (Millet & Harvey, 1999).

Contrast: TQM and BPR

An increasing awareness to business processes is due to TQM (Teng et al. 1994 cited in Internet 2). The authors opine that TQM and BPR share a 'cross-functional orientation'. Davenport's (1993) view is that quality specialists are inclined to concentrate on 'incremental change' and 'gradual improvement of processes' whereas reengineering proponents look toward radical redesign and improvement of processes in a drastic way. TQM refers to 'programs and initiatives' that place emphasis on incremental improvement with regard to work processes and outputs extending over an 'open-ended' time period (Davenport, 1993). On the other hand, reengineering or business process redesign refers to 'discrete initiatives' with the intention to achieve "radically redesigned and improved work processes in a bounded time frame" (Davenport 1993 cited in Internet 2). Davenport (1993) contrasts the key points with the two concepts. Firstly, with TQM the level of change is incremental and the risk is moderate. On the

contrary, BPR is radical and risk is high. Furthermore, with participation TQM is bottom-up, and BPR takes a top-down approach (Davenport, 1993).

Dale (2003) asserts that continuous improvement should be first and should provide the basis for change and improvements of BPR, without losing sight that TQM also fosters 'breakthrough improvements'. Tools and techniques used in continuous improvement are used in BPR projects; and many principles and practices of BPR are similar to those which "underpin TQM". Both TQM and BPR have common areas. BPR focuses on achieving gains in performance (Mullins, 2002). Unlike other techniques, BPR is powerful and it is recommended for organizations that need an awakening (Stewart, 1993). TQM relies on "teamwork, participation and commitment"; whereas with BPR, more radical needs to be driven maybe initially by top management (Mullins, 2002, p. 868). Some suggestions are that "TQM has been taken over by BPR, although others argue that it can be seen as complementary to, and/or a forerunner for BPR" (Mullins, 2002, p. 868).

TQM and BPR are essential elements of organizational change strategies for the future. Radical change seems to be understood, whereas TQM appears to be an essential competitive necessity. On the contrary, Harrington (1995) and Kelada (1995, cited in Dale 2003, p. 442) view TQM and BPR "as complementary and integral approaches" instead of its opposing view to each other. Although BPR and TQM share the same focus in improving organizational processes, TQM is viewed as an 'incremental, evolutionary approach' concentrating on continuous improvement (Zairi & Sinclair, 1995; Hung, 2006 cited in Niehaves, 2010). However, writers engaged with BPR reflect that both BPR and TQM must complement each other and be integral parts of a process-oriented strategic management system (Harrison & Pratt, 1992; Davenport, 1993; Zairi & Sinclair, 1995; De Bruyn & Gelders, 1997 cited in Niehaves, 2010). With TQM, the learning process is single or double loop, whereas with BPR it is double loop (Cummings & Worley, 1997 cited in Millett & Harvey, 1999). Improvement is much broader with BPR, whereas TQM focuses on quality. Sohal (1997, cited in Millett & Harvey, 1999) found that the 'catalysts' for improving BPR in Australian companies were 'competitive pressures' and a need for intense cost cutting.

Conclusion

For effective organizations, systems and processes need to be combined into an organization's culture and processes. The double-loop learning is fundamental for successfully implementing TQM and BPR as they are linked to large-scale change with a rethink to current systems and processes (Millet & Harvey, 1999). There is justification for investigating the two critical areas of TQM and BPR as the fluctuating markets are dictating striving organizations to stay abreast of competition. The transformation to higher levels of accomplishment is the goal in today's organizations. Similar studies should be undertaken to map out the outcomes and usefulness of TQM and BPR, and determine which should be used in organizations. Both TQM and BPR are approaches that can equip managerial leaders to rethink the way work is conducted in order to steer their organizations in the right direction.

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